FORM
FIRR
Rev 5/16

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109

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
Arthur, Denise		denise.arthur@state.co.us
Colby, Lou		lou.colby@state.co.us
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Kurtenbach, Nick		nick@cpxpiceance.com
Nicholas Kurtenbach	713-554-9031	nick@cpxpiceance.com
Pesicka, Conor		conor.pesicka@state.co.us
Burger, Craig		craig.burger@state.co.us
Fischer, Alex		alex.fischer@state.co.us

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:
Qtrqtr: 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

Qtrqtr: SWNE Sec: 36 Twp: 7S Range: 94W Meridian: 6

Latitude: 39.395017 Longitude: -107.831908

`CORRECTIVE ACTIIONS:

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: Approved

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/facilty 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: Approved pending re-inspection

COGCC Representative:

COGCC Supervisor: Steven Arauza followed the Corrective Action Matrix giving the operator 90-days. The equipment shall be removed prior to 11/15/2019.

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: Approved pending re-inspection

COGCC Representative:

COGCC Supervisor: Valves shall also be plugged.

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

All 3 wells associated with Pad 36a (TPR 132-36, 143-36, 112-6) are tubing casing only to shallow depths. MIT

Operator Comment: 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: **Not Approved**

COGCC Representative:

COGCC Supervisor: On 8/20/2019 Alex fischer placed a call into Shannon Chollett and Mr. Chollett stated that to best of his recollection, the operator had not been in direct contact with him.

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: **Not Approved**

COGCC Representative:

COGCC Supervisor: 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.

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: Approved pending re-inspection

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

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

Operator Comment:

COGCC Decision: Approved pending re-inspection

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

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

COGCC Decision: Approved pending re-inspection

COGCC Representative:

OPERATOR COMMENT AND SUBMITTAL

Comment: Prior to the 7/9/19 visit CPX had corresponded directly with COGCC vai 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 accomodations 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 is 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 teh 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.

Document Number	Description
2479136	COGCC Response to Operator Comments
402120729	FIR RESOLUTION SUBMITTED

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 correspondance
402123350	closure notice
402123351	road closure
402123352	USFS gate
402127784	Disposal Approval Letter
402127785	Manifest for Disposal

Total Attach: 19 Files