

**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:

02/26/2020

Submitted Date:

02/27/2020

Document Number:

690101750

FIELD INSPECTION FORM
 Loc ID 437161 Inspector Name: Maclaren, Joe On-Site Inspection ☐ 2A Doc Num:
Operator Information:

OGCC Operator Number: 47120

Name of Operator: KERR MCGEE OIL & GAS ONSHORE LP

Address: P O BOX 173779

City: DENVER State: CO Zip: 80217-

Status Summary:

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

Findings:

5 Number of Comments

0 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
Canfield, Chris		chris.canfield@state.co.us	
Fiddes, Callie		Callie_Fiddes@oxy.com	
Schlagenhauf, Mark		mark.schlagenhauf@state.co.us	
Newville, Toni		Toni_Newville@oxy.com	
,		cogccinspections@anadarko.com	
Hamilton, Greg		Gregory.Hamilton@anadarko.com	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
437157	WELL	PR	08/01/2018	OW	123-39422	SACK 28N-30HZ	EG
437158	WELL	PR	05/03/2015	OW	123-39423	SACK 15C-6HZ	EG
437159	WELL	PR	10/01/2018	OW	123-39424	SACK 37C-6HZ	EG
437160	WELL	PR	04/28/2015	OW	123-39425	SACK 27N-30HZ	EG
437162	WELL	PR	03/01/2017	OW	123-39426	SACK 37N-6HZ	EG
437163	WELL	PR	05/01/2015	OW	123-39427	SACK 2C-30HZ	EG
443004	TANK BATTERY	AC	06/05/2015		-	SACK 37N-6HZ	EG
443005	TANK BATTERY	AC	06/05/2015		-	SACK 37N-6HZ	EG
471486	SPILL OR RELEASE	AC			-	SPILL/RELEASE POINT	EG

General Comment:

Engineering Integrity inspection performed on February 26th, 2020 in response to initial form 19 spill report Doc #402306310 received by COGCC on 02/10/2020 that outlines: Impacts were encountered following the discovery of a pinhole leak in the produced water dump line below a separator at the Sack 37C-6HZ production facility.

Details of observations made during this field inspection are located in the flowline and comment sections of this report. Photos uploaded.

Inspected Facilities

Facility ID: <u>437157</u>	Type: <u>WELL</u>	API Number: <u>123-39422</u>	Status: <u>PR</u>	Insp. Status: <u>EG</u>
Facility ID: <u>437158</u>	Type: <u>WELL</u>	API Number: <u>123-39423</u>	Status: <u>PR</u>	Insp. Status: <u>EG</u>
Facility ID: <u>437159</u>	Type: <u>WELL</u>	API Number: <u>123-39424</u>	Status: <u>PR</u>	Insp. Status: <u>EG</u>
Facility ID: <u>437160</u>	Type: <u>WELL</u>	API Number: <u>123-39425</u>	Status: <u>PR</u>	Insp. Status: <u>EG</u>
Facility ID: <u>437162</u>	Type: <u>WELL</u>	API Number: <u>123-39426</u>	Status: <u>PR</u>	Insp. Status: <u>EG</u>
Facility ID: <u>437163</u>	Type: <u>WELL</u>	API Number: <u>123-39427</u>	Status: <u>PR</u>	Insp. Status: <u>EG</u>
Facility ID: <u>443004</u>	Type: <u>TANK</u>	API Number: <u>-</u>	Status: <u>AC</u>	Insp. Status: <u>EG</u>
Facility ID: <u>443005</u>	Type: <u>TANK</u>	API Number: <u>-</u>	Status: <u>AC</u>	Insp. Status: <u>EG</u>
Facility ID: <u>471486</u>	Type: <u>SPILL OR</u>	API Number: <u>-</u>	Status: <u>AC</u>	Insp. Status: <u>EG</u>

Flowline

#1	Type: Dump Line	of Lines
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Flowline Description

Flowline Type: Dump Line Size: 4" Material: Other
Variance: Age: Contents: Produced Water

Integrity Summary

Failures: Internal Corrosion Spills: Yes Repairs Made: Yes
Coatings: H2S: No Cathodic Protection:

Pressure Testing

Witnessed: Test Result: Charted:

COGCC Rules(check all that apply)

