

**FORM  
INSP**Rev  
X/20**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:

10/06/2021

Submitted Date:

10/11/2021

Document Number:

690102651

**FIELD INSPECTION FORM**Loc ID 462025 Inspector Name: Maclaren, Joe On-Site Inspection ☐ 2A Doc Num: \_\_\_\_\_**Operator Information:**

OGCC Operator Number: 10071

Name of Operator: HIGHPOINT OPERATING CORPORATION

Address: 555 17TH ST STE 3700

City: DENVER State: CO Zip: 80202

**Status Summary:**

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

**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         |         |
| Schlagenhauf, Mark |       | mark.schlagenhauf@state.co.us |         |
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| Chesson, Robert    |       | robert.chesson@state.co.us    |         |

**Inspected Facilities:**

| Facility ID | Type             | Status | Status Date | Well Class | API Num   | Facility Name               | Insp Status |
|-------------|------------------|--------|-------------|------------|-----------|-----------------------------|-------------|
| 462017      | WELL             | PR     |             | OW         | 123-49714 | Grinde 01-64-05-1724C       | EG          |
| 477732      | Flowline System  | AC     | 08/27/2020  |            | -         | Grinde_Flowline_System      | EG          |
| 480881      | SPILL OR RELEASE | AC     | 10/06/2021  |            | -         | Grinde 1-64-5_4 PW Dumpline | EG          |

**General Comment:**

Engineering Integrity inspection performed on October 6th, 2021 in response to initial form 19 spill report Doc #402831959 received by COGCC on 10/05/2021 that outlines: While performing semi-annual pressure testing on the Grinde 1-64-5\_4 NWSW comingled produced water dumpline, produced fluids were seen rising to the surface around the separator. The flowline was immediately isolated and blowdown. Vacuum trucks were mobilized to expose the compromised line and allow access for repairs. The line will be pressure tested prior to returning to service.

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>462017</u> | Type: <u>WELL</u>     | API Number: <u>123-49714</u> | Status: <u>PR</u> | Insp. Status: <u>EG</u> |
| Facility ID: <u>477732</u> | Type: <u>Flowline</u> | API Number: <u>-</u>         | Status: <u>AC</u> | Insp. Status: <u>EG</u> |
| Facility ID: <u>480881</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 |
|----|-----------------|----------|

Flowline Description

Flowline Type: Dump Line      Size: 2"      Material: Carbon Steel  
 Variance: No      Age: 1-5 Yrs      Contents: Produced Water

Integrity Summary

Failures: Internal Corrosion      Spills: Yes      Repairs Made: Yes  
 Coatings:      H2S:      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 Integrity Inspector met with Highpoint contract personnel on location on 10/06/2021. An open hydro-excavation was observed adjacent to the west side (discharge) of the HHS servicing the Grinde 01-64-05-1724C well. Contractors were in the process of removing and replacing a failed 2" to 4" produced water dump flowline T fitting. The failure appears to be associated with internal corrosion and/ or erosion corrosion where the 2" dump flowline outlet ties into a 4" common produced water gathering flowline servicing multiple wells. A quarter size hole was observed at the 6 o'clock position within the T fitting. A new fitting is being installed; however, the root cause of failure may continue to affect the integrity of this and other dump flowlines servicing this facility.

Note: Update applicable information to CA section of COGCC supplemental form 19 to include the following:

- Root cause of flowline failure resulting in this release (corrosion mechanism) (1104.k. Integrity Failure Investigation/ operator determination)
- Measures taken to prevent a recurrence (1724C and other dump flowlines at facility) (1102.d Installation and 1102.I Corrosion Control)
- Description of flowline repair/ replacement work completed (1102.j. Repair)
- Pressure test flowline(s) prior to return to service; post repair integrity confirmation (1102.j.4 and 1102.O)

Corrective Action:

Date:

**Attached Documents**

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

| Document Num | Description                                    | URL   |
|--------------|--|---|
| 690102652    | Signage at tank battery                        | <a href="http://ogccwebblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5551787">http://ogccwebblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5551787</a> |
| 690102653    | Failed T fitting; removed from flowline system | <a href="http://ogccwebblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5551788">http://ogccwebblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5551788</a> |
| 690102654    | Internal corrosion failure; T fitting          | <a href="http://ogccwebblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5551789">http://ogccwebblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5551789</a> |

|           |  |   |
|-----------|--|---|
| 690102655 | Flowlines exposed in excavation; repair work | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5551790">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5551790</a> |
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