

FORM
INSPRev
X/20State of Colorado
Oil and Gas Conservation Commission1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109

Inspection Date:

01/13/2022

Submitted Date:

01/14/2022

Document Number:

690102803

FIELD INSPECTION FORM

 Loc ID: 317599 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:

- 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
Schlagenhauf, Mark		mark.schlagenhauf@state.co.us	
		cogcc.inspections@crestonepr.com	
Kelly, Luke		lkelly@civiresources.com	
Gintautas, Peter		peter.gintautas@state.co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
239537	WELL	SI	09/01/2021	GW	123-07324	KAWAKAMI 1	EG
481328	SPILL OR RELEASE	AC	01/07/2022		-	Kawakami 1	EG

General Comment:

Engineering Integrity inspection performed on January 13th, 2022 in response to initial form 19 spill report Doc #402910187 received by COGCC on 12/28/2021 that outlines: An under ground leak from the water leg of the subsurface produced water vessel was detected. No gas was released. The release has been controlled, the water leg was isolated at the separator, and the produced water vessel was emptied out. The release was captured through Cygnet Trend and hand gauging.

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: 239537 Type: WELL API Number: 123-07324 Status: SI Insp. Status: EG

Flowline

#1	Type: Dump Line	1 of Lines
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Flowline Description

Flowline Type: Dump Line Size: 2" Material: Carbon Steel
 Variance: Age: Contents: Produced Water

Integrity Summary

Failures: Spills: Yes Repairs Made:
 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 CPRO contract personnel on location on 1/13/2022. A small excavation was observed exposing the PW dump flowline under the west side (discharge) of the HHS servicing (4) Kawakami wells. Contractors were in the process of locating the failure point on the vertical section of the 2" CS PW dump flowline at the transition to HDPE pipe material. The failure may be associated with internal corrosion and/ or erosion corrosion at the 90 degree fitting where the flowline transitions from a vertical to horizontal alignment. The contractor had previously run an integrity test on the fiberglass PW PBV (tank/ deemed passing) and PW dump flowline (pressure test/ Nitrogen 100 psi) to locate the proximity of the leak. Hydro-excavation is scheduled in order to expose the flowline and complete repairs; remediation work is ongoing.

Note: Please document the following:
 - Root cause of flowline failure resulting in this release (corrosion mechanism/ operator determination)
 (1104.k. Integrity Failure Investigation/ operator determination)
 - Measures taken to prevent a recurrence
 (1102.d Installation and 1102.l 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:

Facility ID: 481328 Type: SPILL OR API Number: - Status: AC Insp. Status: EG

COGCC Comments

Comment	User	Date
As outlined in CA section of COGCC supplemental for 19 doc #402920267 submitted on 01/07/2022: An under ground leak from the water leg of the subsurface produced water vessel was detected. No gas was released. The release has been controlled, the water leg was isolated at the separator, and the produced water vessel was emptied out. The failed equipment will be replaced and will be monitored according to routine maintenance intervals.	maclarej	01/14/2022

Attached Documents

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

Document Num	Description	URL
690102806	Signage and tank battery	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5634168
690102807	Excavation around PW dump flowline	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5634169
690102808	Flowline exposed; transitional 90 fitting	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5634170
690102809	Fiberglass PW PBV; flowline tie in at tank bottom	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5634171