

**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:

10/12/2021

Submitted Date:

10/15/2021

Document Number:

690102658

FIELD INSPECTION FORM

Loc ID 321533 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: 10633
Name of Operator: CRESTONE PEAK RESOURCES OPERATING LLC
Address: 1801 CALIFORNIA STREET #2500
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 |
|--------------------|-------|----------------------------------|---------|
| Schlagenhauf, Mark | | mark.schlagenhauf@state.co.us | |
| | | cogcc.inspections@crestonepr.com | |
| | | schuyler.hamilton@crestonepr.com | |
| Canfield, Chris | | chris.canfield@state.co.us | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|----------|--------|-------------|------------|---------|----------------------------|-------------|
| 321533 | LOCATION | AC | | | - | ALAUX F UNIT-61N68W 26NWNW | EG |

General Comment:

Engineering Integrity inspection performed on October 12th, 2021 in response to initial form 19 spill report Doc #402837245 received by COGCC on 10/11/2021 that outlines: During routine maintenance and inspection work, a pressure test on the partially buried produced water vessel failed. Additionally, quarterly groundwater monitoring event associated with a previous release uncovered a spike in benzene levels at MW04 (Spill ID:477251), indicating a potential additional release of fluids nearby. It appears a failure at the base or sidewalls of the vessel, or from production line connections, resulted in the release of approximately 5 barrels of produced water. The vessel has been shut in for repairs and further investigation work will be conducted.

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

Location

Overall Good:

Emergency Contact Number:

Comment:

Corrective Action:

Date: _____

Overall Good:

Spills:

| Type | Area | Volume | | | |
|------|------|--------|--|--|--|
| | | | | | |

In Containment: No

Comment:

Multiple Spills and Releases?

Tanks and Berms:

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|----------------|---|----------|----------------|---------|--------|
| PRODUCED WATER | 1 | OTHER | PBV FIBERGLASS | | |

Comment: COGCC Inspector met with CPRO contract personnel on location (NG/ Apex). Facility services multiple wells; (1) 150 bbl PW fiberglass PBV was observed inside the fenced containment area. The tank is located on the east end of the tank battery @ approx 40.02673, -104.976872. Hydro-excavations exposed the dump flowline ties in's to the PBV. The tank (or dump flowline) failure has not been identified; currently under investigation. Excavation and remediation work is in progress.

Note: Update the subsequent COGCC form 19 to include; Cause of failure resulting in spill, description of tank and/ or flowline repairs completed, measures taken in order to prevent a recurrence. Confirm integrity of tank/ equipment prior to return to service.

Corrective Action:

Date:

Paint

Condition

Other (Content)

Other (Capacity)

Other (Type)

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|------|----------|---------------------|---------------------|-------------|
| | | | | |

Comment:

Corrective Action:

Date:

Venting:

Yes/No

Comment:

Corrective Action:

Date:

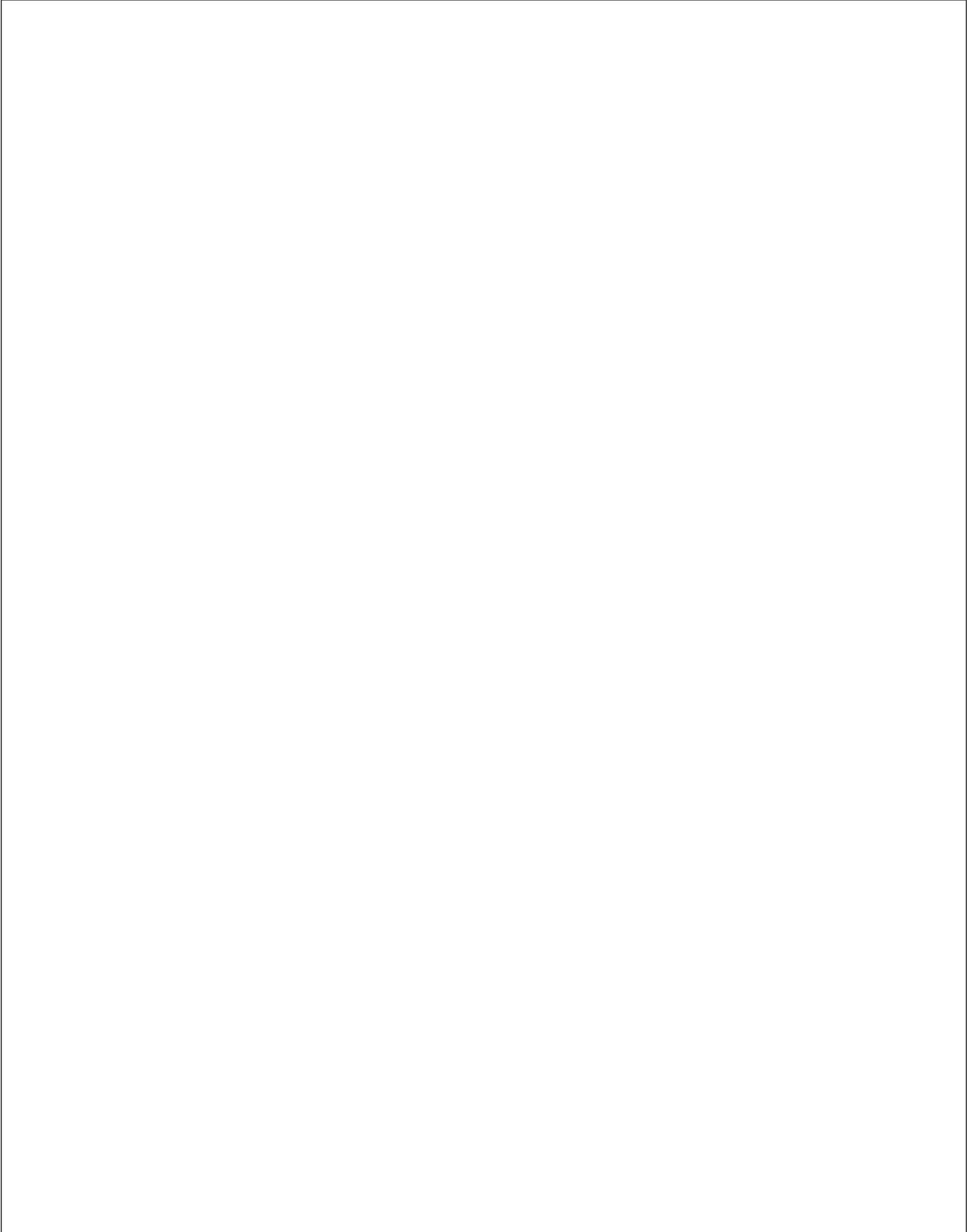
Flaring:

| Type | | |
|------|--|--|
| | | |

Comment:

Corrective Action:

Date:



Inspected FacilitiesFacility ID: 321533 Type: LOCATION API Number: - Status: AC Insp. Status: EG**Attached Documents**You can go to COGCC Images (<https://cogcc.state.co.us/weblink/>) and search by document number:

| Document Num | Description | URL |
|--------------|---------------------------------------|---|
| 690102663 | Tank battery and signage | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5556686 |
| 690102665 | Hydro-excavation at fiberglass PW PBV | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5556687 |
| 690102666 | PW dump flowline; tank inlet | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5556688 |