COGCC Operator Meeting

2016 Flowline Audit Summary

February 14th, 2017



COLORADO Oil & Gas Conservation Commission

Department of Natural Resources

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Agenda

- 2016 Audit Results
- Audit Review: Strengths and Improvements
- Common Issues Encountered by Operators
- 2017 Audit Process
- Questions



COGCC Auditing Results

2016 Recap

- 24 Operator Audits
 - ✓ 2,760 Wells audited
 - ✓ Over 3,800 Flowline Pressure Tests reviewed
 - ✓ DJ, Piceance, and North Park Basins
 - ✓ Onsite and electronic audits



Audit Review - Strengths

- High Participation
- Explanations of pressure test discrepancies
- GPS use for flowline locations
- FLIR camera use for confirming leaks
- Documentation of Flowline pressure testing procedures



Audit Review - Improvements

- Provide more detailed root causes and preventative measures on Form 19 Spill/Release Report
- Document the Flowline Integrity Program
 - Material Selection
 - Inspection Details
 - Flowline Failure and Repair Procedures
 - Spill Response
 - Corrosion and Cathodic Protection Details
- Create an electronic database for storing records
- Include temperature on pressure chart
- Allow lines to stabilize before commencing pressure test

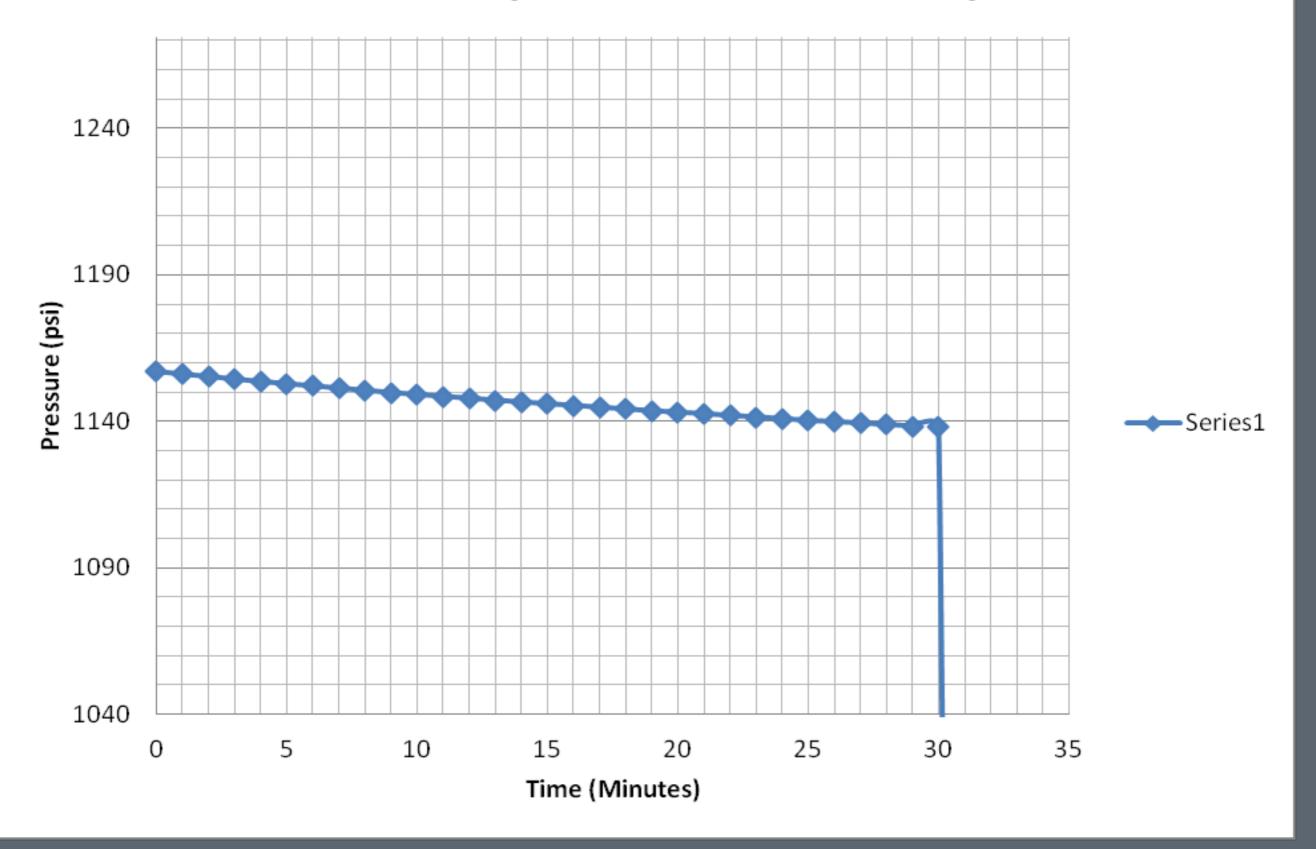


What Makes a Passing Test?

