

**FORM
INSP**Rev
X/15**State of Colorado
Oil and Gas Conservation Commission**1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109

Inspection Date:

06/29/2018

Submitted Date:

07/02/2018

Document Number:

690100611**FIELD INSPECTION FORM**
 Loc ID 159601 Inspector Name: Maclaren, Joe On-Site Inspection ☐ 2A Doc Num:
Operator Information:OGCC Operator Number: 10373Name of Operator: NGL WATER SOLUTIONS DJ LLCAddress: 3773 CHERRY CRK NORTH DR #1000City: DENVER State: CO Zip: 80209**Status Summary:**

- ☐ THIS IS A FOLLOW UP INSPECTION
- ☐ FOLLOW UP INSPECTION REQUIRED
- ☐ NO FOLLOW UP INSPECTION REQUIRED

Findings:2 Number of Comments1 Number of Corrective Actions☒ Corrective Action Response Requested**Contact Information:**

| Contact Name | Phone | Email | Comment |
|--------------------|--------------|-------------------------------|---------|
| Hamblen, Josh | 970-218-1739 | josh.hamblen@nglep.com | |
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| Koehler, Bob | | bob.koehler@state.co.us | |
| Schlagenhauf, Mark | | mark.schlagenhauf@state.co.us | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|--------------|--------|-------------|------------|-----------|------------------|-------------|
| 159600 | WELL | IJ | 05/02/2015 | DSPW | 123-40968 | NGL C6A | EG |
| 159967 | UIC DISPOSAL | AC | 05/01/2015 | DSPW | - | NGL FACILITY C6A | EG |

General Comment:

Engineering integrity inspection performed on June 29th, 2018 in response to initial form 19 spill report Doc #401688328 received by COGCC on 06/28/2018 that outlines: Around 4:40am there was a structural failure in the riser for the flowline to the C6A well. The flowline was being operated at normal operating pressure - around 1800 psi. The flowline was immediately turned off for repair. This spill was outside containment. Total of no more than 30 bbls released during this spill. Replacing risers to make sure this doesn't happen again. Details of Actions Required identified during this field inspection are available in the flowline section of this report. Photos uploaded can be accessed via link at end of report.

Inspected Facilities

Facility ID: 159600 Type: WELL API Number: 123-40968 Status: IJ Insp. Status: EG

Facility ID: 159967 Type: UIC API Number: - Status: AC Insp. Status: EG

Flowline

| | | |
|----|-----------------|------------|
| #1 | Type: Well Site | 1 of Lines |
|----|-----------------|------------|

Flowline Description

Flowline Type: Well Site Size: 6" Material:
 Variance: No Age: 1-5 Yrs Contents: Produced Water

Integrity Summary

Failures: Other Spills: Yes Repairs Made:
 Coatings: H2S: No Cathodic Protection:

Pressure Testing

Witnessed: Test Result: Charted:

COGCC Rules(check all that apply)

☐ 1101. Installation and Reclamation ☒ 1102. Operations, Maintenance, and Repair ☐ 1103. Abandonment

Comment: COGCC Inspector met with met with NGL Water Solutions Facility Operator Alex Alderado on location. The produced water spill occurred at or near a flange connection on the flowline riser located adjacent to the west end of the injection pump building (approximately 2100 linear feet east of the C6A Injection well). The flange assembly appears to connect the (fiberglass/or composite) flowline to carbon steel piping; routed to the discharge of the injection pump inside the pump building. The actual flowline material could not be confirmed while on site. It is unclear what caused the flowline riser/ flange assembly to fail. Based on the flow chart operating at the time of failure, the injection pressure did not exceed 1700 psi; the MAOP for this well/ facility is 2250 psi. This well was spud in January, 2015. The produced water from the spill migrated and pooled at the east end of location. Cleanup and remediation activities are currently in progress.

Corrective Action: Provide COGCC engineering integrity group with a written description (email) of the following:
 a) Root cause of failure resulting in the spill (3rd party analysis as needed)
 b) Description of flowline repairs completed as a result of this failure (flowline riser/ flange repairs and or replacements)
 c) Measures taken to prevent a reoccurrence (at this facility and/ or other facilities)
 d) Schedule of upcoming flowline repair/ replacement work to be completed; and post repair flowline pressure testing schedule.
 d) Post repair flowline pressure testing chart/ data (Pressure test flowline prior to returning to IJ)

Please email information to COGCC Integrity Inspector at joe.maclaren@state.co.us
 Add information obtained to the corrective actions section of the supplemental form 19

Date: 08/20/2018

Attached Documents

You can go to COGCC Images (<https://cogcc.state.co.us/weblink/>) and search by document number:

| Document Num | Description | URL |
|--------------|-------------|---|
| 690100623 | Photo Log | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4512472 |