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

FIELD INSPECTION FORM

Inspection Date: 03/16/2017
Submitted Date: 03/17/2017
Document Number: 674603227

Loc ID: 320381
Inspector Name: Maclaren, Joe
On-Site Inspection: ☐
2A Doc Num:

Operator Information:

OGCC Operator Number: 10548
Name of Operator: HRM RESOURCES II LLC
Address: 410 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
2 Number of Corrective Actions
☒ Corrective Action Response Requested

Contact Information:

Contact Name	Phone	Email	Comment
Prohaska, April		aprohaska@hrmresources.net	
Montoya, John		john.montoya@state.co.us	
Hazard, Ellice		ellice.hazard@state.co.us	
OLSON, JUSTIN	030-910-4717	justin.olson@hrmres.com	
Schlagenhauf, Mark		mark.schlagenhauf@state.co.us	
Chesson, Bob		robert.chesson@state.co.us	
Pape, Terry	(970) 768-5700	tpape@hrmres.com	
Axelson, John		john.axelson@state.co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
203593	WELL	PR	06/29/1993	GW	001-09153	KELTON 'A' 31-8	EG

General Comment:

COGCC Integrity Inspection (flowline) performed on March 16th, 2017. An initial form 19 spill report Doc #401234377 received on 03/16/2017 outlines the following: There was a flowline leak within the Kelton flowline system. Approximately 3-5 bbls of fluid were spilled into the ephermal creek known as Horse Creek. The Kelton B 21-8 (05-001-09162) was the only well producing and was immediatly shut-in. Lat long is an approximate location, between the Kelton A 31-8 and Kelton 32-8. The details of observations made during this field inspection are available in the flowline section of this report. Photo's have been uploaded and can be accessed via link(s) at the end of this report.

Inspector Name: Maclaren, Joe

Location

Overall Good: ☐

Emergency Contact Number:

Comment:

Corrective Action: Date:

Overall Good: ☐

Spills:					
Type	Area	Volume			
Crude Oil	Flow Line				
Comment:	As outlined on field inspection Doc #685502288 performed on 3/16/17 by COGCC field inspector (John Montoya): Flowline had a corrosion leak in pipe, ran down ditch approx 300 yards.				
Corrective Action:	Control and contain spills/releases and clean up per Rule 906.a. Contact COGCC EPS staff.			Date:	04/13/2017

In Containment: No

Comment:

☐ Multilple Spills and Releases?

Venting:

Yes/No			
Comment:			
Corrective Action:		Date:	

Flaring:

Type			
Comment:			
Corrective Action:		Date:	

Inspector Name: Maclaren, Joe

Inspected Facilities

Facility ID: 203593 Type: WELL API Number: 001-09153 Status: PR Insp. Status: EG

Flowline

#1	Type:Well Site	3 of Lines	

Flowline Description

Flowline Type: Well Site Size: 2" Material: Carbon Steel

Variance: No Age: Contents: Crude Oil

Integrity Summary

Failures: External Corrosion Spills: Yes Repairs Made:

Coatings: H2S: No 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:	COGCC Inspector met with Terry Pape (and other HRM contract personnel) on site. The failure occurred on the 2" carbon steel well site flowline associated with the Kelton A 31-8. This flowline tie's in with (2) other well site flowlines (API #'s 001-09162, 001-09109) on route to the Kelton facility/ battery. There are no check valves currently installed in the system; the result (lack of isolation capability) may have been backflow from the Kelton B 21-8 PR well that resulted in this crude oil spill. External corrosion appears to be the root cause of failure; however, the excavation was full of groundwater at the time of this field inspection.	
Corrective Action:	Provide COGCC Engineering Integrity Staff with the following information (add to supplemental form 19 report): 1) Root cause determination of the flowline faliure that resulted in the spill. 2) Description of flowline repairs or replacements completed as a result of this failure (check valves installed, etc). 3) Measures being taken to prevent the problem from re-occurring. Provide COGCC Engineering Integrity staff with the following (via email): 1) Schedule of upcoming repair/ replacement work to be completed; and post repair flowline pressure testing schedule. 2) The 2016 pressure testing chart/ data (annual pressure testing requirement per COGCC rule 1101e.) 5) The 2017 post repair pressure testing chart/ data (after repairs and/ or replacements are completed)	Date: 05/16/2017

COGCC Comments

Comment	User	Date
Note: Pressure testing must confirm this flowline and new tie in point(s) of all (3) flowlines have adequate integrity prior to bringing the wells back on to production. Test results must be deemed Satisfactory/ Passing per COGCC rule 1101e. See COGCC website/ operator guidance Rules 1101, 1102, and 1103/ flowlines for more information.	maclarej	03/17/2017

Attached Documents

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

Document Num	Description	URL
401236513	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4101637
674603228	Well Sign on location	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4101631
674603229	Looking south at flowline release from well pad	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4101632

674603230	Looking north from flowline failure to well pad	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4101633
674603231	View NW up Horse Creek/ path of crude spill	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4101634
674603232	View NW at path of crude oil spill/ Horse Creek	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4101635
674603233	View to SE from end point of spill	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4101636