

**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:

03/19/2024

Submitted Date:

03/20/2024

Document Number:

702502503

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:

15 Number of Comments

5 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
Wilson, Justin	(970) 878-3825	jrwilson@blm.gov	
Baumgras, Dan	(307) 321-3299	Dan@KT-Res.com	
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	SI	12/01/2023	GW	103-09921	WRD FEDERAL 19-13	SI

General Comment:

ECMC Inspection Report Summary

On Tuesday, 03/19/2024, Inspector Kirby Burchett, conducted a follow up field inspection at KT Resources LLC 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, Black Bear and High Priority area with 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 Insp. #702501283 on 5/9/23, Insp. #702501790 on 8/29/23 and Insp. #702502132 on 11/14/23. The following Corrective Actions were documented and original due date will remain on all unresolved CA's:

1. Random debris. (Unresolved).
2. Methanol tank not labeled. (Resolved).
3. Insufficient Stormwater BMPs. (Unresolved).
4. Stained soil at tank battery. (Unresolved).
5. Gas meter calibration out of compliance. (Unresolved).
6. Database reported well as producing with production reported in the months of August and September of 2023. Now shows production August 2023 through November 2023. Well was shut in previously October 2020 through July 2023. No records indicate MIT was performed or engineer approval before placing well back on production. Original MIT due date of 6/9/23 from Insp. #702501283 on 5/9/23 will remain.

Refer to Inspection Photos for observed compliance issues.

While there during normal operations no additional compliance issues were observed.

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	CONTAINERS		
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:	
Type	WELLHEAD		
Comment:			
Corrective Action:		Date:	
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	BATTERY		
Comment:			
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
Type	WEEDS		
Comment:	Maintain noxious weed control on all disturbed and reclaimed areas as a result of Oil & Gas activities including access roads.		
Corrective Action:		Date:	

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: <u>09/14/2024</u>	
In Containment: Yes						
Comment: <div style="border: 1px solid black; height: 20px; width: 100%;"></div>						
<input type="checkbox"/> Multiple Spills and Releases?						

Equipment:				corrective date	
Type: Bird Protectors	# 2				
Comment:					
Corrective Action:				Date:	
Type: Bradenhead	# 1				
Comment:					
Corrective Action:				Date:	
Type: Deadman # & Marked	# 4				
Comment:					
Corrective Action:				Date:	
Type: Vertical Heater Treater	# 1				
Comment:					
Corrective Action:				Date:	
Type: Other	# 1				
Comment: Housed water transfer pumps					
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: <u>09/09/2023</u>	
Type: Other	# 1				
Comment: Line heater					
Corrective Action:				Date:	
Type: Ancillary equipment	# 1				
Comment: Methanol tank inside tank berm					
Corrective Action:				Date:	
Type: Plunger Lift	# 1				
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)	

Berms

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:	

Paint

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

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Other	Adequate			
Comment:	Metal and earth. Unlined			
Corrective Action:				Date:

Venting:

Yes/No	NO
Comment:	
Corrective Action:	Date:

Flaring:

Type	
Comment:	
Corrective Action:	Date:

Inspected Facilities									
Facility ID:	232250	Type:	WELL	API Number:	103-09921	Status:	SI	Insp. Status:	SI
Idle Well									
Purpose: <input checked="" type="checkbox"/> Shut In <input type="checkbox"/> Temporarily Abandoned Reminder: _____									
<div>Comment: Last Production - November 2023 January 2024 Production Report 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 had been shut in since October 2020. Since the original corrective action was issued 5/9/23 database has been updated to showing production in August through November of 2023. No record of MIT being performed or engineer approval before returning well to production. 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.</div>									
<div>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.</div> <div>Date: 06/09/2023</div>									

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				
				Material Handling And Spill Prevention		
Check Dams						
		Culverts				

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
403726765	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6475656
702502504	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6475640