

State of Colorado
Oil and Gas Conservation Commission

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Document Number:
402120695

Date Received:
07/30/2019

FIR RESOLUTION FORM

Overall Status: CAC

CA Summary:

11 of 11 CAs from the FIR responded to on this Form

11 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>Heil, John</u>		<u>john.heil@state.co.us</u>
<u>Kurtenbach, Nick</u>		<u>nick@cpxpiceance.com</u>
<u>Murray, Richard</u>		<u>g.richard.murray@state.co.us</u>
<u>Nicholas Kurtenbach</u>	<u>7135549031</u>	<u>nick@cpxpiceance.com</u>
<u>Kellerby, Shaun</u>		<u>shaun.kellerby@state.co.us</u>
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<u>Fischer, Alex</u>		<u>alex.fischer@state.co.us</u>
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COGCC INSPECTION SUMMARY:

FIR Document Number: 698100036

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: 334457

Location Name: TPR Well Pad Number: 25A County: _____

Qtrqtr: SWSE Sec: 25 Twp: 7S Range: 94W Meridian: 6

Latitude: 39.404522 Longitude: -107.832789

FACILITY - API Number: 05-045-00 Facility ID: 334457

Facility Name: TPR Well Pad Number: 25A

Qtrqtr: SWSE Sec: 25 Twp: 7S Range: 94W Meridian: 6

Latitude: 39.404522 Longitude: -107.832789

CORRECTIVE ACTIONS:

1 CA# 128303

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

Response: CA COMPLETED

Date of Completion: 07/23/2019

Operator Comment: The fluids inside the tank area were a result of a storm the previous day, the property recieved meaningful precipitation the evening prior to inspection. The stormwater was disposed via produced water disposal process of moving water from Pad 25a to tanks near County Road 317 then off to disposal location. Approximately 150 bbls of water were moved on 7/23/19 with approximately 50 bbls originating from tank containment. See attachments #1 and 2.

COGCC Decision: _____

COGCC
Representative:

2 CA# 128304

Corrective Action: Remove and properly dispose of oily waste, per Rule 907.e. (wellheads)

Date: 08/19/2019

Response: CA COMPLETED

Date of Completion: 07/30/2019

Operator Comment: Material has been removed and is safely being stored for disposal on 7/31/19. See attached WGCL approval and Manifest for disposal. Attachments #3 - 6, 19-20.

COGCC Decision: _____

COGCC
Representative:

3 CA# 128305

Corrective Action: Comply with Rule 603.f. (weeds).

Date: 07/29/2019

Response: CA COMPLETED

Date of Completion: 07/24/2019

Operator Comment: Weeds identified were not noxious. Weeds were sprayed on 7/23/2019.

COGCC Decision: _____

COGCC
Representative:

4 CA# 128306

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

Response: CA COMPLETED

Date of Completion: 07/25/2019

Operator Comment: Covers being fabricated, rodent escape in place. Attachment #4

COGCC Decision: _____

COGCC
Representative:

5 CA# 128307

Corrective Action: Remove all trash and debris from treated E&P waste to comply with Rule 603.f. (trash)

Date: 07/29/2019

Response: CA COMPLETED

Date of Completion: 07/25/2019

Operator Comment: Trash has been removed from pad 25a area and cuttings please see photos in attachments #7-10, 15 - 18.
Hoses removed, unused 4" line pipe removed.

COGCC Decision: _____

COGCC Representative: _____

6 CA# 128308

Corrective Action: Verify compliance with Rule 605.a.(5).

Date: 08/19/2019

Response: CA COMPLETED

Date of Completion: 07/24/2019

Operator Comment: Distance of 50 ft. was verified.

COGCC Decision: _____

COGCC Representative: _____

7 CA# 128309

Corrective Action: Comply with Rule 603.f. (equipment storage)

Date: 07/29/2019

Response: CA COMPLETED

Date of Completion: 07/23/2019

Operator Comment: Hoses have been removed from tank battery and stored property. See photo attachment # Plastic materil, plastic culverts and wire were considered to be no longer useful and were disposed of. See attachment #

COGCC Decision: _____

COGCC Representative: _____

8 CA# 128310

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

Response: CA COMPLETED

Date of Completion: 07/09/2019

Operator Comment: Lock out and tag markers were installed day of inspection. They had been removed morning of inspection for installation of new tags as they had become worn. See photo attachment #11-13.

COGCC Decision: _____

COGCC Representative: _____

9 CA# 128311

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

Date: 07/29/2019

Response: CA COMPLETED

Date of Completion: 07/22/2019

Operator Comment: Debris has been cleared and removed from cuttings area and disposed of off the property. See photo attachments #7-10.

COGCC Decision: _____

COGCC Representative: _____

10 CA# 128312

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

Response: CA COMPLETED

Date of Completion: 07/22/2019

Operator Comment: All pipes have been fastened and are in good mechanical condition. See photo attachment #14

COGCC Decision:

COGCC Representative:

11 CA# 128313

Corrective Action: Contact COGCC Western Integrity Inspector R. Murray to discuss flowline operations and maintenance requirements.

Date: 07/29/2019

Response: CA COMPLETED

Date of Completion: 07/30/2019

Operator Comment: The flowlines in question have not been used for nearly 24 months predated 1100 series rule making. CPX is familiar with the rules given its recent submission of Form 44 to register newly installed flowlines. Additionally, the lines in question are not currently operable and do not serve an active facility on the receiving end as the pit associated with these lines has been backfilled/reclaimed.

CPX has not yet determined what the future for these lines are, given the lines are not in use and the deadline to register a Form 12 is not until October 31 CPX requests the Corrective Action date be aligned with the registration deadline of October 31.

CPX discussed this Item #11 with COGCC staff (Steven A.) on 7/30/19 and relayed that it needed more time to diagnose future of this set of flowlines. CPX is requesting until September 6 to discuss internally and relay our plans to Inspector Murray.

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 6:26:53 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>
402121281	Fluid movement record
402121282	Containment image
402123386	Wellhead waste removal 1
402123387	Wellhead waste removal 2
402123388	Wellhead waste removal 3
402123389	Wellhead waste removal 4
402123392	Clean pad 25
402123393	Clean pad 25 2
402123394	Trash and debris removal
402123395	Trash disposal receipt
402123396	Lockout
402123397	Lockout 2
402123398	Lockout 3
402123399	Secured Valves
402123404	4 inch unused pipe removal
402123408	Hoses
402123427	Clean tank battery area
402123440	Operator Comments #1
402123442	Operator Comments #2
402123444	Operator Comments #3
402123446	Operator Comments #4
402127765	Waste Disposal Approval Letter
402127766	Waste Disposal Manifest

Total Attach: 23 Files