

**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:

07/09/2019

Submitted Date:

07/19/2019

Document Number:

698100036**FIELD INSPECTION FORM**
 Loc ID 334457 Inspector Name: Arauza, Steven On-Site Inspection ☐ 2A Doc Num:                     
**Operator Information:**OGCC Operator Number: 10639Name of Operator: CPX PICEANCE HOLDINGS LLCAddress: 34 S WYNDEN DR STE 240City: HOUSTON State: TX Zip: 77056**Status Summary:**

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

**Findings:**15 Number of Comments11 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 |
|------------------|-------|------------------------------|---------|
| Murray, Richard  |       | g.richard.murray@state.co.us |         |
| Arthur, Denise   |       | denise.arthur@state.co.us    |         |
| Fischer, Alex    |       | alex.fischer@state.co.us     |         |
| Kellerby, Shaun  |       | shaun.kellerby@state.co.us   |         |
| Colby, Lou       |       | lou.colby@state.co.us        |         |
| Kurtenbach, Nick |       | nick@cpxpiceance.com         |         |
| Heil, John       |       | john.heil@state.co.us        |         |

**Inspected Facilities:**

| Facility ID | Type                        | Status | Status Date | Well Class | API Num   | Facility Name            | Insp Status |
|-------------|-----------------------------|--------|-------------|------------|-----------|--------------------------|-------------|
| 297747      | WELL                        | PR     | 03/01/2019  | GW         | 045-16947 | TPR 1                    | EI          |
| 433942      | WELL                        | XX     | 12/28/2016  | SI         | 045-22153 | TPR 176-25               | EI          |
| 434048      | WELL                        | PR     | 02/01/2015  | GW         | 045-22155 | TPR 112-16               | EI          |
| 452466      | LAND<br>APPLICATION<br>SITE | CL     | 02/22/2019  |            | -         | TPR 25A Land Application | EI          |

**General Comment:**

COGCC Environmental Inspection conducted by EPS staff S. Arauza and J. Heil. Weather conditions during inspection were sunny with a temperature of 65 degrees Fahrenheit.

On inspection date: Location consisted of three wells (two PR status, one XX status) and multiple flowline risers in center of pad. Tank battery at southwest corner of location consisted of three 400 bbl produced water ASTs and one 400 bbl condensate AST inside of a lined, metal secondary containment area. No holes or tears were observed in visible portion of liner on inspection date. Liner contained approximately 4" of unidentified fluid. Hydrocarbon odors were observed in secondary containment area. Two horizontal separators were located NE of tank battery. Operator's staff were on location, performing maintenance on equipment located east of access road.

Operator has submitted request for relief from a financial assurance bond "as both the waste management facility and land application have been approved for closure," (Sundry Notice, doc #401948159). The referenced pit had not been backfilled as of inspection date (see Field Inspection Report #698100038) and this report documents that treated cuttings remain in land treatment cells. The operator indicated in a Beneficial Reuse letter (doc #401993860) that treated cuttings would be beneficially reused "upon the final determination of the [interim reclamation] variance and the commencement of interim reclamation." The referenced interim reclamation variance, doc #401537562, has not been approved by the COGCC.

**Location**Overall Good: ☐

Emergency Contact Number:

Comment:

Corrective Action:

