

**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:

01/11/2019

Submitted Date:

01/14/2019

Document Number:

693200210

FIELD INSPECTION FORM
 Loc ID 312691 Inspector Name: Murray, Richard On-Site Inspection ☐ 2A Doc Num:
Operator Information:

OGCC Operator Number: 10456

Name of Operator: CAERUS PICEANCE LLC

Address: 1001 17TH STREET #1600

City: DENVER State: CO Zip: 80202

Status Summary:

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

Findings:

3 Number of Comments

1 Number of Corrective Actions

☒ Corrective Action Response Requested**ANY CORRECTIVE ACTION(S) FROM
PREVIOUS INSPECTIONS THAT HAVE NOT
BEEN ADDRESSED ARE STILL APPLICABLE****Contact Information:**

Contact Name	Phone	Email	Comment
Arauz, Steven		steven.arauza@state.co.us	
Schlagenhauf, Mark		mark.schlagenhauf@state.co.us	
McKee, Michael		COGCC.inspections@caerusoilandgas.com	All Piceance inspections
Fischer, Alex		alex.fischer@state.co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
271694	WELL	IJ	10/01/2018	DSPW	077-08801	ORCHARD FEDERAL DISPOSAL 1	EG

General Comment:

Engineering Integrity Inspection performed on January 14, 2019. In response to initial form 19 spill report Doc #401894320

At the time of inspection operator had exposed flowline and found 2 pin holes. Pin holes were on top of pipe in the 12 o'clock position. (see photo).

Witnessed Camera tool running down Flowline. No other pitting observed

Operator made repairs and replaced Flowline with 1 piece of pipe and performed a 30-minute pressure test.

Flowline was put back into service

Inspected Facilities

Facility ID: 271694 Type: WELL API Number: 077-08801 Status: IJ Insp. Status: EG

Flowline

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

Flowline Description

Flowline Type: Well Site Size: 4" Material: Carbon Steel
 Variance: No Age: 1-5 Yrs Contents: Produced Water

Integrity Summary

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

Pressure Testing

Witnessed: Yes Test Result: Pass Charted: Yes

COGCC Rules(check all that apply)

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

Comment: 2 pin holes were discovered on top of flowline in the 12 o'clock position. (see photo). Operator made repairs and replaced Flowline with 1 piece of pipe. A 30-minute pressure test was performed. Test start pressure was 841 psi, total loss of 16 psi with no loss last 5 minutes. Flowline was put back in service.

Corrective Action: Establish root cause of the failure and discuss measures that will be taken to prevent reoccurrence in form 4

Date: 01/28/2019

Attached Documents

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

Document Num	Description	URL
401903784	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4703071
693200211	Caerus	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4703069