

**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:

04/18/2023

Submitted Date:

04/18/2023

Document Number:

702501158

**FIELD INSPECTION FORM**Loc ID 336462 Inspector Name: Burchett, Kirby On-Site Inspection ☐ 2A Doc Num: \_\_\_\_\_**Operator Information:**

OGCC Operator Number: 10775

Name of Operator: KT RESOURCES LLC

Address: 3381 WESTBROOK LANE

City: HIGHLANDS State: CO Zip: 80129

**Status Summary:**

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

**Findings:**

17 Number of Comments

6 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 |
|-----------------|----------------|----------------------------|---------|
| Adams, Karen    | (303) 886-8733 | adams@kt-res.com           |         |
| Baumgras, Dan   |                | Dan@KT-Res.com             |         |
| Kellerby, Shaun | (970) 712-1248 | shaun.kellerby@state.co.us |         |
| Gale, Tony      | (303) 886-8733 | tony@kt-res.com            |         |

**Inspected Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num   | Facility Name         | Insp Status |
|-------------|------|--------|-------------|------------|-----------|-----------------------|-------------|
| 270161      | WELL | PR     | 08/01/2022  | GW         | 103-10392 | ANT HILL UNIT 36-11   | PR          |
| 270162      | WELL | PR     | 06/01/2022  | GW         | 103-10393 | ANT HILL UNIT 36-11BD | PR          |

**General Comment:****COGCC Inspection Report Summary**

On Tuesday, 4/18/2023, Inspector Kirby Burchett, conducted a follow up field inspection at KT Resources on the Ant Hill Unit 36-11 & 36-11BD wells, Location #336462, in Rio Blanco County, Colorado.

This location is within or in close proximity to Parks and Wildlife (CPW) High Priority/NSO/Density/Other Consultation Habitat and Public Water System (PWS) Protection regulations.

Any Corrective Actions from previous Inspections are still applicable.

Corrective Actions for chemical tank labels from Inspection #702500942 on 3/1/2023 have not been addressed.

While there during normal production operations the following compliance issues were observed:

1. API Numbers not displayed on tank battery signs.
2. Gas meter calibration card not visibly displayed.
3. Insufficient BMPs to control vehicle tracking.
4. Open end tank valve.
5. Chemical tank labels becoming illegible.
6. Equipment and soil staining.

Refer to attached photographs for Corrective Actions.

A follow up on this site inspection will be conducted to ensure all compliance issues have been corrected to comply with COGCC rules.

**Location**Overall Good: ☐

|                      |  |       |            |
|----------------------|--|-------|------------|
| <b>Signs/Marker:</b> |  |       |            |
| Type                 | WELLHEAD   |       |            |
| Comment:             |  |       |            |
| Corrective Action:   |  | Date: |            |
| Type                 | TANK LABELS/PLACARDS   |       |            |
| Comment:             | Chemical tank label fading and illegible.  |       |            |
| Corrective Action:   | Containers that are used to store, treat, or otherwise handle a hazardous material and which are required to be marked, placarded, or labeled in accordance with the U.S. Department of Transportation's Hazardous Materials Regulations, will retain the markings, placards, and labels on the Container. Such markings, placards, and labels will be retained on the Container until it is sufficiently cleaned of residue and purged of vapors to remove any potential hazards.                                 | Date: | 05/03/2023 |
| Type                 | BATTERY  |       |            |
| Comment:             | Tank battery signs lacking well API Numbers  |       |            |
| Corrective Action:   | . The Tank battery sign will be no less than 3 square feet and no more than 6 square feet, and will provide: Name of the Operator; Telephone number at which the Operator can be reached at all times; Telephone number for local emergency services (911 where available); The public road used to access the Tank battery site; Well name(s) and API number(s) associated with the Tank battery and the legal location of the Well(s); and Location, including the quarter/quarter section, of the Tank battery. | Date: | 06/26/2023 |
| Type                 | OTHER  |       |            |
| Comment:             | Separator units include attached storage tanks. The sight glass located on the side of the unit indicates the storage tank is full of an unknown fluid. No form of labeling or markers are present to identify a potential hazard or the contents of the storage tank.   |       |            |
| Corrective Action:   |  | Date: |            |

Emergency Contact Number:

