

**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:

04/11/2023

Submitted Date:

04/12/2023

Document Number:

702501127

FIELD INSPECTION FORMLoc ID 311837 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:

10 Number of Comments

3 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 |
|-----------------|----------------|----------------------------|---------|
| 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 | |
| Adams, Karen | (303) 886-8733 | adams@kt-res.com | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|----------------|-------------|
| 260293 | WELL | SI | 09/01/2022 | GW | 103-10142 | WRD UNIT 28-31 | SI |

General Comment:**COGCC Inspection Report Summary**

On Tuesday, 04/11/2023, Inspector Kirby Burchett, conducted a routine field inspection at KT Resources LLC on the WRD Unit 28-31 well, Location #311837, in Rio Blanco County, Colorado.

This location is within or in close proximity to Parks and Wildlife (CPW) District with High Priority/NSO/Density/Other Consultation Habitats.

Any Corrective Actions from previous Inspections are still applicable.

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

1. No API Number on tank battery or wellhead sign.
2. Stormwater BMPs not implemented or maintained.
3. Gas meter calibration card not conspicuously posted.

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

LocationOverall Good: ☐**Signs/Marker:**

| | | | |
|--------------------|--|-------|------------|
| Type | TANK LABELS/PLACARDS | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | WELLHEAD | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | BATTERY | | |
| Comment: | No API Number identification. | | |
| 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: | 06/12/2023 |
| 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: ☐**Spills:**

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

In Containment: No

Comment:

☐ Multiple Spills and Releases?**Equipment:**

| | | | corrective date |
|-----------------------------------|------------|-------|-----------------|
| Type: Bradenhead | # 1 | | |
| Comment: | Accessible | | |
| Corrective Action: | | Date: | |
| Type: Plunger Lift | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Horizontal Heated Separator | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Gas Meter Run | # 1 | | |

| | | | | |
|--------------------------|---|--|-------|------------|
| Comment: | Gas meter calibration card not conspicuously posted. | | Date: | 04/27/2023 |
| Corrective Action: | The Operator will conspicuously post and maintain the date of the last meter calibration. | | Date: | |
| Type: Bird Protectors | # 2 | | | |
| Comment: | | | Date: | |
| Corrective Action: | | | Date: | |
| Type: Deadman # & Marked | # 4 | | | |
| Comment: | | | Date: | |
| Corrective Action: | | | Date: | |

Tanks and Berms:

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--------------------|---------------------------------------|----------|------------------|---------|--------|
| CRUDE OIL | 1 | 300 BBLs | HEATED STEEL AST | | , |
| Comment: | Loadline and tank valves are plugged. | | | | |
| 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: | | | | Date: |

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--------------------|------------------------------|----------|-----------|---------|--------|
| PRODUCED WATER | 1 | 300 BBLs | STEEL AST | | , |
| Comment: | All tank valves are plugged. | | | | |
| 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: | | | | Date: |

Venting:

| | | |
|--------|----|--|
| Yes/No | NO | |
|--------|----|--|

| | | | |
|--------------------|--|-------|--|
| Comment: | | | |
| Corrective Action: | | Date: | |
| Flaring: | | | |
| Type | | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

| Inspected Facilities | | | | | | | | | |
|--|--------|-------|------|-------------|-----------|---------|----|---------------|----|
| Facility ID: | 260293 | Type: | WELL | API Number: | 103-10142 | Status: | SI | Insp. Status: | SI |
| Idle Well | | | | | | | | | |
| Purpose: <input checked="" type="checkbox"/> Shut In <input type="checkbox"/> Temporarily Abandoned Reminder: _____ | | | | | | | | | |
| Comment: <div>Last Production - August 2022</div> | | | | | | | | | |
| Corrective Action: <div></div> 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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| | | Culverts | | | | |
| Ditches | | | | | | |
| Gravel | | | | | | |
| | | Gravel | | | | |
| | | Ditches | | | | |

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: 04/27/2023

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 |
|--------------|----------------------|---|
| 403372058 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6080057 |
| 702501129 | Inspection Photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6080053 |