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

<u>Comment:</u>	<p>COGCC Inspector was on location 2/11/2020 & 2/ 26/2020;</p> <p>On 2/11/20 an open excavation was observed on the east end of the Sack 37C-6HZ and south end of the Sack 27N-30HZ heated horizontal separators. Remediation work was in progress in response to COGCC Spill ID #471486. Dump flowlines were exposed in the excavation. Anadarko personnel had identified an internal failure on the produced water dump flowline riser servicing the Sack 37C-6HZ well resulting in the release. The pinhole was found below grade at a T fitting where the 2" FBE CS riser connects (welded) to the common produced water flowline (2" FBE CS) servicing all wells serviced by this facility. Oxy is in the process of determining cause of failure; however internal corrosion/ erosion corrosion is suspected to be the root cause at this time.</p> <p>On 2/26/2020 COGCC Inspector met with Oxy personnel (Justin Elmore, Luke Reddy and others) on location. The excavation was observed backfilled; work was in progress to replace the common produced water flowline tied in to the discharge of all heated horizontal separators on location. Per communications, Oxy engineering staff had decided to replace the entire PW flowline system servicing this facility (existing pipe was previously scoped to investigate integrity condition). The 2" FBE CS PW flowline is scheduled to be replaced with a 4" SS above ground flowline system installation for all wells serviced by this facility. Pipe racks were being installed at the time of inspection. The SS flowline system components were being constructed off site (via TIG welding) and scheduled for future install. New construction work is in progress.</p> <p>Note: The existing 2" CS PW flowline system is being put out of service. The below grade common dump flowline has been cut in several places with ends cemented and bullplugged meeting COGCC 1105 abandonment requirements. For flowline risers located inside the horizontal separator housings (at/ tie into dump outlets) OOSLAT requirements per COGCC rule 1105.b are being met. Oxy personnel communicated engineering and design information with COGCC Integrity staff prior to initiating field work.</p>	
Corrective Action:		Date:

COGCC Comments

Comment	User	Date
<p>*Note: The reference location/ facility type listed on COGCC Form 19 Doc #402306310 shows Tank Battery; COGCC requests operator changes facility type listed to Flowline System.</p> <p>Update the following information to the Corrective Actions section of COGCC supplemental form 19 Doc #402313114 (brief descriptions):</p> <ol style="list-style-type: none"> 1) Root cause of flowline failure resulting in this release (operator determination). 2) Measures taken to prevent a recurrence 3) Brief written description of flowline repair work completed 4) Scheduled integrity confirmation post repair; indicate if pressure test of flowline system is scheduled prior to return to service 	maclarej	02/27/2020
<p>From Oxy to COGCC Via Email on 2/13/2020:</p> <p>OOSLAT Scope: Replace 2" flanged Tee inside the separator doghouse with a flanged Stainless Steel Cross Install skilled blinds to the two isolation valves Leave 2" water risers intact in the production separators We intend to cut out one riser for inspection into the failure mode. This riser will not be replaced, instead the other two ends below ground will be threaded and plugged with a bull plug. Follow 1105 riser guidelines for the three water risers at bulk separator containment and water tank containment</p>	maclarej	02/27/2020

<p>Oxy communications with COGCC regarding abandonment of Sack 15-31HZ and 16-31HZ on-location produced water flowlines:</p> <p>Schlagenhauf - DNR, Mark Mon, Feb 10, 10:07 AM to Toni Newville, Callie Fiddes</p> <p>No objection.</p> <p>On Mon, Feb 10, 2020 at 8:13 AM Toni Newville wrote: Mark,</p> <p>The lines are in close proximity to production equipment on the pad, and full removal would create significant additional safety and environmental impact. However, the lines will be fully removed at the time of full decommissioning of the facility in the future.</p> <p>From: Schlagenhauf - DNR, Mark Sent: Sunday, February 09, 2020 3:42 PM To: Callie Fiddes Cc: Toni Newville Subject: Re: Notice requirement - Sack 15-31HZ and 16-31HZ on-location abandonment in place</p> <p>Toni and Callie, What is the reason for abandonment in place as opposed to removal?</p> <p>From: Newville, Toni Sent: Friday, February 7, 2020 2:37 PM To: mark schlagenhauf Cc: Fiddes, Callie Subject: Notice requirement - Sack 15-31HZ and 16-31HZ on-location abandonment in place</p> <p>Mark, I wanted to request if we could obtain approval to proceed with abandonment in place of on-location dump lines on the Sack 15-31HZ and 16-31HZ locations with less than 30 days' notice.</p> <p>We have recently discovered a soil impact associated with a leak in one of the dump lines, which is why we would like to proceed with the operation as soon as possible. The associated Form 19 will be filed Monday with Doc # 402306310. Erik Mickelson has also communicated this to Chris Canfield. We would like to start the abandonment in place operation on Feb 17 if we receive approval to proceed. We have not yet filed a Form 42 for on-location abandonment in place for this operation, but plan to do so today. Thank you and please advise if we may proceed with operations on Feb 17.</p>	maclarej	02/27/2020
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Attached Documents

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

Document Num	Description	URL
690101754	Flowline risers inside housing; Existing OOSLAT	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5080004
690101755	Pipe rack installations in progress	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5080005
690101756	Oxy_Sack Water Line OOSLAT Diagram	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5080006
690101758	Signage; Excavation & flowlines exposed; view N	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5080007