

**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:

09/28/2020

Submitted Date:

10/05/2020

Document Number:

690102101

FIELD INSPECTION FORM

Loc ID _____ Inspector Name: Maclaren, Joe On-Site Inspection 2A Doc Num: _____

Status Summary:

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

Operator Information:

OGCC Operator Number: 8960
 Name of Operator: BONANZA CREEK ENERGY OPERATING COMPANY
 Address: 410 17TH STREET SUITE #1400
 City: DENVER State: CO Zip: 80202

Findings:

- 2 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
Kelly, Luke		LKelly@bonanzacrk.com	
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Schlagenhauf, Mark		mark.schlagenhauf@state.co.us	
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Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
464116	OFF-LOCATION FLOWLINE	AC	04/24/2019		-	Wellhead Line 24-34 Pad	EG

General Comment:

Engineering Integrity inspection performed on September 28th, 2020 in response to initial form 19 spill report Doc #402485343 received by COGCC on 09/09/2020 that outlines: The cause of the release and total release volume are currently under investigation. However, it is believed that internal corrosion on an off location flowline caused a currently unknown volume of oil to be released to the ground and subsurface. The well was immediately shut in to stop the flow. Vacuum trucks were immediately dispatched to remove the pooled product. Following utility locates, the impacted soil will be removed and hauled to a COGCC approved disposal facility.

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

Inspected Facilities

Facility ID: 464116 Type: OFF- API Number: - Status: AC Insp. Status: EG

Flowline

#1	Type: Non-Well Site	of Lines
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Flowline Description

Flowline Type: Non-Well Site Size: 3" Material: Carbon Steel
 Variance: No Age: 1-5 Yrs Contents: Multiphase

Integrity Summary

Failures: Internal Corrosion Spills: Yes Repairs Made: Yes
 Coatings: Yes External 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

Comment: COGCC Inspector met with BCOC personnel on location on 9/28/20. The off location flowline servicing the Park U-4-9XRLC well (along with other OLF's in same ROW) was observed exposed in an open excavation (with impacted groundwater) approximately 1300 feet NE from the wellhead. An integrity failure to the flowline resulted in a reportable spill at the approximate midway point between the wellhead and facility (spill ID #477881, 40.348840, -104.429914). This area may be low point along the length of flowline as it was installed under/ dips under older existing OLF's. BCOC personnel and contractors are in the process of investigating the root cause of failure and determining a strategy for making repairs, replacing and/ or abandoning the flowline; approximately 25 linear feet of the flowline had been cut out for examination in the area of failure. Internal corrosion was observed in the 6 o'clock position (along with a pinhole corrosion failure) in the cutout section of pipe. The corrosion mechanism will be determined through a failure analysis; however, based on observations may be associated with CO2 and/ or MIC corrosion. The extent of damage to the overall length of the flowline (approximately 3000'), as well as the internal condition of adjacent flowline(s) constructed in the same period of time, is also under investigation by BCOC. Excavation and remediation activities in response to the release are in progress.

Corrective Action:

Date:

Attached Documents

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

Document Num	Description	URL
690102107	Cutout section of pipe; internal corrosion	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5262041
690102108	Excavation (groundwater); cutout section of flowline	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5262042