Date: \_\_\_\_\_

**Good Housekeeping:**

|                    |  |       |            |
|--------------------|--|-------|------------|
| Type               | WEEDS  |       |            |
| Comment:           | Uncontrolled vegetation growth in wellhead/flowline riser area, around tank battery perimeter, and in heated horizontal separator area. See photos.  |       |            |
| Corrective Action: | Comply with Rule 603.f. (weeds).   | Date: | 07/29/2019 |
| Type               | TRASH  |       |            |
| Comment:           | Assorted trash and debris observed inside of cuttings land treatment area, on top of treated cuttings. See photos.   |       |            |
| Corrective Action: | Remove all trash and debris from treated E&P waste to comply with Rule 603.f. (trash)  | Date: | 07/29/2019 |
| Type               | STORAGE OF SUPL  |       |            |
| Comment:           | Hoses stored inside of tank battery secondary containment area with metal fittings in contact with secondary containment liner. Plastic culverts, wire, plastic material stored on east side of pad. See photos. |       |            |
| Corrective Action: | Comply with Rule 603.f. (equipment storage)  | Date: | 07/29/2019 |
| Type               | DEBRIS   |       |            |
| Comment:           | Wood debris stored inside of tank battery secondary containment area. Wood debris, felt, and liner materials stored outside of containment area along north side. See photos.                                    |       |            |
| Corrective Action: | Comply with Rule 603.f. (debris)   | Date: | 07/29/2019 |

Overall Good: ☐

|                    |  |          |  |                  |
|--------------------|--|----------|--|------------------|
| <b>Spills:</b>     |  |          |  |                  |
| Type               | Area   | Volume   |  |                  |
| PW/CN              | WELLHEAD   | <= 1 bbl |  |                  |
| Comment:           | Localized accumulations of oil-stained soil inside well cellars. See photos. |          |  |                  |
| Corrective Action: | Remove and properly dispose of oily waste, per Rule 907.e. (wellheads)       |          |  | Date: 08/19/2019 |

In Containment: No

Comment:

☒ Multiple Spills and Releases?

|                                   |   |  |                 |
|-----------------------------------|---|--|-----------------|
| <b>Equipment:</b>                 |   |  | corrective date |
| Type: Other                       | # 3   |  |                 |
| Comment:                          | Lack of cellar covers facilitates wildlife access with no means of egress. This was brought to the operator's attention during 7/9/2019 inspection. See photos. |  |                 |
| Corrective Action:                | Cover cellars to minimize adverse impacts to workplace safety and wildlife. Contact COGCC Reclamation Inspector L. Colby for additional guidance.               |  |                 |
| Date:                             | 08/02/2019  |  |                 |
| Type: Horizontal Heated Separator | # 2   |  |                 |
| Comment:                          | Heated horizontal separators located NE of tank battery. See photos. The distance from tanks to separators was not measured on inspection date.                 |  |                 |
| Corrective Action:                | Verify compliance with Rule 605.a.(5).  |  |                 |
| Date:                             | 08/19/2019  |  |                 |
| Type: Flow Line                   | # 20  |  |                 |

|                           |  |  |       |            |
|---------------------------|--|--|-------|------------|
| Comment:                  | Many unmarked, unused flowline risers on location, northwest of wellheads. See photos. Operator was notified to LOTO within 24 hours on inspection date. Riser count is an estimate based on field photos. |  |       |            |
| Corrective Action:        | Comply with Rule 603.f. Lock out and tag out unmarked flowline risers within 24 hours and remove unused risers within 30 days.   |  | Date: | 07/10/2019 |
| Type: Other               | # 3  |  |       |            |
| Comment:                  | Localized accumulations of oil-stained soil inside well cellars. See photos.   |  |       |            |
| Corrective Action:        | Securely fasten all valves, pipes, and fittings to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 605.d. (wellheads)                    |  | Date: | 08/19/2019 |
| Type: Ancillary equipment | # 1  |  |       |            |
| Comment:                  | 500 gallon methanol tank located NE of separators inside of metal secondary containment device. No odors or sheen were observed in fluids inside of containment device on inspection date. See photos.     |  |       |            |
| Corrective Action:        |  |  | Date: |            |
| Type: Flow Line           | # 4  |  |       |            |
| Comment:                  | Unused, unmarked flowlines (three HDPE surface lines, one uncapped steel flowline) daylight at southwest corner of tank battery outside of containment area. See photos.                                   |  |       |            |
| Corrective Action:        | Contact COGCC Western Integrity Inspector R. Murray to discuss flowline operations and maintenance requirements.   |  | Date: | 07/29/2019 |

