

**FORM
INSP**Rev
X/20**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:

01/19/2022

Submitted Date:

01/24/2022

Document Number:

693200918

FIELD INSPECTION FORMLoc ID 335607 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:

4 Number of Comments

0 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 |
|--------------------|-------|---|----------------------------------|
| 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 |
|-------------|---------------------|--------|-------------|------------|---------|---------------------|-------------|
| 481310 | SPILL OR RELEASE | CL | 12/29/2021 | | - | L29 6C-32 flow line | EG |

General Comment:

Engineering Integrity Inspection performed on January 24, 2022; in response to Initial form 19-release report Doc # 402907166

Repairs made 2" flowline and pressured test before putting back into service

Inspected Facilities

Facility ID: 481310 Type: SPILL OR API Number: - Status: CL Insp. Status: EG

Flowline

| | | | |
|----|-----------------|------------|--|
| #1 | Type: Dump Line | 1 of Lines | |
|----|-----------------|------------|--|

Flowline Description

Flowline Type: Dump Line Size: 2" Material: Carbon Steel
 Variance: Age: 15-20 Yrs Contents: Multiphase

Integrity Summary

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

Pressure Testing

Witnessed: Test Result: Pass Charted: Yes

COGCC Rules(check all that apply)

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

Comment: Operator thinks root cause is due to incorrect installation. Rock was found under flowline.
 Hole was in the 6 o'clock position and in a low spot
 Flowline was pressured up to 560psi, loss 11psi after 90 minutes with no loss last 30 minutes

Corrective Action:

Date:

Attached Documents

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

| Document Num | Description | URL |
|--------------|-------------|---|
| 693200919 | Photo 1 | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5642756 |
| 693200920 | Photo 2 | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5642757 |