

**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:

04/19/2023

Submitted Date:

04/19/2023

Document Number:

702501162

FIELD INSPECTION FORMLoc ID 316280 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:**

13 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
Baumgras, Dan		Dan@KT-Res.com	
Kellerby, Shaun	(970) 712-1248	shaun.kellerby@state.co.us	
Katz, Aaron	(970) 765-6300	aaron.katz@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
260295	WELL	SI	10/01/2020	GW	103-10144	ANT HILL UNIT 36-12	SI

General Comment:**COGCC Inspection Report Summary**

On Wednesday, 4/19/2023, Inspector Kirby Burchett, conducted a routine field inspection at KT Resources LLC on the Ant Hill Unit 36-12 well, Location #316280, in Rio Blanco County, Colorado.

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

Any Corrective Actions from previous Inspections are still applicable.

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

1. API Numbers not displayed on tank battery sign.
2. Gas meter calibration card not visibly displayed.
3. Insufficient BMPs to control vehicle tracking.
4. Well is overdue for Mechanical Integrity Test.

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	BATTERY		
Comment:	Tank battery sign missing API Number(s) of well(s) associated with the tank battery.		
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:	06/19/2023
Type	WELLHEAD		
Comment:			
Corrective Action:		Date:	
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	TANK LABELS/PLACARDS		
Comment:			
Corrective Action:		Date:	

Emergency Contact Number:

Comment: (800) 288-0560 or 911

Corrective Action:

Date: _____

Overall Good: ☐**Spills:**

Type	Area	Volume		
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In Containment: No

Comment:

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

Type: Bird Protectors	# 2		corrective date
Comment:			
Corrective Action:		Date:	
Type: Deadman # & Marked	# 4		
Comment:			
Corrective Action:		Date:	
Type: Bradenhead	# 1		
Comment:	Accessible with valve		
Corrective Action:		Date:	
Type: Horizontal Heated Separator	# 1		

Comment:		
Corrective Action:		Date:
Type: Plunger Lift	# 1	
Comment:		
Corrective Action:		Date:
Type: Ancillary equipment	# 1	
Comment:	Chemical tank in containment	
Corrective Action:		Date:
Type: Gas Meter Run	# 1	
Comment:	Gas meter calibration card not visibly displayed.	
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: 05/05/2023

Tanks and Berms:

Contents	#	Capacity	Type	Tank ID	SE GPS
CRUDE OIL	1	300 BBLs	HEATED STEEL AST		,
Comment:	Loadline has drain valve attached without a cap or plug installed.				
Corrective Action:	All load line valves or tank valves that can be used as a loadline will be plugged or capped.				Date: 04/26/2023

Paint

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

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Other	Adequate	Walls Sufficient	Base Sufficient	Adequate	
Comment:	Combination of metal and earth berm.				
Corrective Action:				Date:	
Contents	#	Capacity	Type	Tank ID	SE GPS
PRODUCED WATER	1	300 BBLs	STEEL AST		,
Comment:	All tank valves have plug installed.				
Corrective Action:					Date:

Paint

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

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Other	Adequate	Walls Sufficient	Base Sufficient	Adequate
Comment:	Combination of metal and earth berm			

Inspected FacilitiesFacility ID: 260295 Type: WELL API Number: 103-10144 Status: SI Insp. Status: SI**Idle Well**Purpose: ☒ Shut In ☐ Temporarily Abandoned

Reminder: _____

Comment:

Last Production - August 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 mechanic intervention) within 2 years.

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: 05/22/2023

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

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
Slope Roughening						
		Culverts				
		Gravel				
Check Dams						
				Material Handling And Spill Prevention		
Berms						
Gravel						
Ditches						
		Ditches				

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: 05/05/2023

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
403378469	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6087614
702501163	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6087609