

State of Colorado
Oil and Gas Conservation Commission

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Document Number:

402524223

Date Received:

11/04/2020

Spill report taken by:

Arauzo, Steven

Spill/Release Point ID:

478366

SPILL/RELEASE REPORT (SUPPLEMENTAL)

This form is to be submitted by the party responsible for the oil and gas spill or release. Refer to COGCC Rule 906.b. for reporting requirements of spills or releases of E&P Waste or produced fluids. Submit a Site Investigation and Remediation Workplan (Form 27) when requested by the Director.

OPERATOR INFORMATION

Name of Operator: <u>CAERUS PICEANCE LLC</u>	Operator No: <u>10456</u>	Phone Numbers
Address: <u>1001 17TH STREET #1600</u>		Phone: <u>(970) 778-2314</u>
City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80202</u>		Mobile: <u>(970) 778-2314</u>
Contact Person: <u>Jake Janicek</u>		Email: <u>jjanicek@caerusoilandgas.com</u>

INITIAL SPILL/RELEASE REPORT

Initial Spill/Release Report Doc# 402511354

Initial Report Date: 10/14/2020 Date of Discovery: 10/13/2020 Spill Type: Recent Spill

Spill/Release Point Location:

QTRQTR NWNW SEC 27 TWP 5S RNG 95W MERIDIAN 6

Latitude: 39.590252 Longitude: -108.047173

Municipality (if within municipal boundaries): _____ County: GARFIELD

Reference Location:

Facility Type: OIL AND GAS LOCATION Facility/Location ID No 335574

Spill/Release Point Name: D27-595 (5A-27) Flowline Release Well API No. (Only if the reference facility is well) 05- -

No Existing Facility or Location ID No.

Fluid(s) Spilled/Released (please answer Yes/No):

Was one (1) barrel or more spilled outside of berms or secondary containment? Yes

Secondary containment, including walls & floor regardless of construction material, must be sufficiently impervious to contain any discharge from primary containment until cleanup occurs.

Were Five (5) barrels or more spilled? No

Estimated Total Spill Volume: use same ranges as others for values

Estimated Oil Spill Volume(bbl): 0 Estimated Condensate Spill Volume(bbl): 0

Estimated Flow Back Fluid Spill Volume(bbl): 0 Estimated Produced Water Spill Volume(bbl): >0 and <1

Estimated Other E&P Waste Spill Volume(bbl): 0 Estimated Drilling Fluid Spill Volume(bbl): 0

Specify: _____

Land Use:

Current Land Use: NON-CROP LAND Other(Specify): _____

Weather Condition: Clear 60

Surface Owner: FEE Other(Specify): _____

Check if impacted or threatened by spill/Release (please answer Yes/No to all that apply):

Waters of the State Residence/Occupied Structure Livestock Public Byway Surface Water Supply Area

As defined in COGCC 100-Series Rules

Describe what is known about the spill/release event (what happened -- including how it was stopped, contained, and recovered):

A flow line failure was discovered during the routine daily trending of production data. The flow line that failed was connected to the 5A-27 well's wellhead. In order to confirm the failure, the lease operator pressure tested the line. The line lost pressure during the test. The line has been isolated and we are no longer producing fluids through it.

List Agencies and Other Parties Notified:

OTHER NOTIFICATIONS

Date	Agency/Party	Contact	Phone	Response
10/13/2020	COGCC	Steven Arauza	-	Discussed on Phone
10/13/2020	Garfield County	Kirby Wynn	-	Responded via email

Was there a Grade 1 Gas Leak? Yes No

If YES, enter the Document Number of the Grade 1 Gas Leak Report Form 44: _____

Was there a reportable accident associated with either a Grade 1 Gas Leak or an E&P waste spill or release? Yes No

If YES, enter the Document Number of the Initial Accident Report, Form 22: _____

Was there damage during excavation? Yes No

If YES, was CO 811 notified prior to excavation? Yes No

CORRECTIVE ACTIONS

#1 Supplemental Report Date: 11/03/2020

Root Cause of Spill/Release Corrosion

Other (specify) _____

Type of Equipment at Point of Spill/Release: Wellhead Line

If "Other" selected above, specify or describe here:

Describe Incident & Root Cause (include specific equipment and point of failure)

The failure occurred along two points of the flowline (wellhead line) about 10 feet apart. The first failure is approximately 100 feet downstream of the ninety degree elbow where the flowline (wellhead line) transitions from a north-south orientation to an east-west orientation. This transition is approximately 10 feet south of the wellhead connected to the 5A-27 well. The root cause was determined to be internal corrosion.

