

State of Colorado
Oil and Gas Conservation Commission

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Document Number:

402120729

Date Received:

07/30/2019

FIR RESOLUTION FORM

Overall Status: CAC

CA Summary:

8 of 8 CAs from the FIR responded to on this Form

8 CA Completed
0 Factual Review Request

OPERATOR INFORMATION

OGCC Operator Number: 10639
Name of Operator: CPX PICEANCE HOLDINGS LLC
Address: 34 S WYNDEN DR STE 240
City: HOUSTON State: TX Zip: 77056

Contact Name and Telephone:
Name: _____
Phone: () _____ Fax: () _____
Email: _____

Additional Operator Contact:

| Contact Name | Phone | Email |
|----------------------------|---------------------|-------------------------------------|
| <u>Arthur, Denise</u> | | <u>denise.arthur@state.co.us</u> |
| <u>Colby, Lou</u> | | <u>lou.colby@state.co.us</u> |
| <u>Kellerby, Shaun</u> | | <u>shaun.kellerby@state.co.us</u> |
| <u>Murray, Richard</u> | | <u>g.richard.murray@state.co.us</u> |
| <u>Chollett, Shannon</u> | | <u>shannon.chollett@state.co.us</u> |
| <u>Heil, John</u> | | <u>john.heil@state.co.us</u> |
| <u>Kurtenbach, Nick</u> | | <u>nick@cpxpiceance.com</u> |
| <u>Nicholas Kurtenbach</u> | <u>713-554-9031</u> | <u>nick@cpxpiceance.com</u> |
| <u>Pesicka, Conor</u> | | <u>conor.pesicka@state.co.us</u> |
| <u>Burger, Craig</u> | | <u>craig.burger@state.co.us</u> |
| <u>Fischer, Alex</u> | | <u>alex.fischer@state.co.us</u> |

COGCC INSPECTION SUMMARY:

FIR Document Number: 698100038
Inspection Date: 07/09/2019 FIR Submit Date: 07/19/2019 FIR Status: _____

Inspected Operator Information:

Company Name: CPX PICEANCE HOLDINGS LLC Company Number: 10639
Address: 34 S WYNDEN DR STE 240
City: HOUSTON State: TX Zip: 77056

LOCATION - Location ID: 334460

Location Name: TPR Well Pad Number: 36A County: _____
Qtrqr: SWNE Sec: 36 Twp: 7S Range: 94W Meridian: 6
Latitude: 39.395017 Longitude: -107.831908

FACILITY - API Number: 05-045-00 Facility ID: 334460

Facility Name: TPR Well Pad Number: 36A

CORRECTIVE ACTIONS:

1 CA# 128314

Corrective Action: Remove and properly dispose of oily waste, per Rule 907.e. Date: 08/19/2019

Response: CA COMPLETED Date of Completion: 07/24/2019

Operator Comment: Waste has been removed, disposal scheduled for 7/31/19. WCGL approval letter and manifest enclosed, attachments #

COGCC Decision: _____

COGCC Representative: _____

2 CA# 128315

Corrective Action: Comply with Rule 603.f. (pit/tank battery equipment) Date: 10/19/2019

Response: CA COMPLETED Date of Completion: 07/30/2019

Operator Comment: This equipment/facility has never been in use during CPX ownership. Heater treaters (2 qty) were installed prior to CPX ownership. The equipment is heavy and has no market value thus removal will come at meaningful cost to operator. On 7/30/2019 CPX spoke with COGCC staff (Steven A.), this item would have been submitted under "Factual Review" if not for technical issues. Given seasonality issues CPX is requesting more time to move this equipment. The access road construction is also still ongoing, once complete CPX will work to remove prior to 11/15/2019.

COGCC Decision: _____

COGCC Representative: _____

3 CA# 128316

Corrective Action: Comply with Rule 603.f. for unused flowline riser (LOTO within 24 hours and abandon within 30 days). If pipe is not configured for use as a flowline riser, submit explanation via Field Inspection Report Response form (FIRR). Date: 07/31/2019

Response: CA COMPLETED Date of Completion: 07/23/2019

Operator Comment: Lockout installed. This is not a riser but casing for uncompleted wells. See attachment #2.

COGCC Decision: _____

COGCC Representative: _____

4 CA# 128317

Corrective Action: Contact COGCC Northwest Region Engineer S. Chollett to discuss well status and idle well testing requirements. Date: 08/19/2019

Response: CA COMPLETED Date of Completion: 07/30/2019

Operator Comment: All 3 wells associated with Pad 36a (TPR 132-36, 143-36, 112-6) are tubing casing only to shallow depths. MIT for Tpr 132-36 was completed on 6/4/2019 and approved on 6/17/2019 document #402063054. CPX understanding is no other MITs are due at this time and thus all known requirements have been fulfilled.
CPX spoke to COGCC staff 7/30/19 (Steven A.) and confirmed we will speak to Shannon Chollett to confirm prior to 8/19/19.
See MIT confirmation attachment #3.

COGCC Decision: _____

COGCC
Representative:

5 CA# 128318

Corrective Action: Submit an eForm 27 Site Investigation and Remediation Workplan to support investigation of former tank battery area for historical impacts through confirmation soil sampling as well as to document liner disposal and the source of unidentified material in the stockpile. Operator's eForm 27 shall include an implementation schedule.

