

**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:

11/14/2023

Submitted Date:

11/15/2023

Document Number:

702502132

FIELD INSPECTION FORMLoc ID 316155 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
Baumgras, Dan	(307) 321-3299	Dan@KT-Res.com	
Wilson, Justin	(970) 878-3825	jrwilson@blm.gov	
Engineering, ECMC		dnr_cogccengineering@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
232250	WELL	PR	08/01/2023	GW	103-09921	WRD FEDERAL 19-13	SI

General Comment:

ECMC Inspection Report Summary

On Tuesday, 11/14/2023, Inspector Kirby Burchett, conducted a follow up field inspection at KT Resources on the WRD Federal 19-13 well, Location #316155, 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, and Other Consultation Habitat regulations.

Any Corrective Actions from previous Inspections are still applicable.

Follow up inspection in response to the following compliance issues observed during Inspection #702501283 on 5/9/23:

1. Random debris. Still on location. Due date will remain 5/25/23.
2. Methanol tank not labeled. Not resolved. Due date will remain 5/20/23.
3. Insufficient Stormwater BMPs. Not resolved. Due date remains 6/9/23.
4. Well shut in since September 2020. MIT due date remains 6/9/23.

Refer to Inspection Photos for observed compliance issues.

Follow up inspection in response to the following compliance issues observed during Inspection #702501790 on 8/29/23:

1. Stained soil at tank battery. Due date will remain 9/14/23.
2. Gas meter calibration out of compliance. Due date will remain 9/9/23.

Refer to Inspection Photos for observed compliance issues.

While there during normal operations the following compliance issue was observed:

1. Database reports well as producing with production reported in the months of August and September of 2023. No records indicate MIT was performed before placing well back on production. Original MIT due date of 6/9/23 from Insp. #702501283 on 5/9/23 will remain.

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

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

Type	OTHER		
Comment:	Heater unit includes internal storage tank. 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:	As Wellhead signs are replaced: The Well name; The API Number; and Its legal location, including the quarter/quarter section will be required.		
Corrective Action:		Date:	
Type	CONTAINERS		
Comment:	Unlabeled methanol tank		
Corrective Action:	All Tanks with a capacity of 10 Barrels or greater will be labeled or posted with the following information: Name of Operator; Operator's emergency contact telephone number; Tank capacity; Tank contents; and NFPA label or equivalent globally harmonized label.	Date:	09/09/2023
Type	BATTERY		
Comment:			
Corrective Action:		Date:	
Type	TANK LABELS/PLACARDS		
Comment:			
Corrective Action:		Date:	
Type	OTHER		
Comment:	As Location Entrance signs are replaced: The Well name; The Commission's Location identification number (ID #); The Operator's telephone number where it may be reached at all times; and the Telephone number(s) for local emergency services (911 where available) will be required.		
Corrective Action:		Date:	

Emergency Contact Number:

Comment: (800) 288-0560 or 911

Corrective Action:

Date: _____

Good Housekeeping:

Type	DEBRIS		
Comment:	Random debris		
Corrective Action:	All trash, rubbish, and other waste material will be properly contained until removed from the Oil and Gas Location. At no time will trash, debris, or rubbish be placed or remain on the ground.	Date:	05/25/2023

Overall Good: ☐**Spills:**

Type	Area	Volume		
PW/CO	Tank	<= 1 bbl		
Comment:	Oily waste and soil staining			
Corrective Action:	Remove and properly dispose of oily waste and impacted soil.			Date: 09/14/2023

In Containment: Yes

Comment: ☐ Multiple Spills and Releases?

Equipment:			corrective date
Type: Vertical Heater Treater	# 1		
Comment:			
Corrective Action:		Date:	
Type: Other	# 1		
Comment: Housed water transfer pumps			
Corrective Action:		Date:	
Type: Other	# 1		
Comment: Line heater			
Corrective Action:		Date:	
Type: Ancillary equipment	# 1		
Comment: Methanol tank in tank berm			
Corrective Action:		Date:	
Type: Plunger Lift	# 1		
Comment:			
Corrective Action:		Date:	
Type: Gas Meter Run	# 1		
Comment: Gas meter calibration displayed but out of compliance.			
Corrective Action: Meters will be calibrated annually unless more frequent calibration is required by contractual obligations or by the Director.		Date: 09/09/2023	
Type: Bird Protectors	# 2		
Comment:			
Corrective Action:		Date:	
Type: Bradenhead	# 1		
Comment:			
Corrective Action:		Date:	
Type: Deadman # & Marked	# 4		
Comment:			
Corrective Action:		Date:	

Tanks and Berms:

Contents	#	Capacity	Type	Tank ID	SE GPS
CRUDE OIL	1	300 BBLS	HEATED STEEL AST		,
Comment:					
Corrective Action:					Date:

Paint

Condition	Adequate
Other (Content)	

Other (Capacity)						
Other (Type)						
<u>Berms</u>						
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance		
Other	Adequate					
Comment: Metal and earth. Unlined.						
Corrective Action:				Date:		
Contents	#	Capacity	Type	Tank ID	SE GPS	
PRODUCED WATER	3	300 BBLs	STEEL AST		,	
Comment:						
Corrective Action:				Date:		
<u>Paint</u>						
Condition	Adequate					
Other (Content)						
Other (Capacity)						
Other (Type)						
<u>Berms</u>						
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance		
Other	Adequate					
Comment: Metal and earth. Unlined.						
Corrective Action:				Date:		
<u>Venting:</u>						
Yes/No	NO					
Comment:						
Corrective Action:						Date:
<u>Flaring:</u>						
Type						
Comment:						
Corrective Action:						Date:

Inspected FacilitiesFacility ID: 232250 Type: WELL API Number: 103-09921 Status: PR Insp. Status: SI**Idle Well**Purpose: ☒ Shut In ☐ Temporarily Abandoned

Reminder: _____

Comment: Last Production - September 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. Well can only be returned to SI status if it has produced (without mechanical intervention) within 2 years.

Since the original corrective action was issued database has been updated to producing well status showing production in August and September of 2023. No record of MIT being performed or engineer approval to put well back on production.

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 per Rule 417 and 210.

Date: 06/09/2023

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

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
				Material Handling And Spill Prevention		
		Culverts				
Check Dams	Fail					Lack of maintenance
		Ditches				

Comment: [Stormwater BMPs need implementation and maintenance](#)

Corrective Action: [Provide proper Stormwater BMPs to control runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation.](#)

Date: 06/09/2023

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
702502139	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6324746