

**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:

702501156

FIELD INSPECTION FORMLoc ID 336391 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:

14 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
Katz, Aaron	(970) 765-6300	aaron.katz@state.co.us	
Adams, Karen	(303) 886-8733	adams@kt-res.com	
Gale, Tony	(303) 886-8733	tony@kt-res.com	
Baumgras, Dan		Dan@KT-Res.com	
Kellerby, Shaun	(970) 712-1248	shaun.kellerby@state.co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
231796	WELL	SI	07/01/2017	CBM	103-09467	FEE M-31-2-96N	SI
270739	WELL	SI	05/01/2020	GW	103-10406	ANT HILL UNIT RBCWG 6-11D	SI

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 FEE-62N96W 31SWSW Pad, Location #336391, in Rio Blanco County, Colorado.

This location is within or in close proximity to a Parks and Wildlife (CPW) District with High Priority/NSO/Density Habitat regulations.

Any Corrective Actions from previous Inspections are still applicable.

Corrective Actions from Inspection #702500947 on 3/1/2023 have not been addressed.

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

- Both wells are overdue for Mechanical Integrity Tests.
- API Number not displayed on tank battery sign.
- Gas meter calibration card not visibly displayed.
- Insufficient BMPs to control vehicle tracking.
- Open cellar around 6-11D well.

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.

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

Type	TANK LABELS/PLACARDS		
Comment:			
Corrective Action:		Date:	
Type	BATTERY		
Comment:	API Number missing on Fee M-31-2-96-N well 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:	06/26/2023
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:	
Type	WELLHEAD		
Comment:			
Corrective Action:		Date:	

Emergency Contact Number:

Comment: 911 / (800) 288-0560

Corrective Action:

Date: _____

Good Housekeeping:

Type	OTHER		
Comment:	Open cellar around 6-11D wellhead		
Corrective Action:	An Operator will secure conductors and cellars to prevent accidental access by people, livestock, or wildlife when active work on that conductor is not occurring.	Date:	04/28/2023

Overall Good: ☐**Spills:**

Type	Area	Volume		
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In Containment: No

Comment:

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

Type: Bradenhead	# 2		corrective date
Comment:	Accessible with valves		
Corrective Action:		Date:	
Type: Deadman # & Marked	# 8		
Comment:			
Corrective Action:		Date:	

Type: Horizontal Heated Separator	# 1	
Comment:	Fee M-31-2-96-N well	
Corrective Action:		Date:
Type: Gas Meter Run	# 2	
Comment:	Gas meter calibration card not visibly displayed on Fee meter run. Calibration card displayed in 6-11D meter run. Calibration overdue.	
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. Meters will be calibrated annually unless more frequent calibration is required by contractual obligations or by the Director.	Date: 05/03/2023
Type: Plunger Lift	# 1	
Comment:	Fee M-31-2-96-N well	
Corrective Action:		Date:
Type: Bird Protectors	# 2	
Comment:		
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 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:				Date:	
Contents	#	Capacity	Type	Tank ID	SE GPS
PRODUCED WATER	1	300 BBLs	STEEL AST		,
Comment:	All tank valves have plugs installed.				
Corrective Action:					Date:

Paint

Condition	Inadequate
Other (Content)	
Other (Capacity)	
Other (Type)	

Berms

Inspector Name: Burchett, Kirby

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Metal	Adequate	Walls Sufficent	Base Sufficent	Adequate	
Comment:					
Corrective Action:				Date:	

Venting:

Yes/No	NO		
Comment:			
Corrective Action:		Date:	

Flaring:

Type		
Comment:		
Corrective Action:		Date:

Inspected FacilitiesFacility ID: 231796 Type: WELL API Number: 103-09467 Status: SI Insp. Status: SI**Idle Well**Purpose: ☒ Shut In ☐ Temporarily Abandoned

Reminder: _____

Comment: Last Production - June 2017.
Well is overdue for Mechanical Integrity Test (MIT). MIT requires 10 day notification via Form 42. Well plugging requires an approved Form 6 Intent to Abandon to plug well

Corrective Action: Perform successful Mechanical Integrity Test. If a successful MIT cannot be performed within 30 day CA time the well must be plugged within 3 months.

Date: 05/19/2023Facility ID: 270739 Type: WELL API Number: 103-10406 Status: SI Insp. Status: SI**Idle Well**Purpose: ☒ Shut In ☐ Temporarily Abandoned

Reminder: _____

Comment: Last Production - March 2020.
Well is overdue for Mechanical Integrity Test (MIT). MIT requires 10 day notification via Form 42. Well plugging requires an approved Form 6 Intent to Abandon to plug well

Corrective Action: Perform successful Mechanical Integrity Test. If a successful MIT cannot be performed within 30 day CA time the well must be plugged within 3 months.

Date: 05/19/2023

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

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
Ditches						
Drains						
		Ditches				
		Gravel				
Gravel						

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: 05/04/2023

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
403377214	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6085873
702501157	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6085867