Date: 09/19/2019

Response: CA COMPLETED

Date of Completion: 07/30/2019

Operator
Comment:

To best of CPX knowledge this site was never placed in service. The that facility consisted of 2 x 300 bbl tanks, was installed prior to CPX ownership and along with the heater treaters mentioned prior were not used as far as CPX is aware. Attachment #12 is a photo with "not in use" painted on the tanks. The tanks had no evidence of connection to supply lines and were removed in July 2018 and repurposed, shortly thereafter the liner and steel containment was removed with the exception of the gravel and some of the base liner. These items will be removed and disposed of properly.

On 7/30/19 CPX spoke to COGCC staff and conveyed that it had originally desired to submit a "Factual Review" on this Item #5. However given timing issues described in email dated 7/26/19 CPX was unable to submit the Factual Review. CPX will voluntarily test the soil under liner area and report results to resolve any concerns. If the desire for eForm 27 Site Investigation and Remediation Workplan persists from COGCC CPX would is open to that discussion.

COGCC Decision: _____

COGCC
Representative:

6 CA# 128319

Corrective Action: Comply with Rule 603.f. (pit debris).

Date: 07/29/2019

Response: CA COMPLETED

Date of Completion: 07/22/2019

Operator
Comment:

Debris removed and disposed. Attachments #4-6

COGCC Decision: _____

COGCC
Representative:

7 CA# 128320

Corrective Action: Net or fence pit to prevent access per rule 902.d.

Date: 07/26/2019

Response: CA COMPLETED

Date of Completion: 07/15/2019

Operator
Comment:

The pit area was muddy and damp requiring extra time to try for excavation from the heavy winter. Excavation has been completed, the pit has been backfilled. Attachments # 5-11

COGCC Decision: _____

COGCC
Representative:

8 CA# 128321

Corrective Action: Backfill pit and commence interim reclamation of areas no longer in use, per Rule 1003.b. Conduct final reclamation of Pit Facility ID #416339 per Rule 1004.b.

Date: 08/08/2019

Response: CA COMPLETED

Date of Completion: 07/15/2019

Backfill of pit has been completed. See attachments # 5-11.

Operator
Comment:

COGCC Decision:

COGCC
Representative:

OPERATOR COMMENT AND SUBMITTAL

Comment: Prior to the 7/9/19 visit CPX had corresponded directly with COGCC via Steven Arauza that the access road to its oil and gas operation was under construction. The road, FS 824 accesses CPX private in-holding over US Forest Service. Due to ongoing construction, the road was under Federal Closure notice #2019-13. The purpose of the order is to protect health and human safety of the public during construction. Initially the road was to be completed by Summer 2019, however the length and amount of winter snow pack prevented completion. The closure was extended on May 21, 2019 to December 1, 2019 or until road is complete, whichever occurs first. As of today road work is still ongoing and still under the closure notice.

CPX communicated the closure notice to COGCC/Steven Arauza after an attempt to access the property on 4/26/2019 was unsuccessful due to snow and road conditions. The road is protected by a locked gate on US Forest Service boundary with road closed signs and posting of the closure notice, attachments #B,C,D. Mr. Arauza acknowledged the access restrictions/challenges via email correspondence on 4/26 attachment #A. CPX can make accommodations to make the road accessible however advance notice was requested to allow for accommodations and facilitate safe passage.

On 7/9/2019, Mr. Arauza and Mr. Heil accessed the property with no advance notification to CPX. Active construction was taking place that morning, the gate was locked and closed to the construction area (road). The road is at elevation and narrow, given our crews were unaware of any travel planned by Mr. Arauza public safety could have been compromised. According to our crews account, Mr. Arauza was in an unmarked vehicle and did not announce himself during travel through construction area. CPX personnel discussed with Mr. Arauza who acknowledged the previous correspondence.

CPX is not attempting to deny nor alter COGCC visits, we are however concerned about public safety in an active construction zone on a federally closed road. For any future visits that occur during the closure order we kindly request 2 hours' advance notice in efforts to secure safe and announced passage in the construction area.

Thank you for your patience during the construction period.

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct, and complete.

Print Name: Nicholas Kurtenbach

Signed:

Title: Principal

Date: 7/30/2019 6:21:34 PM

ATTACHMENT LIST

View Attachments in Imaged Documents on COGCC website (<http://ogccweblink.state.co.us/>) - Search by Document Number.

| <u>Document Number</u> | <u>Description</u> |
|------------------------|-----------------------|
| 402121006 | Secured Valve lockout |
| 402121017 | MIT Approval |
| 402121021 | Debris removal |
| 402121023 | Pit |
| 402121025 | Pit |
| 402121026 | Pit |
| 402121027 | Pit |
| 402121030 | Pit |
| 402121031 | Pit |
| 402121034 | Pit |
| 402121035 | Tanks not in use |
| 402123349 | Prior correspondence |
| 402123350 | closure notice |

| | |
|-----------|--------------------------|
| 402123351 | road closure |
| 402123352 | USFS gate |
| 402127784 | Disposal Approval Letter |
| 402127785 | Manifest for Disposal |

Total Attach: 17 Files