

State of Colorado

Energy & Carbon Management Commission

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Document Number:

403494185

Date Received:

08/21/2023

Spill report taken by:

Heil, John

Spill/Release Point ID:

484126

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 912.b. for reporting requirements of spills or releases of E&P Waste, produced Fluids, or unauthorized Releases of natural gas. Submit a Site Investigation and Remediation Workplan (Form 27) if Rule 913.c. applies.

OPERATOR INFORMATION

| | | |
|---------------------------------------|--------------------|--|
| Name of Operator: CAERUS PICEANCE LLC | Operator No: 10456 | Phone Numbers |
| Address: 1001 17TH STREET #1600 | | Phone: (970) 902-3598 |
| City: DENVER State: CO Zip: 80202 | | Mobile: (970) 902-3598 |
| Contact Person: Andy Verbonitz | | Email: averbonitz@caerusoila.ndgas.com |

☐ Transfer of Operatorship: Pursuant to Rule 912.f, this Supplemental Form 19 is being submitted to designate the Buying Operator as the responsible Operator for this Spill and Release.

INITIAL SPILL/RELEASE REPORT

Initial Spill/Release Report Doc# 403356269

Initial Report Date: 03/26/2023 Date of Discovery: 03/25/2023 Spill Type: Recent Spill

Spill/Release Point Location:

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

Latitude: 39.579245 Longitude: -108.033135

Municipality (if within municipal boundaries): County: GARFIELD

Enter Lat./long measurement of the actual Spill/Release Point. Lat./Long. Data shall meet standards of Rule 216.

Reference Location:

Facility Type: WELL SITE

☒ Facility/Location ID No 335806

Spill/Release Point Name: P27-595 (1F-34) Flowline Release

☐ Well API No. (Only if the reference facility is well) 05- -☐ No Existing Facility or Location ID 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): Unknown

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

Estimated Drilling Fluid Spill Volume(bbl): 0

Specify:

Has the subject Spill/Release been controlled at the time of reporting? Yes

Land Use:

Current Land Use: NON-CROP LAND

Other(Specify):

Weather Condition: Windy 20

Surface Owner: FEE

Other(Specify):

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

While trending production data, an anomaly was observed on the 1F-34 well's data. The lease operator conducted a pressure test which failed and inspected several failure points including the stem and seat on one of the valves and found that it was washed out. The equipment was replaced but the line still did not hold pressure. The line was de-energized and isolated. Gas control was then notified of the incident. It is suspected that the failure point is at the first subsurface ninety degree elbow downstream of the wellhead.

List of Agencies and Other Parties Notified Pursuant to Rule 912.b.(7)-(11):

OTHER NOTIFICATIONS

| <u>Date</u> | <u>Agency/Party</u> | <u>Contact</u> | <u>Phone</u> | <u>Response</u> |
|-------------|---------------------|----------------|--------------|---------------------------|
| 3/26/2023 | Garfield County | Kirby Wynn | - | None at time of reporting |
| 3/26/2023 | COGCC | Steven Arauza | - | None at time of reporting |
| 3/26/2023 | CPW | Taylor Elm | - | None at time of reporting |

REPORT CRITERIA

Rule 912.b.(1) Report to the Director (select all criteria that apply):

No Rule 912.b.(1).A: A Spill or Release of any size that impacts or threatens to impact any Waters of the State, Public Water System, residence or occupied structure, livestock, wildlife, or publicly-maintained road.

Waters of the State: _____ Public Water System: _____

Residence or Occupied Structure: _____ Livestock: _____

Wildlife: _____ Publicly-Maintained Road: _____

No Rule 912.b.(1).B: A Spill or Release in which 1 barrel or more of E&P Waste or produced fluids is spilled or released outside of berms or other secondary containment.

No Rule 912.b.(1).C: A Spill or Release of 5 barrels or more of E&P Waste or produced Fluids regardless of whether the Spill or Release is completely contained within berms or other secondary containment.

No Rule 912.b.(1).D: Within 6 hours of discovery, a Grade 1 Gas Leak. For a Grade 1 Gas Leak from a Flowline, the Operator also must submit the Form 19 – Initial, document number on a Form 44, Flowline Report, for the Grade 1 Gas Leak

Enter the approximate time of discovery _____ (HH:MM)

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? _____

Enter the Document Number of the Initial Accident Report, Form 22 _____

Was there damage during excavation? _____

Was CO 811 notified prior to excavation? _____

No Rule 912.b.(1).E: The discovery of 10 cubic yards or more of impacted material resulting from a current or historic Spill or Release. Discovery and reporting will not be contingent upon confirmation samples demonstrating exceedance of Table 915-1 standards.

