

**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:

07/09/2019

Submitted Date:

07/19/2019

Document Number:

698100036**FIELD INSPECTION FORM**Loc ID 334457 Inspector Name: Arauza, Steven On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**OGCC Operator Number: 10639Name of Operator: CPX PICEANCE HOLDINGS LLCAddress: 34 S WYNDEN DR STE 240City: HOUSTON State: TX Zip: 77056**Status Summary:**

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

Findings:15 Number of Comments11 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
Fischer, Alex		alex.fischer@state.co.us	
Heil, John		john.heil@state.co.us	
Kurtenbach, Nick		nick@cpxpiceance.com	
Colby, Lou		lou.colby@state.co.us	
Kellerby, Shaun		shaun.kellerby@state.co.us	
Arthur, Denise		denise.arthur@state.co.us	
Murray, Richard		g.richard.murray@state.co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
297747	WELL	PR	03/01/2019	GW	045-16947	TPR 1	EI
433942	WELL	XX	12/28/2016	SI	045-22153	TPR 176-25	EI
434048	WELL	PR	02/01/2015	GW	045-22155	TPR 112-16	EI
452466	LAND APPLICATION SITE	CL	02/22/2019		-	TPR 25A Land Application	EI

General Comment:

COGCC Environmental Inspection conducted by EPS staff S. Arauza and J. Heil. Weather conditions during inspection were sunny with a temperature of 65 degrees Fahrenheit.

On inspection date: Location consisted of three wells (two PR status, one XX status) and multiple flowline risers in center of pad. Tank battery at southwest corner of location consisted of three 400 bbl produced water ASTs and one 400 bbl condensate AST inside of a lined, metal secondary containment area. No holes or tears were observed in visible portion of liner on inspection date. Liner contained approximately 4" of unidentified fluid. Hydrocarbon odors were observed in secondary containment area. Two horizontal separators were located NE of tank battery. Operator's staff were on location, performing maintenance on equipment located east of access road.

Operator has submitted request for relief from a financial assurance bond "as both the waste management facility and land application have been approved for closure," (Sundry Notice, doc #401948159). The referenced pit had not been backfilled as of inspection date (see Field Inspection Report #698100038) and this report documents that treated cuttings remain in land treatment cells. The operator indicated in a Beneficial Reuse letter (doc #401993860) that treated cuttings would be beneficially reused "upon the final determination of the [interim reclamation] variance and the commencement of interim reclamation." The referenced interim reclamation variance, doc #401537562, has not been approved by the COGCC.

LocationOverall Good: ☐

Emergency Contact Number:

Comment: Corrective Action: Date: **Good Housekeeping:**

Type	TRASH		
Comment:	Assorted trash and debris observed inside of cuttings land treatment area, on top of treated cuttings. See photos.		
Corrective Action:	Remove all trash and debris from treated E&P waste to comply with Rule 603.f. (trash)		Date: <u>07/29/2019</u>
Type	DEBRIS		
Comment:	Wood debris stored inside of tank battery secondary containment area. Wood debris, felt, and liner materials stored outside of containment area along north side. See photos.		
Corrective Action:	Comply with Rule 603.f. (debris)		Date: <u>07/29/2019</u>
Type	STORAGE OF SUPL		
Comment:	Hoses stored inside of tank battery secondary containment area with metal fittings in contact with secondary containment liner. Plastic culverts, wire, plastic material stored on east side of pad. See photos.		
Corrective Action:	Comply with Rule 603.f. (equipment storage)		Date: <u>07/29/2019</u>
Type	WEEDS		
Comment:	Uncontrolled vegetation growth in wellhead/flowline riser area, around tank battery perimeter, and in heated horizontal separator area. See photos.		
Corrective Action:	Comply with Rule 603.f. (weeds).		Date: <u>07/29/2019</u>

Overall Good: ☐

Spills:				
Type	Area	Volume		
PW/CN	WELLHEAD	<= 1 bbl		
Comment:	Localized accumulations of oil-stained soil inside well cellars. See photos.			
Corrective Action:	Remove and properly dispose of oily waste, per Rule 907.e. (wellheads)			Date: <u>08/19/2019</u>

In Containment: No

Comment: ☒ Multiple Spills and Releases?

