

**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:

09/22/2020

Submitted Date:

09/22/2020

Document Number:

693200758**FIELD INSPECTION FORM**Loc ID 335200 Inspector Name: Murray, Richard On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**OGCC Operator Number: 10456Name of Operator: CAERUS PICEANCE LLCAddress: 1001 17TH STREET #1600City: DENVER State: CO Zip: 80202**Status Summary:**

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

Findings:6 Number of Comments1 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 | West Environmental Protection Specialist |
| Caerus | | COGCC.inspections@caerus oilandgas.com | All Piceance inspections |
| Schlagenhauf, Mark | | mark.schlagenhauf@state.co. us | Engineering Integrity Supervisor |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|---------------------|--------|-------------|------------|-----------|-------------------------------|-------------|
| 256 | WELL | PR | 12/01/2018 | GW | 045-15464 | N. PARACHUTE MF02A C28 696 | EG |
| 477614 | SPILL OR RELEASE | CL | 08/18/2020 | | - | NPR MF C28 696 flowline | EG |

General Comment:

Engineering Integrity Inspection performed on September 22, 2020, in response to Initial form 19-release report Doc # 402488353

Inspected FacilitiesFacility ID: 256 Type: WELL API Number: 045-15464 Status: PR Insp. Status: EG**Producing Well**Comment: Flowline release point

Corrective Action:

Date:

Facility ID: 477614 Type: SPILL OR API Number: - Status: CL Insp. Status: EG**Flowline**

#1 Type: Well Site

1 of Lines

Flowline DescriptionFlowline Type: Well SiteSize: 2"Material: Carbon Steel

Variance:

Age: 5-10 YrsContents: MultiphaseIntegrity Summary

Failures:

Spills: YesRepairs Made: Yes

Coatings:

H2S: NoCathodic Protection: NoPressure TestingWitnessed: No

Test Result:

Charted:

COGCC Rules(check all that apply)☐ 1101. Installation and Reclamation☒ 1102. Operations, Maintenance, and Repair☐ 1103. AbandonmentComment: Flowline was repaired and back in service at time of inspection.Flowline release point from wellhead to separatorsThe lease operator detected a flowline failure via trending.See photo log

Corrective Action:

Submit a flowline pressure test that was performed before returning flowline back into service via Form 4 and email to inspectorDate: 10/06/2020Provide Root Cause when information becomes available. Via FIRR, Supplemental eForm 19 and email to Western Integrity inspector**Attached Documents**You can go to COGCC Images (<https://cogcc.state.co.us/weblink/>) and search by document number:

| Document Num | Description | URL |
|--------------|-------------|---|
| 693200759 | Photo log | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5253291 |