

**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:

702501128

FIELD INSPECTION FORMLoc ID 316281 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:

13 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
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	
Katz, Aaron	(970) 765-6300	aaron.katz@state.co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
260296	WELL	SI	10/01/2020	GW	103-10145	WRD UNIT 28-22	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 28-22 well, Location #316281, 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 sign.
2. Leakage and soil staining at separator.
3. Stormwater BMPs not implemented or maintained.
4. Gas meter calibration card not conspicuously posted.
5. Erosion under metal containment around tank battery.
6. Well has been shut in over 2 years. MIT overdue.

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	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:	
Type	BATTERY		
Comment:	No API Number on tank battery sign.		
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

Emergency Contact Number:

Comment: 911 / (800) 288-0560

Corrective Action:

Date: _____

Good Housekeeping:

Type	OTHER		
Comment:	Leakage and staining coming from separator.		
Corrective Action:	Repair equipment. Clean up and properly dispose of stained soil.		Date: 04/19/2023

Overall Good: ☐**Spills:**

Type	Area	Volume		
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In Containment: No

Comment:

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

Type: Bradenhead	# 1		corrective date
Comment:	Accessible		
Corrective Action:		Date:	
Type: Plunger Lift	# 1		
Comment:			
Corrective Action:		Date:	
Type: Gas Meter Run	# 1		

Comment:	Gas meter calibration card not conspicuously posted.		Date:	
Corrective Action:	The Operator will conspicuously post and maintain the date of the last meter calibration.		Date:	04/24/2023
Type: Bird Protectors	# 2			
Comment:			Date:	
Corrective Action:			Date:	
Type: Horizontal Heated Separator	# 1			
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 valves plugged.				
Corrective Action:					Date:

Paint

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

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Metal	Inadequate	Walls Insufficient	Base Sufficient	Inadequate
Comment:	Secondary containment is not sufficiently impervious to contain spilled or released materials. Gaps under metal containment wall.			
Corrective Action:	Install liner material to ensure spill or released materials will be maintained within containment structure.			Date: 05/15/2023

Contents	#	Capacity	Type	Tank ID	SE GPS
PRODUCED WATER	1	300 BBLs	STEEL AST		,
Comment:	All tank valves have plugs				
Corrective Action:					Date:

Paint

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

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Metal				

Comment:	Corrective Actions addressed under Crude Oil tank		
Corrective Action:		Date:	
Venting:			
Yes/No	NO		
Comment:			
Corrective Action:		Date:	
Flaring:			
Type			
Comment:			
Corrective Action:		Date:	

Inspected Facilities										
Facility ID:	260296	Type:	WELL	API Number:	103-10145	Status:	SI	Insp. Status:	SI	
Idle Well										
Purpose:		<input checked="" type="checkbox"/> Shut In		<input type="checkbox"/> Temporarily Abandoned		Reminder:				
Comment:		<div>Last Production - September 2020 Well is overdue for Mechanical Integrity Test. MIT requires 10-day notification via Form 42. Well plugging requires an approved Form 6 Intent to Abandon to Plug Well.</div>								
Corrective Action:		<div>Produce well after performing successful mechanical integrity test per Rule 417 or plug well. To maintain shut-in status, the well must be able to demonstrate ability to produce without mechanical intervention.</div>					Date:			05/15/2023

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						
		Culverts				
		Ditches				
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: 05/01/2023

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
403372059	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6080058
702501130	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6080054