

**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:

04/20/2020

Submitted Date:

04/22/2020

Document Number:

690101818

FIELD INSPECTION FORM

Loc ID _____ Inspector Name: _____ On-Site Inspection
Maclaren, Joe _____ 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: 46290
Name of Operator: KP KAUFFMAN COMPANY INC
Address: 1675 BROADWAY, STE 2800
City: DENVER State: CO Zip: 80202

Findings:

- 4 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 |
|--------------------|-------|-------------------------------|---------|
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| Schlagenhauf, Mark | | mark.schlagenhauf@state.co.us | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------------------|--------|-------------|------------|---------|-----------------------------------|-------------|
| 453316 | TANK BATTERY | AC | 12/06/2017 | | - | Nessu 1,2,3,4,12,14,15,16 battery | EG |
| 470915 | SPILL OR RELEASE | CL | 04/10/2020 | | - | NESSSU Consolidated Line | EG |

General Comment:

COGCC Engineering Integrity Inspection completed on 4/20/2020 in response to initial form 19 spill report Doc #402289216 received on 01/17/2020 that outlines the following: KPK was notified by farmer about oil that had surfaced in corn field. At the time of notification, KPK had already blown down and shut-in the flowline to address other issue within the Nesssu system (Spill ID 468756). The flowline has not been brought back into service since being shut in.

Details of Corrective Actions Required identified during field inspection are located in the flowline section of this report. Photo Log uploaded.

Inspected Facilities

Facility ID: 453316 Type: TANK API Number: - Status: AC Insp. Status: EG

Facility ID: 470915 Type: SPILL OR API Number: - Status: CL Insp. Status: EG

Flowline

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

Flowline Description

Flowline Type: Non-Well Site Size: _____ Material: _____
 Variance: _____ Age: _____ Contents: Multiphase

Integrity Summary

Failures: _____ Spills: Yes 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: Excavation observed at 40.129619, -104.798581; numerous flowlines were exposed in the excavation. Repairs appear to be in process of being completed on (3 of 4) 3" OD fiberglass flowlines. Pipe segments have been stubbed in to failed areas; connections wrapped in tape. Open ends observed on (1) of the fiberglass flowlines exposed. In addition, (1) 1.5 poly flowline (orange in color) was observed in the excavation and (1) 1.5" PVC (white in color) cut end observed in the south wall of the excavation. FLIR survey was completed; no gas leaks identified (see FLIR section of report). (8) wells producing to the Nessu facility/ battery (ID #453316) were also inspected (for OOSLAT); flowlines at wellheads were observed shut in/ tagged out (do not operate).

Note: Historically abandoned/ out of service flowlines exposed in the excavation must be abandoned per COGCC rule 1105 (ends sealed per 1105.e.4).

Corrective Action: Email information outlined below to COGCC Inspector and update CA section of supplemental form 19 spill report to include the following (pertaining to compliance of COGCC series 1100 flowline regulations):
 1) Root cause of flowline failure(s) resulting in this release (operator determination).
 2) Measures taken to prevent a recurrence.
 3) Written description of flowline repair work completed (at spill ID #470915).
 4) Map of the general alignment of the off location flowlines exposed/ observed in the excavation.
 5) Provide post repair flowline pressure test charts for all (active) flowline(s) repaired; email to COGCC Inspector (See rule 1102.o description in comment section of report).

Date: 05/23/2020

Optical Gas Imaging Survey

Survey Type: _____

Current Operations: Production Workover Flowback Referred to APCD

GPS(entrance of location): Lat: 40.129619 Long: -104.798581

Wind: Calm Speed: _____ (mph) Direction From: _____ Weather: Clear Temperature: 50 (F)

Assisting Staff: _____ Camera #: _____

Visible Smoke Referred to CDPHE

| Times Surveyed | | | | Equipment Surveyed | |
|-------------------|-------|-----------------|-------|--------------------|--|
| Time Survey Start | AM/PM | Time Survey End | AM/PM | Equipment | |
| 10:30 | AM | 10:50 | AM | Flowline | |

Comment: FLIR survey conducted using GF 77 camera at an open excavation (numerous flowlines exposed) at spill Id #470915. Flowline repairs appear to be in progress; several open ends of flowlines observed. No gas leaks were identified during this field inspection.

Corrective Action: Date: _____

COGCC Comments

| Comment | User | Date |
|--|----------|------------|
| <p>1102.o. Requirements for shut-in or out of service off-location flowline or crude oil transfer line for inspection.</p> <p>(1) For an active status off-location flowline or crude oil transfer line that has been shut-in, meaning that the line contains fluids associated with oil and gas operations, but is not flowing fluids, for more than 90 days, the operator must:</p> <p>A. Apply a tag out device to each riser associated with the line;</p> <p>B. Continue to comply with the integrity management requirements of Rule 1104;</p> <p>C. Pressure test the off-location flowline or crude oil transfer line in accordance with Rule 1104.h. before returning the line to operation; and</p> <p>D. Not less than 48 hours prior to pressure testing, submit notice with a Field Operations Notice, Form 42 – Notice of Return to Service, to the Director of the scheduled date for the pressure test to allow the Commission to inspect during the pressure test.</p> <p>(2) For an off-location flowline or a crude oil transfer line that has been out of service for more than 90 days, the operator must:</p> <p>A. Within 120 days of applying OOSLAT, submit a Flowline Report, Form 44, to the Director identifying the off-location flowline or crude oil transfer line or segment thereof that has been taken out of service and the outcome of the most recent integrity management test.</p> <p>B. Pressure test the off-location flowline or crude oil transfer line in accordance with Rule 1104.h. before returning the line to active status; and</p> <p>C. Not less than 48 hours prior to pressure testing, submit notice with a Field Operations Notice, Form 42 – Notice of Return to Service, to the Director of the scheduled date for the pressure test to allow the Commission to inspect during the pressure test.</p> | maclarej | 04/22/2020 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|----------------------|---|
| 402378340 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5129976 |
| 690101822 | Photo Log | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5129957 |