Comment: 911 / (800) 288-0560

Corrective Action:

Date: \_\_\_\_\_

Overall Good: ☐

|  |      |        |  |  |
|--|------|--------|--|--|
| <b>Spills:</b>   |      |        |  |  |
| Type   | Area | Volume |  |  |
| In Containment: No                                     |      |        |  |  |
| Comment: _____   |      |        |  |  |
| <input type="checkbox"/> Multiple Spills and Releases? |      |        |  |  |

|                    |             |       |  |
|--------------------|-------------|-------|--|
| <b>Fencing/:</b>   |             |       |  |
| Type               | LOCATION    |       |  |
| Comment:           | Barbed wire |       |  |
| Corrective Action: |             | Date: |  |

|                          |     |       |                 |
|--------------------------|-----|-------|-----------------|
| <b>Equipment:</b>        |     |       | corrective date |
| Type: Dehydrator         | # 1 |       |                 |
| Comment:                 |     |       |                 |
| Corrective Action:       |     | Date: |                 |
| Type: Deadman # & Marked | # 4 |       |                 |

|                                   |   |       |            |
|-----------------------------------|---|-------|------------|
| Comment:                          |   |       |            |
| Corrective Action:                |   | Date: |            |
| Type: Bird Protectors             | # 7   |       |            |
| Comment:                          |   |       |            |
| Corrective Action:                |   | Date: |            |
| Type: Ancillary equipment         | # 1   |       |            |
| Comment:                          | Chemical tank in plastic containment  |       |            |
| Corrective Action:                |   | Date: |            |
| Type: Pig Station                 | # 1   |       |            |
| Comment:                          |   |       |            |
| Corrective Action:                |   | Date: |            |
| Type: Plunger Lift                | # 2   |       |            |
| Comment:                          |   |       |            |
| Corrective Action:                |   | Date: |            |
| Type: Horizontal Heated Separator | # 2   |       |            |
| Comment:                          | Soil staining beside 36-11 separator  |       |            |
| Corrective Action:                | Clean up, remove and properly dispose of stained soil.  | Date: | 04/28/2023 |
| Type: Gas Meter Run               | # 2   |       |            |
| Comment:                          | Gas meter calibration cards not visibly displayed.  |       |            |
| Corrective Action:                | The Operator will conspicuously post and maintain the date of the last meter calibration in a legible condition at each meter at all times. | Date: | 05/03/2023 |
| Type: Bradenhead                  | # 2   |       |            |
| Comment:                          | Accessible with valve.  |       |            |
| Corrective Action:                |   | Date: |            |

**Tanks and Berms:**

| Contents           | #  | Capacity | Type             | Tank ID | SE GPS |
|--------------------|--|----------|------------------|---------|--------|
| PRODUCED WATER     | 1  | 300 BBLs | HEATED STEEL AST |         | ,      |
| Comment:           | Loadline and tank valves have plugs installed. |          |                  |         |        |
| Corrective Action: |  |          |                  |         | Date:  |

**Paint**

|                  |          |
|------------------|----------|
| Condition        | Adequate |
| Other (Content)  |          |
| Other (Capacity) |          |
| Other (Type)     |          |

**Berms**

| Type               | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |        |
|--------------------|----------|---------------------|---------------------|-------------|--------|
| Metal              | Adequate | Walls Sufficient    | Base Sufficient     | Adequate    |        |
| Comment:           |          |                     |                     |             |        |
| Corrective Action: |          |                     |                     |             |        |
| Contents           | #        | Capacity            | Type                | Tank ID     | SE GPS |