Estimated Volume of Impacted Solids (cu. yd.): _____

No Rule 912.b.(1).F: The discovery of impacted Waters of the State, including Groundwater. Discovery and reporting will not be contingent upon confirmation samples demonstrating exceedance of Table 915-1 standards. The presence of free product or hydrocarbon sheen on Groundwater or surface water is reportable. The presence of contaminated soil in contact with Groundwater or surface water is reportable. Check all that apply:

☐ The presence of free product or hydrocarbon sheen Surface Water

☐ The presence of free product or hydrocarbon sheen on Groundwater

☐ The presence of contaminated soil in contact with Groundwater

☐ The presence of contaminated soil in contact with Surface water

| | |
|-----|--|
| Yes | Rule 912.b.(1).G: A suspected or actual Spill or Release of any volume where the volume cannot be immediately determined, including a spill or release of any volume that daylights from the subsurface. |
| No | Rule 912.b.(1).H: Spill or Release resulting in vaporized hydrocarbon mists that leave the Oil and Gas Location or Off-Location Flowline right of way from an Oil and Gas Location and impacts or threatens to impact off-location property. <input type="checkbox"/> Areas offsite of Oil & Gas Location <input type="checkbox"/> Off-Location Flowline right of way |
| No | Rule 912.b.(1).I: A Release of natural gas that results in an accumulation of soil gas or gas seeps. |
| No | Rule 912.b.(1).J: A Release that results in natural gas in Groundwater. |

CORRECTIVE ACTIONS

| | |
|---|---|
| #1 | Supplemental Report Date: <u>08/21/2023</u> |
| Root Cause of Spill/Release <u>Corrosion</u> | |
| Other (specify) _____ | |
| Type of Equipment at Point of Spill/Release: <u>Other</u> | |
| If "Other" selected above, specify or describe here: | |
| Flowline | |
| Describe Incident & Root Cause (include specific equipment and point of failure) | |
| While trending production data, an anomaly was observed on the 1F-34 well's data. The lease operator conducted a pressure test which failed and inspected several failure points including the stem and seat on one of the valves and found that it was washed out. The equipment was replaced but the line still did not hold pressure. The line was de-energized and isolated. Gas control was then notified of the incident. It is suspected that the failure point is at the first subsurface ninety degree elbow downstream of the wellhead. | |
| Describe measures taken to prevent the problem(s) from reoccurring: | |
| The flowline was replaced and upgraded from schedule 80 to schedule 160, epoxy coated, welded 2" steel flowline. | |
| Volume of Soil Excavated (cubic yards): <u>35</u> | |
| Disposition of Excavated Soil (attach documentation) <input checked="" type="checkbox"/> Offsite Disposal Onsite Treatment | |
| <input type="checkbox"/> Other (specify) _____ | |
| Volume of Impacted Ground Water Removed (bbls): <u>0</u> | |
| Volume of Impacted Surface Water Removed (bbls): <u>0</u> | |

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, check all that apply)

☐ Horizontal and Vertical extents of impacts have been delineated.

☐ Documentation of compliance with Table 915-1 is attached.

☐ All E&P Waste has been properly treated or disposed.

☒ Work proceeding under an approved Form 27 (Rule 912.c).

Form 27 Remediation Project No: 30016

☐ SUSPECTED Spill/Release did not occur or was below Rule 912.a.(5) reporting thresholds.

OPERATOR COMMENTS:

This report is being submitted to close Spill/Release Project ID 484126. Work is proceeding under the approved Remediation Project ID 30016.

Photo documentation for this project has been provided as an attachment in the Form 27 Initial report (doc # 403408053).

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

Signed: _____ Print Name: Andy Verbonitz

Title: EHS RemediationSpecialist Date: 08/21/2023 Email: averbonitz@caerusoilandgas.com

COA Type

Description

| | |
|-------|--|
| | |
| 0 COA | |

Attachment List

Att Doc Num

Name

| | |
|--|--|
| | |
|--|--|

Total Attach: 0 Files

General Comments

User Group

Comment

Comment Date

| | | |
|--|--|------------------------|
| | | Stamp Upon Approval |
|--|--|------------------------|

Total: 0 comment(s)