

**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:

08/21/2018

Submitted Date:

08/23/2018

Document Number:

693200002

FIELD INSPECTION FORM

Loc ID 413476 Inspector Name: Murray, Richard On-Site Inspection 2A Doc Num: _____

Status Summary:

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

Operator Information:

OGCC Operator Number: 10456
Name of Operator: CAERUS PICEANCE LLC
Address: 1001 17TH STREET #1600
City: DENVER State: CO Zip: 80202

Findings:

- 5 Number of Comments
- 2 Number of Corrective Actions
- Corrective Action Response Requested

Contact Information:

Contact Name	Phone	Email	Comment
Schlagenhauf, Mark		mark.schlagenhauf@state.co.us	
McKee, Michael		COGCC.inspections@caerusoilandgas.com	All Piceance inspections
Elsener, Garrett		COGCC.inspections@caerusoilandgas.com	All Piceance inspections
Arauzo, Steven		steven.arauza@state.co.us	
MacLaren, Joe		joe.maclaren@state.co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
456039	SPILL OR RELEASE	AC	07/20/2018		-	SPILL/RELEASE POINT	AC

General Comment:

[Joint inspection with Steven Arauzo and Richard Murray,](#)

[Engineering integrity inspection performed on August 20 and 22nd, 2018. In response to initial form 19 spill report Doc # 401732748 received by COGCC on 08/14/2018 that outlines: A dump line failed between the separator and tank battery. The dump line was isolated and free-standing fluids were recovered by a vac truck. A subsurface investigation is underway](#)

Inspected Facilities

Facility ID: 456039 Type: SPILL OR API Number: - Status: AC Insp. Status: AC

Flowline

#1	Type: Dump Line	of Lines
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Flowline Description

Flowline Type: Dump Line Size: 2" Material: Carbon Steel
 Variance: Age: 1-5 Yrs Contents: Condensate

Integrity Summary

Failures: Internal Corrosion Spills: Yes Repairs Made: No
 Coatings: Yes External H2S: No Cathodic Protection: Yes

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 Inspectors met with the URSA personal on site. (1) 2" Carbon steel flowline that failed was a condensate dump line between separators and tank battery. Operator explained leak was caused by internal corrosion hole. Cathodic protection was and is in place. Operator will be replacing dump lines and manifolds. Operator at this time is evaluating pipe and cathodic protection plans.

Corrective Action: : Email information outlined below to COGCC Inspector and update supplemental form 19 to include the following: *measures taken to prevent the problem from reoccurring
 1104.c. Integrity Management for Below-ground Dump Lines. An operator must verify integrity of below-ground dump lines by performing an annual static-head test and a monthly audio, visual, olfactory (AVO) detection survey of the entire line.

Date: 09/21/2018

#2	Type: Process Piping	of Lines
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Flowline Description

Flowline Type: Process Piping Size: 2" Material: Poly
 Variance: No Age: 1-5 Yrs Contents: Other

Integrity Summary

Failures: Spills: Repairs Made:
 Coatings: H2S: 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: 5 Flowline risers observed during inspection. 3 at separators 1 at tank battery and 1 at wellhead. Photo's uploaded can be accessed via link(s) at the end of report.

Corrective Action: unused , unmarked flowline risers 24 hrs to lock out tag out. 30 days to remove riser. Comply with Rule 603.f .

Date: 09/21/2018

Attached Documents

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

Document Num	Description	URL
401747404	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4564893
693200005	Caerus	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4564890