|  |          |                     |                     |             |                  |
|--|----------|---------------------|---------------------|-------------|------------------|
| CRUDE OIL  | 2        | 300 BBLs            | HEATED STEEL AST    |             |                  |
| Comment: Loadlines and tank valves have plugs installed.   |          |                     |                     |             |                  |
| Corrective Action:   |          |                     |                     |             | Date:            |
| <u>Paint</u>   |          |                     |                     |             |                  |
| Condition  | Adequate |                     |                     |             |                  |
| Other (Content)  |          |                     |                     |             |                  |
| Other (Capacity)   |          |                     |                     |             |                  |
| Other (Type)   |          |                     |                     |             |                  |
| <u>Berms</u>   |          |                     |                     |             |                  |
| Type   | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |                  |
| Metal  | Adequate | Walls Sufficient    | Base Sufficient     | Adequate    |                  |
| Comment:   |          |                     |                     |             |                  |
| Corrective Action:   |          |                     |                     |             | Date:            |
| Contents   | #        | Capacity            | Type                | Tank ID     | SE GPS           |
| PRODUCED WATER   | 2        | 300 BBLs            | STEEL AST           |             |                  |
| Comment: Open end tank valve.  |          |                     |                     |             |                  |
| Corrective Action: All load lines or tank valves that can be used as a loadline will be plugged or capped. |          |                     |                     |             | Date: 04/28/2023 |
| <u>Paint</u>   |          |                     |                     |             |                  |
| Condition  | Adequate |                     |                     |             |                  |
| Other (Content)  |          |                     |                     |             |                  |
| Other (Capacity)   |          |                     |                     |             |                  |
| Other (Type)   |          |                     |                     |             |                  |
| <u>Berms</u>   |          |                     |                     |             |                  |
| Type   | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |                  |
| Metal  | Adequate | Walls Sufficient    | Base Insufficient   | Adequate    |                  |
| Comment:   |          |                     |                     |             |                  |
| Corrective Action:   |          |                     |                     |             | Date:            |
| <u>Venting:</u>  |          |                     |                     |             |                  |
| Yes/No   | NO       |                     |                     |             |                  |
| Comment:   |          |                     |                     |             |                  |
| Corrective Action:   |          |                     |                     |             | Date:            |
| <u>Flaring:</u>  |          |                     |                     |             |                  |
| Type   |          |                     |                     |             |                  |
| Comment:   |          |                     |                     |             |                  |
| Corrective Action:   |          |                     |                     |             | Date:            |

| Inspected Facilities |              |       |      |             |           |         |    |               |    |
|----------------------|--------------|-------|------|-------------|-----------|---------|----|---------------|----|
| Facility ID:         | 270161       | Type: | WELL | API Number: | 103-10392 | Status: | PR | Insp. Status: | PR |
| Producing Well       |              |       |      |             |           |         |    |               |    |
| Comment:             | Plunger lift |       |      |             |           |         |    |               |    |
| Corrective Action:   |              |       |      |             |           | Date:   |    |               |    |
| Facility ID:         | 270162       | Type: | WELL | API Number: | 103-10393 | Status: | PR | Insp. Status: | PR |
| Producing Well       |              |       |      |             |           |         |    |               |    |
| Comment:             | Plunger lift |       |      |             |           |         |    |               |    |
| Corrective Action:   |              |       |      |             |           | Date:   |    |               |    |

**Reclamation - Storm Water - Pit****Storm Water:**

| Loc Erosion BMPs | BMP Maintenance | Lease Road Erosion BMPs | Lease BMP Maintenance | Chemical BMPs                          | Chemical BMP Maintenance | Comment    |
|------------------|-----------------|-------------------------|-----------------------|--|--------------------------|------------|
|                  |                 | Gravel                  |                       |  |                          |            |
| Gravel           |                 |                         |                       |  |                          |            |
|                  |                 | Sediment Traps          | Fail                  |  |                          | Eroded out |
|                  |                 |                         |                       | Material Handling And Spill Prevention |                          |            |
|                  |                 | Ditches                 |                       |  |                          |            |
| Drains           |                 |                         |                       |  |                          |            |

Comment: Stormwater BMPs need implementation and maintenance. Insufficient BMPs to control vehicle tracking.

Oil and gas operators shall implement and maintain Best Management Practices (BMPs) at all oil and gas locations to control Stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation.

Oil and gas operators shall implement and maintain vehicle tracking Best Management Practices (BMPs) to control potential sediment discharges from operational roads, well pads, and other unpaved surfaces.

Corrective Action: Provide proper BMPs to prevent sediment migration from location and lease road.

Date: 05/03/2023

Pits: ☒ NO SURFACE INDICATION OF PIT

**Attached Documents**

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

| Document Num | Description       | URL   |
|--------------|-------------------|---|
| 702501159    | Inspection Photos | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6085868">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6085868</a> |