

**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:

01/19/2021

Submitted Date:

01/26/2021

Document Number:

690102252

FIELD INSPECTION FORMLoc ID 421630 Inspector Name: Maclaren, Joe On-Site Inspection ☐ 2A Doc Num: _____**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

Status Summary:

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

Findings:

3 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 | |
| Schlagenhauf, Mark | | mark.schlagenhauf@state.co.us | |
| , | | EHSRC@bonanzacrk.com | |
| Allison, Rick | | rick.allison@state.co.us | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|-----------------------|--------|-------------|------------|-----------|-------------------------|-------------|
| 457523 | WELL | PR | 08/01/2019 | OW | 123-47956 | Park U-4-9XRLC | EG |
| 464116 | OFF-LOCATION FLOWLINE | AC | | | - | Wellhead Line 24-34 Pad | EG |
| 477881 | SPILL OR RELEASE | CL | | | - | Park U-4-9XRLC Flowline | EG |

General Comment:

COGCC Engineering Integrity Inspection; Off location flowline pressure testing witnessed.
Pressure testing chart and photos uploaded.

Inspected Facilities

Facility ID: 457523 Type: WELL API Number: 123-47956 Status: PR Insp. Status: EG

Flowline

| | | |
|----|---------------------|------------|
| #1 | Type: Non-Well Site | 1 of Lines |
|----|---------------------|------------|

Flowline Description

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

Integrity Summary

Failures: Spills: Repairs Made: Yes
 Coatings: Yes External H2S: No Cathodic Protection:

Pressure Testing

Witnessed: Yes Test Result: Pass Charted: Yes

COGCC Rules (check all that apply)

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

Comment: COGCC Inspector met with BCEO and contract personnel on location. The off location wellhead flowline servicing the Park U-4-9XRLC well has been replaced in entirety; pre-existing flowline removed. The flowline runs approximately 3000' E-NE from the wellhead to facility; new 3" OD FBE schedule 80 X-42/ X-52 pipe materials were used to construct the flowline. The flowline pressure test (hydro/ new construction) was run for 8 hours and recorded on a data logger (crystal gauge/ both endpoints); Initial test pressure reading 3635.5 psi, end test pressure reading 3634.7 psi.

The test recorded minimal pressure deviation (loss < 10%) and adequate stabilization. This test witnessed is deemed passing/ satisfactory per COGCC rule 1104.h.(1)

Corrective Action:

Date:

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

Facility ID: 477881 Type: SPILL OR API Number: - Status: CL Insp. Status: EG

COGCC Comments

| Comment | User | Date |
|--|----------|------------|
| As outlined on COGCC FIR Doc #690102101 submitted on 09/28/2020: 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. | maclarej | 01/26/2021 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|---------------------|---|
| 690102254 | Pressure Test Chart | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5336850 |
| 690102256 | Wellhead; signage | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5336851 |
| 690102257 | OLF inlet at HHS | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5336852 |