**Tanks and Berms:**

| Contents           | # | Capacity | Type      | Tank ID | SE GPS |
|--------------------|---|----------|-----------|---------|--------|
| OTHER              | 4 | 400 BBLS | STEEL AST |         |        |
| Comment:           |   |          |           |         |        |
| Corrective Action: |   |          |           |         | Date:  |

**Paint**

|                  |                                |
|------------------|--------------------------------|
| Condition        |                                |
| Other (Content)  | 3 produced water, 1 condensate |
| Other (Capacity) |                                |
| Other (Type)     |                                |

**Berms**

| Type               | Capacity  | Permeability (Wall) | Permeability (Base) | Maintenance      |
|--------------------|---|---------------------|---------------------|------------------|
| Metal              | Adequate  |                     |                     | Inadequate       |
| Comment:           | Lined tank battery containment area contained approximately 4" of fluids on inspection date. See photos. Hydrocarbon odors were detected inside of containment area. No holes or tears were observed in visible portion of liner. |                     |                     |                  |
| Corrective Action: | Remove and properly dispose of impacted fluids as E&P waste, per Rule 907.e. Provide documentation of disposal of impacted fluids via a Field Inspection Report Resolution (FIRR) form, per Rule 907.b.(2).                       |                     |                     | Date: 08/19/2019 |

**Venting:**

|                    |  |       |
|--------------------|--|-------|
| Yes/No             |  |       |
| Comment:           |  |       |
| Corrective Action: |  | Date: |

**Flaring:**

|                    |       |
|--------------------|-------|
| Type               |       |
| Comment:           |       |
| Corrective Action: | Date: |

**Inspected Facilities**

|                            |                   |                              |                   |                         |
|----------------------------|-------------------|------------------------------|-------------------|-------------------------|
| Facility ID: <u>297747</u> | Type: <u>WELL</u> | API Number: <u>045-16947</u> | Status: <u>PR</u> | Insp. Status: <u>EI</u> |
| Facility ID: <u>433942</u> | Type: <u>WELL</u> | API Number: <u>045-22153</u> | Status: <u>XX</u> | Insp. Status: <u>EI</u> |
| Facility ID: <u>434048</u> | Type: <u>WELL</u> | API Number: <u>045-22155</u> | Status: <u>PR</u> | Insp. Status: <u>EI</u> |
| Facility ID: <u>452466</u> | Type: <u>LAND</u> | API Number: <u>-</u>         | Status: <u>CL</u> | Insp. Status: <u>EI</u> |

**Environmental****Waste Management:**

| Type              | Management   | Condition | GPS (Lat) | (Long) |
|-------------------|--|-----------|-----------|--------|
| Drill Cuttings    | Land Treatment   | Adequate  |           |        |
| Comment           | Operator estimates 3,000 cubic yards of treated land cuttings on-site per doc #401777417. Assorted trash was observed inside of land treatment area on inspection date. See Housekeeping section for corrective actions. |           |           |        |
| Corrective Action |  |           |           | Date:  |

**Spill/Remediation:**

Comment:

Corrective Action:  Date:

Emission Control Burner (ECB): Comment: Pilot:  Wildlife Protection Devices (fired vessels):

**Reclamation - Storm Water - Pit****Storm Water:**

| Loc Erosion BMPs | BMP Maintenance | Lease Road Erosion BMPs | Lease BMP Maintenance | Chemical BMPs | Chemical BMP Maintenance | Comment |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
|                  |                 |                         |                       |               |                          |         |

Comment: [Cut slope stability is uncertain, particularly beneath several aspen. See photos. This matter is referred to COGCC Reclamation Inspector Lou Colby.](#)

Corrective Action:

Date: \_\_\_\_\_

**Pits:** ☐ NO SURFACE INDICATION OF PIT

**Attached Documents**

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

| Document Num | Description           | URL   |
|--------------|-----------------------|---|
| 698100045    | 20190709 field photos | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4884942">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4884942</a> |