Equipment:			corrective date
Type: Other	# 3		
Comment:	Lack of cellar covers facilitates wildlife access with no means of egress. This was brought to the operator's attention during 7/9/2019 inspection. See photos.		
Corrective Action:	Cover cellars to minimize adverse impacts to workplace safety and wildlife. Contact COGCC Reclamation Inspector L. Colby for additional guidance.		Date: <u>08/02/2019</u>
Type: Flow Line	# 20		
Comment:	Many unmarked, unused flowline risers on location, northwest of wellheads. See photos. Operator was notified to LOTO within 24 hours on inspection date. Riser count is an estimate based on field photos.		
Corrective Action:	Comply with Rule 603.f. Lock out and tag out unmarked flowline risers within 24 hours and remove unused risers within 30 days.		Date: <u>07/10/2019</u>
Type: Ancillary equipment	# 1		

Comment:	500 gallon methanol tank located NE of separators inside of metal secondary containment device. No odors or sheen were observed in fluids inside of containment device on inspection date. See photos.		Date:	
Corrective Action:			Date:	
Type: Flow Line	# 4			
Comment:	Unused, unmarked flowlines (three HDPE surface lines, one uncapped steel flowline) daylight at southwest corner of tank battery outside of containment area. See photos.		Date:	
Corrective Action:	Contact COGCC Western Integrity Inspector R. Murray to discuss flowline operations and maintenance requirements.		Date:	07/29/2019
Type: Other	# 3			
Comment:	Localized accumulations of oil-stained soil inside well cellars. See photos.		Date:	
Corrective Action:	Securely fasten all valves, pipes, and fittings to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 605.d. (wellheads)		Date:	08/19/2019
Type: Horizontal Heated Separator	# 2			
Comment:	Heated horizontal separators located NE of tank battery. See photos. The distance from tanks to separators was not measured on inspection date.		Date:	
Corrective Action:	Verify compliance with Rule 605.a.(5).		Date:	08/19/2019

Tanks and Berms:

Contents	#	Capacity	Type	Tank ID	SE GPS
OTHER	4	400 BBLS	STEEL AST		,
Comment:					
Corrective Action:	Date:				

Paint

Condition	
Other (Content)	3 produced water, 1 condensate
Other (Capacity)	
Other (Type)	

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Metal	Adequate			Inadequate
Comment:	Lined tank battery containment area contained approximately 4" of fluids on inspection date. See photos. Hydrocarbon odors were detected inside of containment area. No holes or tears were observed in visible portion of liner.			
Corrective Action:	Remove and properly dispose of impacted fluids as E&P waste, per Rule 907.e. Provide documentation of disposal of impacted fluids via a Field Inspection Report Resolution (FIRR) form, per Rule 907.b.(2).			
			Date:	08/19/2019

Venting:

Yes/No		
Comment:		
Corrective Action:		Date:

Flaring:

Type	
Comment:	
Corrective Action:	Date:

Inspected Facilities

Facility ID: <u>297747</u>	Type: <u>WELL</u>	API Number: <u>045-16947</u>	Status: <u>PR</u>	Insp. Status: <u>EI</u>
Facility ID: <u>433942</u>	Type: <u>WELL</u>	API Number: <u>045-22153</u>	Status: <u>XX</u>	Insp. Status: <u>EI</u>
Facility ID: <u>434048</u>	Type: <u>WELL</u>	API Number: <u>045-22155</u>	Status: <u>PR</u>	Insp. Status: <u>EI</u>
Facility ID: <u>452466</u>	Type: <u>LAND</u>	API Number: <u>-</u>	Status: <u>CL</u>	Insp. Status: <u>EI</u>

Environmental**Waste Management:**

Type	Management	Condition	GPS (Lat)	(Long)
Drill Cuttings	Land Treatment	Adequate		
Comment	Operator estimates 3,000 cubic yards of treated land cuttings on-site per doc #401777417. Assorted trash was observed inside of land treatment area on inspection date. See Housekeeping section for corrective actions.			
Corrective Action				Date:

Spill/Remediation:

Comment:

Corrective Action: Date:

Emission Control Burner (ECB): Comment: Pilot: Wildlife Protection Devices (fired vessels):

Reclamation - Storm Water - Pit**Storm Water:**

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment

Comment: [Cut slope stability is uncertain, particularly beneath several aspen. See photos. This matter is referred to COGCC Reclamation Inspector Lou Colby.](#)

Corrective Action:

Date: _____

Pits: ☐ NO SURFACE INDICATION OF PIT

Attached Documents

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

Document Num	Description	URL
402116011	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4884944
698100045	20190709 field photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4884942