

**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:

03/20/2024

Submitted Date:

03/25/2024

Document Number:

705000654

FIELD INSPECTION FORMLoc ID 307120 Inspector Name: Maclaren, Joe On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**

OGCC Operator Number: 10312

Name of Operator: PROSPECT ENERGY LLC

Address: 1036 COUNTRY CLUB ESTATES DR

City: CASTLE ROCK State: CO Zip: 80108

Status Summary:

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

Findings:

2 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
Gracey, Cameron		graceyservices@msn.com	
Schlagenhauf, Mark		mark.schlagenhauf@state.co.us	
Allison, Rick		rick.allison@state.co.us	
Giltner, Ward		wgiltner@yahoo.com	
Griggs, Mary		griggs.mary@comcast.net	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
482173	Flowline System	AC			-	Fort Collins Battery System	EG
485394	SPILL OR RELEASE	AC	12/06/2023		-	PW Inj Line betwn MSSU 30-6 & 30-7	EG

General Comment:

ECMC Engineering Integrity Inspection performed on March 20th, 2024 in response to initial form 19 spill report Doc #403578708 received on 11/01/2023 that outlines: A City of Fort Collins employee, Andrew Crecca, was inspecting the drainage for an area of new construction and noticed discolored fluid mixed with storm meltwater, in a storm detention pond. Mr. Crecca notified the City of Fort Collins and then notified Prospect Energy at about 9:50 a.m. Prospect isolated and shut-in the valves for the produced water injection line by 10:30 a.m. The path of the spill was noted to be mixed with storm meltwater, and traveled from the release point to under a silt fence, then North 40' to a "rain garden", then east into Number 8 Outlet Ditch, SENW Sec 29. Ditch personnel blocked the ditch to prevent further migration of fluid at about 1 p.m. A hydrovac will be dispatched on 11/1/23 to recover impacted fluids with disposal at Pawnee Disposal.

Corrective actions/ information to be submitted is outlined in the flowline section of report. Photo log is uploaded.

Inspected Facilities

Facility ID: 482173 Type: Flowline API Number: - Status: AC Insp. Status: EG

Facility ID: 485394 Type: SPILL OR API Number: - Status: AC Insp. Status: EG

Flowline

#1	Type: Non-Well Site	of Lines
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Flowline Description

Flowline Type: Non-Well Site Size: 2" Material: Carbon Steel
 Variance: Age: 20+ Yrs Contents: Produced Water

Integrity Summary

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

Pressure Testing

Witnessed: Test Result: Charted:

COGCC Rules(check all that apply)

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

Comment: ECMC Integrity Inspector met with Prospect Energy (Gracey services along with additional ECMC and FC Gov staff) on location. An open excavation (measuring approx 20' x 50') was observed @ 40.635703, -105.042842; (1) 2" CS Sch 80 OLF produced water (sour/H2S) injection flowline was exposed in the excavation (external bitumen/ tar style pipe wrap coating). Approximately 5' of the the flowline pipe was cut out at the failure point for inspection (pipe cut ends collared/ bullplugged). A hole was observed (dime sized) on the pipe (6 O'clock position). The failure appears to be the result of localized internal pitting corrosion; the pit morphology is indicative of MIC corrosion (H2S pitting corrosion may also be a possibility). Black scale deposits in the area of the failure appear to be Iron Sulfide; commonly found with SRB (bacteria/ under-deposit) and H2S steel pipe corrosion. A technical failure analysis (laboratory) is pending. The failed section of flowline pipe has not been repaired; operator is investigating options for flowline pipe repair/ replacements. Note: this flowline has been historically repurposed from PR to IJ service. Excavation/ remediation work (removal of impacted soils) is in progress.

Corrective Action: Document information requested below in the CA section of ECMC supplemental form 19 spill report and communicate with ECMC integrity staff via ECMC Form 4 sundry (pertaining to compliance of COGCC series 1100 flowline rules):
 1) Provide confirmation and document root cause of failure resulting in spill (root cause details/ specifics)
 (1104.k. Integrity Failure Investigation/Operator Determination)
 2) Measures taken to prevent a recurrence of failure (flowline integrity management plan/ ECMC to review)
 (1104. Integrity Management)
 3) Description/ details of flowline repair work proposed; forward to ECMC engineering integrity staff for review
 (1102.j. Repair)
 4) Confirm integrity of flowline repairs/ reconnections (via pressure testing/ upload chart with test date) prior to returning flowline(s) to service. Contact ECMC Integrity Inspector with schedule of pressure testing.
 (1102.j.4 and 1102.O)
 *Note - ECMC Form 27 can be used to document information requested if form 19 is closed

Date: 04/23/2024

Attached Documents

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

Document Num	Description	URL
403730458	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6480608

705000655	Photo Log	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6480586
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