Describe measures taken to prevent the problem(s) from reoccurring:

The failed piping was replaced. Daily review of production data will continue to be trended in order to catch any potential failures.

Volume of Soil Excavated (cubic yards): _____

Disposition of Excavated Soil (attach documentation) Offsite Disposal Onsite Treatment
 Other (specify) _____

Volume of Impacted Ground Water Removed (bbls): _____

Volume of Impacted Surface Water Removed (bbls): _____

REQUEST FOR CLOSURE

Spill/Release Reports should be closed when impacts have been remediated or when further investigation and corrective actions will take place under an approved Form 27.

Basis for Closure: Corrective Actions Completed (documentation attached)

Work proceeding under an approved Form 27

Form 27 Remediation Project No: _____

OPERATOR COMMENTS:

On 10/22/2020, soil samples (20201022-D27-595-POR01@6' and 20201022-D27-595-POR02@5.5') were collected from the soil adjacent to the two points of release (POR). Both samples were submitted for laboratory analysis of all analytes listed in COGCC Table 910-1. Laboratory analytical results indicate that both soil samples were compliant with all COGCC Table 910-1 Concentration Levels or below background concentrations for arsenic. Table 1 summarizes analytical results and reports are attached. Please see Figure 1 which depicts soil sampling locations and other pertinent site info.

In order to address the arsenic exceedances exhibited in both samples mentioned above, Caerus is requesting consideration for the COGCC Table 910-1 Concentration Level for arsenic under guidelines set forth under FAQ 31. Caerus believes the request for FAQ 31 consideration is acceptable as the arsenic results for both soil samples were below background samples for arsenic collected at the site in 2012. Table 1 summarizes background analytical results and reports are attached. Please see Figure 1 which depicts background soil sampling locations.

A COA listed on the Initial Form 19 for this release requested that a representative fluid sample be collected from the well associated with the failed flowline. Caerus requests relief from this COA due to the technical infeasibility associated with the failed flowline being part of a three-phase process system that is connected directly into a three-phase pipeline instead of a production tank. Under this process system, a sufficient amount of sample fluid would not be able to be collected to fulfill the requirement.

Per another COA on the Initial Form 19 for this release, the notification submitted to the landowner, which is Caerus, is attached to this form.

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

Signed: _____ Print Name: Jake Janicek

Title: EHS Specialist Date: 11/04/2020 Email: jjanicek@caerusoilandgas.com

COA Type

Description

	Based on review of information presented it appears that no further action is necessary at this time, and COGCC approves the closure request. However, should future conditions at the site indicate contaminant concentrations in soils exceeding COGCC standards or if surface and/or ground water is found to be impacted, then further investigation and/or remediation activities will be required at the site.
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Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
402524223	SPILL/RELEASE REPORT(SUPPLEMENTAL)
402524225	ANALYTICAL RESULTS
402524229	OTHER
402524837	ANALYTICAL RESULTS
402524860	SITE MAP
402524953	ANALYTICAL RESULTS
402526746	FORM 19 SUBMITTED

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Environmental	Based on the information provided under Operator Comments, the Operator's request for relief from the representative fluids sampling COA is conditionally approved.	11/05/2020
Environmental	Based on the information provided for background samples (docs #402524953, 402524837, 402524860), the Operator's request for consideration of background arsenic concentrations in exceedance of Table 910-1, per FAQ 31, is conditionally approved.	11/05/2020

Total: 2 comment(s)