- Pressure deviation less than 10% (Per Flowline Guidance)
- Stabilization within last five minutes of test (+/- 1% of test pressure)
- **NOTE**: provide comments about the pressure test, including abnormal changes that may have occurred
- Failed Pressure Test
 - List actions taken upon failure



Good Example - Pressure Test Graph



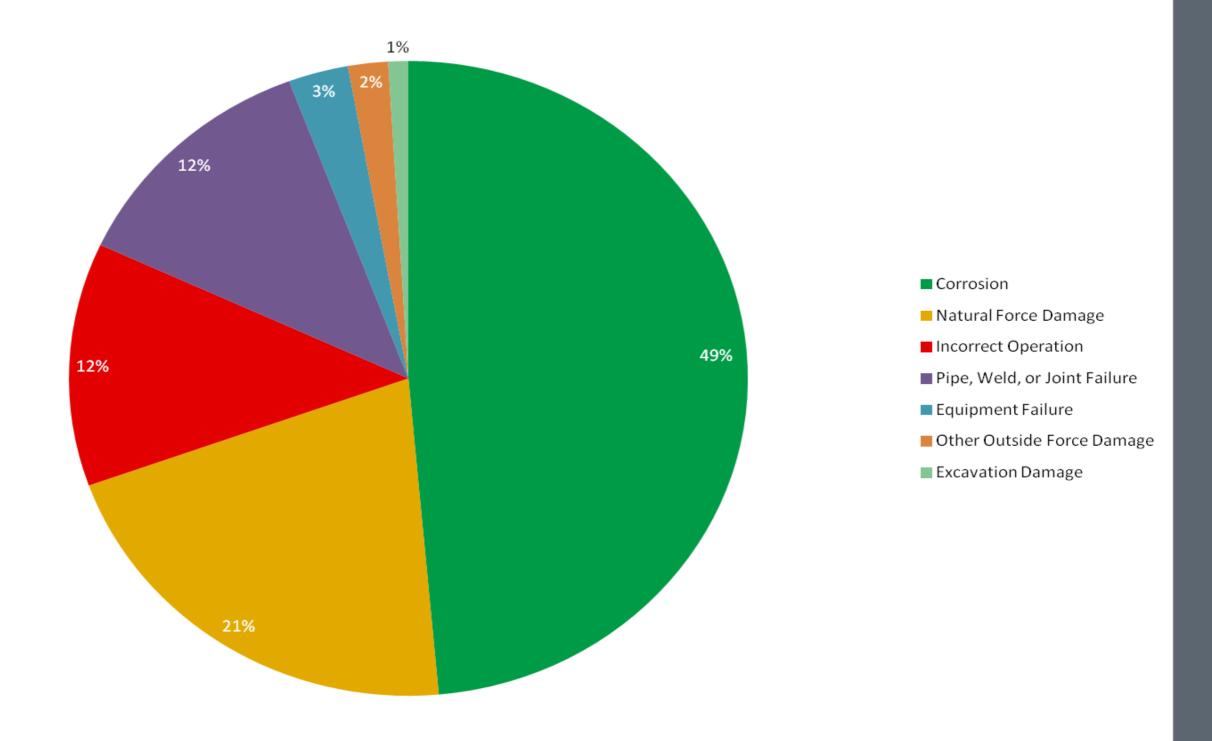


Common Issues Encountered by Operators

- Internal Corrosion
- Freezing
- Poly Fusion Failures



Apparent Causes of Flowline Releases January 1, 2016 - December 31, 2016





2017 Audit Process

- Priority Factor Scores used for COGCC to select Flowlines for Audit:
 - Top 33% of Flowlines susceptible to audit
 - Highest 10% will be audited
 - Floodplains
- Goals for 2017
- Mid-Sized Operators
- Water Floods
- San Juan Basin Operators
- On-site Visits and Electronic Submittals



Flowline Priority Based Model Factors

- 1. Population density 10%
- 2. Environmental risks 20%
- 3. # of Spills (last 5 years) on location 13%
- 4. Years in Service 35%
- 5. # of Integrity-Related Corrective Actions 10%
- 6. Time since last inspection 12%

Priority score = ((Population * 10%) + (Environmental * 20%) + (Last Inspection * 12%) + (Years in Service * 35%) + (Spills * 13%) + (Corr. Actions * 10%)) * 20

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What To Expect

- Certified Letter one month before audit
- List of Targeted Wells
- Flowline Audit Topics to be discussed or submitted electronically
- Flowline Audit Completion Document



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