

**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:

702501167

FIELD INSPECTION FORMLoc ID 336470 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:

16 Number of Comments

8 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
Kellerby, Shaun	(970) 712-1248	shaun.kellerby@state.co.us	
Baumgras, Dan		Dan@KT-Res.com	
Adams, Karen	(303) 886-8733	adams@kt-res.com	
Katz, Aaron	(970) 765-6300	aaron.katz@state.co.us	
Gale, Tony	(303) 886-8733	tony@kt-res.com	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
264845	WELL	PR	06/01/2022	GW	103-10252	ANT HILL UNIT WYATT 31-21 D	PR
267789	WELL	SI	10/01/2020	GW	103-10314	ANT HILL UNIT 36-34D	SI
268480	WELL	PR	06/01/2022	GW	103-10339	ANT HILL UNIT 36-24 D	PR

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 Wyatt 62N96W 31SWNW location, Location #336470, 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 signs.
2. Gas meter calibration cards not visibly displayed.
3. Open end loadline and drain valves.
4. Illegible label on chemical tank.
5. Insufficient Stormwater BMPs.
6. Unmarked rig anchor.
7. Random debris.
8. Ant Hill Unit 36-4D 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 signs 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	TANK LABELS/PLACARDS		
Comment:	Illegible label on chemical tank.		
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:	05/05/2023
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: (800) 288-0560 or 911

Corrective Action:

Date: _____

Good Housekeeping:

Type	DEBRIS		
Comment:	Deadman marker on ground at meter run. Weed barrier mat under gravel coming loose and several pieces need to be picked up.		
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:	04/26/2023

Overall Good: ☐**Spills:**

Type	Area	Volume		
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In Containment: No

Comment:

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

Type: Horizontal Heated Separator	# 3		corrective date
Comment:			

Corrective Action:		Date:	
Type: Ancillary equipment	# 1		
Comment:	Chemical tank in plastic containment		
Corrective Action:		Date:	
Type: Plunger Lift	# 3		
Comment:			
Corrective Action:		Date:	
Type: Gas Meter Run	# 3		
Comment:	Gas meter calibration cards 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
Type: Bird Protectors	# 6		
Comment:			
Corrective Action:		Date:	
Type: Deadman # & Marked	# 6		
Comment:	7th anchor unmarked		
Corrective Action:	All guy line anchors left buried for future use will be identified by a marker of bright color not less than 4 feet in height and not greater than 1 foot east of the guy line anchor.		Date: 05/05/2023
Type: Bradenhead	# 3		
Comment:	Accessible with valve.		
Corrective Action:		Date:	

Tanks and Berms:

Contents	#	Capacity	Type	Tank ID	SE GPS
PRODUCED WATER	3	300 BBLS	STEEL AST		,
Comment:	All 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	3	300 BBLS	HEATED STEEL AST		,
Comment:	Loadline on 31-21D lacking plug. All loadlines have drain valves installed that are not capped or plugged.				

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
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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:

Venting:

Yes/No	NO		
Comment:			
Corrective Action:		Date:	

Flaring:

Type		
Comment:		
Corrective Action:		Date:

Inspected FacilitiesFacility ID: 264845 Type: WELL API Number: 103-10252 Status: PR Insp. Status: PR**Producing Well**Comment: Plunger lift

Corrective Action:

Date:

Facility ID: 267789 Type: WELL API Number: 103-10314 Status: SI 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 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: 05/22/2023Facility ID: 268480 Type: WELL API Number: 103-10339 Status: PR Insp. Status: PR**Producing Well**Comment: Plunger lift

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
				Material Handling And Spill Prevention		
		Gravel				
Ditches						
Gravel						
		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
403378474	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6087617
702501169	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6087612