

**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 FORMLoc 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	
Gale, Tony	(303) 886-8733	tony@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
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: ☐

Signs/Marker:			
Type	WELLHEAD		
Comment:			
Corrective Action:		Date:	
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	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	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?

Fencing/:			
Type	LOCATION		
Comment:	Barbed wire		
Corrective Action:		Date:	

Equipment:			corrective date
Type: Deadman # & Marked	# 4		
Comment:			
Corrective Action:		Date:	
Type: Ancillary equipment	# 1		

Comment:		Chemical tank in plastic containment		Date:	
Corrective Action:				Date:	
Type: Pig Station	# 1				
Comment:				Date:	
Corrective Action:				Date:	
Type: Plunger Lift	# 2				
Comment:				Date:	
Corrective Action:				Date:	
Type: Gas Meter Run	# 2				
Comment:		Gas meter calibration cards not visibly displayed.		Date:	05/03/2023
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: Bird Protectors	# 7				
Comment:				Date:	
Corrective Action:				Date:	
Type: Dehydrator	# 1				
Comment:				Date:	
Corrective Action:				Date:	
Type: Horizontal Heated Separator	# 2				
Comment:		Soil staining beside 36-11 separator		Date:	04/28/2023
Corrective Action:		Clean up, remove and properly dispose of stained soil.		Date:	04/28/2023
Type: Bradenhead	# 2				
Comment:		Accessible with valve.		Date:	
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:				Date:	
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:	

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

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
		Sediment Traps	Fail			Eroded out
		Ditches				
		Gravel				
Gravel						
				Material Handling And Spill Prevention		
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
403377215	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6085874
702501159	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6085868