

**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:

04/12/2017

Submitted Date:

04/17/2017

Document Number:

674603288

**FIELD INSPECTION FORM**

Loc ID 320302 Inspector Name: Maclaren, Joe On-Site Inspection  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: 10474  
Name of Operator: MENDELL FINISTERRE II LLC  
Address: 2162 W EISENHOWER BLVD  
City: LOVELAND State: CO Zip: 80537

**Findings:**

- 5 Number of Comments
- 0 Number of Corrective Actions
- Corrective Action Response Requested

**Contact Information:**

| Contact Name       | Phone        | Email                         | Comment              |
|--------------------|--------------|-------------------------------|----------------------|
| Hazard, Ellice     |              | ellice.hazard@state.co.us     |                      |
| Schlagenhauf, Mark |              | mark.schlagenhauf@state.co.us |                      |
| AYLING, ROB        | 619-988-0828 | rayling@mendellenergy.com     | <b>PRESIDENT/CEO</b> |

**Inspected Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num   | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|---------------|-------------|
| 203410      | WELL | PR     | 06/30/2008  | OW         | 001-08919 | ELMS 2        | EG          |

**General Comment:**

COGCC Integrity Inspection (Flowline Only) performed on April 12th, 2017 in response to initial form 19 spill report Doc #401255155 received on 04/10/2017 that outlines: During site closure activities at the tank battery serving the Elms 2 and Tudex Reinholt NC 4 wellheads, Mendell removed an old, partially-buried, produced water vault and encountered historical hydrocarbon impacts in the tank grave. The details of observations made during this field inspection are available in the flowline section of this report. Photo's uploaded and can be accessed via link(s) at the end of this report.

| Inspected Facilities   |   |                              |   |
|--|---|------------------------------|---|
| Facility ID: <u>203410</u>   | Type: <u>WELL</u>   | API Number: <u>001-08919</u> | Status: <u>PR</u> Insp. Status: <u>EG</u> |
| Flowline   |   |                              |   |
| #1   | Type:   | of Lines                     |   |
| <u>Flowline Description</u>  |   |                              |   |
| Flowline Type:   | Size:   | Material:                    |   |
| Variance:  | Age:  | Contents:                    |   |
| <u>Integrity Summary</u>   |   |                              |   |
| Failures:  | Spills:   | Repairs Made:                |   |
| Coatings:  | H2S:  | Cathodic Protection:         |   |
| <u>Pressure Testing</u>  |   |                              |   |
| Witnessed:   | Test Result:  | Charted:                     |   |
| <u>COGCC Rules(check all that apply)</u>   |   |                              |   |
| <input type="checkbox"/> 1101. Installation and Reclamation <input type="checkbox"/> 1102. Operations, Maintenance, and Repair <input checked="" type="checkbox"/> 1103. Abandonment |   |                              |   |
| <u>Comment:</u>  | COGCC integrity inspector met with Mendell Energy's senior engineer Bill Davis on location and discussed plans for flowline removal/ abandonment. Excavation and remediation activities associated with the produced water vault were observed in progress. There were several un-marked historical abandoned flowlines encountered during the excavation/ remediation project. These flowlines are being removed. The dump lines associated with the facility are being removed. The well site flowline(s) routed on location from the Elms 2 and Tudex Rheinholt NC4 (API 001-09365) are scheduled to be partially removed and/ or abandoned in place per 1103. An existing Tudex Petroleum flowline (from Sevens 1/ API 001-07939) runs across the East side of the excavation/ location is being left in place. |                              |   |
| <u>Corrective Action:</u>  |   |                              | Date:                                     |

| COGCC Comments  |          |            |
|---|----------|------------|
| Comment   | User     | Date       |
| <p><b>COGCC Rule 1103. ABANDONMENT</b><br/>                     Each pipeline abandoned in place shall be disconnected from all sources and supplies of natural gas and petroleum, purged of liquid hydrocarbons, depleted to atmospheric pressure, and cut off three (3) feet below ground surface, or the depth of the pipeline, whichever is less and sealed at the ends. This requirement shall also apply to compressor or gas plant feeder pipelines upon decommissioning or closure of a portion or all of a compressor station or gas plant. Notice of such abandonment shall be filed with the Commission and with the local governmental designee or local government jurisdiction.</p> | maclarej | 04/17/2017 |
| <p>As outlined on COGCC website, operator guidance of Rules 1101, 1102 and 1103 Flowline: Cathodic protection and above-grade associated equipment such as valves, risers, piping, etc. should also be removed. Underground pits for valves, etc. should be filled with a suitable compacted material. Records of abandoned underground facilities should be maintained in accordance with Colorado One Call requirements. (Guidance Document/ not a formal rule)</p>   | maclarej | 04/17/2017 |

**Attached Documents**

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

| Document Num | Description                   | URL   |
|--------------|-------------------------------|---|
| 401260524    | INSPECTION SUBMITTED          | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4125005">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4125005</a> |
| 674603293    | Signage at access to location | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4125001">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4125001</a> |

|           |  |   |
|-----------|--|---|
| 674603294 | Excavation/ remediation and Tudex flowline     | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4125002">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4125002</a> |
| 674603295 | Unknown historical abandoned flowlines         | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4125003">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4125003</a> |
| 674603296 | Pipe risers scheduled to be removed/ abandoned | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4125004">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4125004</a> |