FORM INSP Rev X/15

# State of Colorado
# Oil and Gas Conservation Commission

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## FIELD INSPECTION FORM

Inspection Date: 02/14/2018
Submitted Date: 02/26/2018
Document Number: 690100388

Loc ID: 329323
Inspector Name: Maclaren, Joe
On-Site Inspection: ☐
2A Doc Num:

**Operator Information:**

OGCC Operator Number: 10311
Name of Operator: SRC ENERGY INC
Address: 1675 BROADWAY SUITE 2600
City: DENVER State: CO Zip: 80202

**Status Summary:**

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

**Findings:**

3 Number of Comments
0 Number of Corrective Actions
☐ Corrective Action Response Requested

**Contact Information:**

| Contact Name | Phone | Email | Comment |
|---|---|---|---|
| Allison, Rick | | rick.allison@state.co.us | |
| Hazard, Ellice | | ellice.hazard@state.co.us | |
| , | | cogccinspections@srcenergy.com | |
| Schlagenhauf, Mark | | mark.schlagenhauf@state.co.us | |

**Inspected Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|---|---|---|---|---|---|---|---|
| 249354 | WELL | SI | 09/01/2017 | OW | 123-17156 | LUCERO 34-10 | EG |

**General Comment:**

Engineering Integrity Inspection performed on February 14th, 2018 in response to initial form 19 spill report Doc #401541390 received by COGCC on 02/12/2018 that outlines: On Monday 2/5/18, the line was pressure tested by SRC's Facilities group, where they found the line to have a leak somewhere between the wellhead and tank battery to the southwest. They then isolated segments of the line to determine where exactly the leak in the line was. A hammer union was found to be at this point in the flowline. Details of observations made during this field inspection are available in the flowline section of this report. Photos uploaded can be accessed via link(s) at end of report.

Inspector Name: Maclaren, Joe

## Inspected Facilities

| Facility ID: | 249354 | Type: | WELL | API Number: | 123-17156 | Status: | SI | Insp. Status: | EG |
|---|---|---|---|---|---|---|---|---|---|

## Flowline

| | | | |
|---|---|---|---|
| #1 | Type:Well Site | 1 of Lines | |

Flowline Description

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

Variance: No | Age: 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: | Charted:

COGCC Rules(check all that apply)

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

Comment: There were (2) flowline failure points identified on the offsite flowline routed between the wellhead and horizontal separator. The flowline runs SW approximately 600' from the wellhead to facility. Both failures were attributed to buried hammer unions (installed by a previous operator). External corrosion occured at the threaded connections found uncoated/ unwrapped. The hammer unions were removed and valves installed on the ends of the flowline. Approximately 40' of flowline was removed at the facility and near the separator inlet, scheduled to be replaced. There were no SRC Energy employees or contractors on site at the time of this field inspection.

As outlined by SRC Energy on supplemental form 19 doc #401549485 received on 02/20/2018: The flowline leak was discovered when pressure testing the flowline from the separator to the wellhead, and then pressure testing the line in 3 different segments. After uncovering the buried line, it was found that this leak was caused from burying a 2" hammer union and screw pipe that was not coated. The schedule 80 screw pipe had corrosion and no fusion bond coating on the flowline. SRC Energy will install a new schedule 40 fusion bond welded flowline and do the necessary pressure testing before putting the well and flowline back in service.

Corrective Action: | Date:

## COGCC Comments

| Comment | User | Date |
|---|---|---|
| Note: There are (2) form 19 spill reports filed by SRC Energy, one for each release point identified (Doc #401541390 on 02/12/2018 for 40.441788, -104.762612 and Doc #401546313 on 02/15/2018 for 40.442047, -104.762158) | maclarej | 02/26/2018 |

## Attached Documents

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

| Document Num | Description | URL |
|---|---|---|
| 401555051 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4386646 |
| 690100407 | Wellhead, signage and flowline work in progress | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4386642 |
| 690100408 | Flowline exposed near battery, spill ID 454050 | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4386643 |
| 690100409 | Flowline betw wellhead/ separator spill ID 454029 | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4386644 |

| | | |
|---|---|---|
| 690100410 | Section of flowline removed near separator tie in | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4386645 |