

State of Colorado
Energy & Carbon Management Commission

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Document Number:

403943727

Date Issued:

10/02/2024

NOTICE OF ALLEGED VIOLATION - ISSUED

Per Rule 523, the Director has reasonable cause to believe that a violation of the Act, or of any Commission rule, order, or permit has occurred, the Director will require the operator to remedy the violation and may commence an enforcement action seeking penalties by issuing a Notice of Alleged Violation (NOAV). Per Rule 525, an operator who violates the Act, or a Commission rule, order, or permit may be subject to a penalty imposed by Commission order.

OPERATOR INFORMATION

ECMC Operator Number: 10775

Name of Operator: KT RESOURCES LLC

Address: 3381 WESTBROOK LANE

City: HIGHLANDS RANCH State: CO Zip: 80129

Contact Name and Telephone:

Name: KAREN ADAMS

Phone: (303) 886-8733 Fax: ()

Email: adams@kt-res.com

Well Location, or Facility Information (if applicable):

API Number: 05-103-09487-00

Facility or Location ID:

Name: FEDERAL

Number: B-25-2-97

QtrQtr: NWNE Sec: 25

Twp: 2N

Range: 97W

Meridian: 6

County: RIO BLANCO

ALLEGED VIOLATION

Rule: 1003.f

Rule Description: Interim Reclamation - Weed Control

Initial Discovery Date: 08/15/2023

Was this violation self-reported by the operator? No

Date of Violation: 08/15/2023

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 1003.f., KT Resources, LLC ("Operator") will keep all disturbed areas free of all undesirable plant species designated to be noxious weeds as practicable during drilling, production, and reclamation operations.

ECMC Staff conducted an inspection on August 15, 2023 (document no. 702501740), of the Federal B-25-2-97 (API # 05-103-09487) well and observed weeds throughout the well's location. Staff required corrective actions for Operator to maintain noxious weed control on all areas disturbed and reclaimed from Oil and Gas activities by August 23, 2023.

ECMC Staff conducted a follow-up inspection on July 31, 2024 (document no. 715500502), and observed Operator had not complied with the corrective actions to maintain noxious weed control.

Operator failed to keep all disturbed areas free of undesirable plant species during production operations, violating Rule 1003.f.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 11/01/2024

Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.

Operator will remove and keep all disturbed areas free of all undesirable plant species.

Rule: 429

Rule Description: Measurement of Oil

Initial Discovery Date: 08/15/2023

Was this violation self-reported by the operator? No

Date of Violation: 02/08/2024

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 429.j.(1), KT Resources, LLC ("Operator") will calibrate gas meters annually. All calibration reports will be created, maintained, and made available as operation records pursuant to Rule 206. In the event two consecutive meter calibrations exceed 2% error, Operator will report the test results to the Director who may require Operator to show cause why the meter should not be replaced.

ECMC Staff conducted an inspection on August 15, 2023 (document no. 702501740), of the Federal B-25-2-97 (API # 05-103-09487) well and observed the date of the most recent gas meter calibration occurred on February 8, 2022. Staff required corrective actions for Operator to calibrate the gas meter by August 26, 2023.

ECMC Staff conducted a follow-up inspection on July 31, 2024 (document no. 715500502), and observed Operator had not calibrated the gas meter.

Operator failed to annually calibrate the gas meter, violating Rule 429.j.(1).

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 11/01/2024

Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.

Operator will calibrate the gas meter at the Federal B-25-2-97 well and submit the results with their Answer.

Rule: 912.a.

Rule Description: Spills and Releases - General

Initial Discovery Date: 08/15/2023

Was this violation self-reported by the operator? No

Date of Violation: 08/15/2023

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 912.a.(2), KT Resources, LLC ("Operator") will investigate, clean up, and document impacts resulting from Spills and Releases as soon as the impacts are discovered.

ECMC Staff conducted an inspection on August 15, 2023 (document no. 702501740), of the Federal B-25-2-97 (API # 05-103-09487) well and observed stained soils around the tank valve, pump jack, and chemical tank. Staff required corrective actions for Operator to repair leaks and remove and properly dispose of oily waste and impacted soils by August 31, 2023.

ECMC Staff conducted a follow-up inspection on July 31, 2024 (document no. 715500502), and observed Operator had not complied with the corrective actions to remove and properly dispose of the oily waste and impacted soils.

Operator failed to investigate, clean up, and document impacts resulting from Spills and Releases as soon as the impacts were discovered, violating Rule 912.a.(2).

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 11/01/2024

Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.

Operator will investigate, clean up, and document impacts resulting from releases, and provide documentation of the clean up to the Director, provided with Operator's Answer.

PENALTY

Penalties for violations alleged in this NOAV will be calculated pursuant to Rule 525, with daily penalties accruing pursuant to Section 34-60-121(1), C.R.S.

ANSWER

Pursuant to Rule 523.c.(2), the operator must file an Answer to this NOAV within 28 days of its receipt, or a default judgment may be entered. Answers are filed by email to dnr_ecmc_enforcement@state.co.us.

NOAV ISSUED

NOAV Issue Date: 10/02/2024

ECMC Representative Signature:



ECMC Representative: Trent Lindley

Title: NOAV Specialist

Email: trent.lindley@state.co.us

Phone Num: (720) 765-0031x

ATTACHMENT LIST

View Attachments in Imaged Documents on ECMC website (<http://ecmcweblink.state.co.us/>) - Search by Document Number.

<u>Document Number</u>	<u>Description</u>
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403943749	NOAV CERTIFIED MAIL RECEIPT
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Total Attach: 1 Files