

**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:

04/18/2023

Submitted Date:

04/18/2023

Document Number:

702501156

**FIELD INSPECTION FORM**Loc ID 336391 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:**

14 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 |
|-----------------|----------------|----------------------------|---------|
| Kellerby, Shaun | (970) 712-1248 | shaun.kellerby@state.co.us |         |
| 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            |         |
| Baumgras, Dan   |                | Dan@KT-Res.com             |         |

**Inspected Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num   | Facility Name             | Insp Status |
|-------------|------|--------|-------------|------------|-----------|---------------------------|-------------|
| 231796      | WELL | SI     | 07/01/2017  | CBM        | 103-09467 | FEE M-31-2-96N            | SI          |
| 270739      | WELL | SI     | 05/01/2020  | GW         | 103-10406 | ANT HILL UNIT RBCWG 6-11D | SI          |

**General Comment:****COGCC Inspection Report Summary**

On Tuesday, 4/18/2023, Inspector Kirby Burchett, conducted a follow up field inspection at KT Resources on the FEE-62N96W 31SWSW Pad, Location #336391, 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 Habitat regulations.

Any Corrective Actions from previous Inspections are still applicable.

Corrective Actions from Inspection #702500947 on 3/1/2023 have not been addressed.

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

- Both wells are overdue for Mechanical Integrity Tests.
- API Number not displayed on tank battery sign.
- Gas meter calibration card not visibly displayed.
- Insufficient BMPs to control vehicle tracking.
- Open cellar around 6-11D well.

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.

**Location**Overall Good: ☐**Signs/Marker:**

|                    |  |       |                  |
|--------------------|--|-------|------------------|
| Type               | WELLHEAD   |       |                  |
| Comment:           |  |       |                  |
| Corrective Action: |  | Date: |                  |
| Type               | TANK LABELS/PLACARDS   |       |                  |
| 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               | BATTERY  |       |                  |
| Comment:           | API Number missing on Fee M-31-2-96-N well on tank battery sign  |       |                  |
| 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: 06/26/2023 |

**Emergency Contact Number:**

Comment: 911 / (800) 288-0560

Corrective Action:

Date: \_\_\_\_\_

**Good Housekeeping:**

|                    |  |  |                  |
|--------------------|--|--|------------------|
| Type               | OTHER  |  |                  |
| Comment:           | Open cellar around 6-11D wellhead  |  |                  |
| Corrective Action: | An Operator will secure conductors and cellars to prevent accidental access by people, livestock, or wildlife when active work on that conductor is not occurring. |  | Date: 04/28/2023 |

Overall Good: ☐**Spills:**

| Type | Area | Volume |  |  |
|------|------|--------|--|--|
|------|------|--------|--|--|

In Containment: No

Comment:

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

|                          |     |       |                 |
|--------------------------|-----|-------|-----------------|
| Type: Bird Protectors    | # 2 |       | corrective date |
| Comment:                 |     |       |                 |
| Corrective Action:       |     | Date: |                 |
| Type: Deadman # & Marked | # 8 |       |                 |
| Comment:                 |     |       |                 |
| Corrective Action:       |     | Date: |                 |

|                                   |   |                  |
|-----------------------------------|---|------------------|
| Type: Bradenhead                  | # 2   |                  |
| Comment:                          | Accessible with valves  |                  |
| Corrective Action:                |   | Date:            |
| Type: Gas Meter Run               | # 2   |                  |
| Comment:                          | Gas meter calibration card not visibly displayed on Fee meter run.<br>Calibration card displayed in 6-11D meter run. Calibration overdue.   |                  |
| 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.<br><br>Meters will be calibrated annually unless more frequent calibration is required by contractual obligations or by the Director. | Date: 05/03/2023 |
| Type: Plunger Lift                | # 1   |                  |
| Comment:                          | Fee M-31-2-96-N well  |                  |
| Corrective Action:                |   | Date:            |
| Type: Horizontal Heated Separator | # 1   |                  |
| Comment:                          | Fee M-31-2-96-N well  |                  |
| Corrective Action:                |   | Date:            |

**Tanks and Berms:**

|                    |                                       |          |           |         |        |
|--------------------|---------------------------------------|----------|-----------|---------|--------|
| Contents           | #                                     | Capacity | Type      | Tank ID | SE GPS |
| PRODUCED WATER     | 1                                     | 300 BBLS | STEEL AST |         | ,      |
| Comment:           | All tank valves have plugs installed. |          |           |         |        |
| Corrective Action: |                                       |          |           |         | Date:  |

**Paint**

|                  |            |
|------------------|------------|
| Condition        | Inadequate |
| Other (Content)  |            |
| Other (Capacity) |            |
| Other (Type)     |            |

**Berms**

|                    |   |                     |                     |             |        |
|--------------------|---|---------------------|---------------------|-------------|--------|
| Type               | Capacity                                      | Permeability (Wall) | Permeability (Base) | Maintenance |        |
| Metal              | Adequate                                      | Walls Sufficent     | Base Sufficient     | Adequate    |        |
| Comment:           |   |                     |                     |             |        |
| Corrective Action: |   |                     |                     | Date:       |        |
| Contents           | #   | Capacity            | Type                | Tank ID     | SE GPS |
| CRUDE OIL          | 1   | 300 BBLS            | HEATED STEEL AST    |             | ,      |
| Comment:           | Loadline and tank valves have plugs installed |                     |                     |             |        |
| Corrective Action: |   |                     |                     |             | Date:  |

**Paint**

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

**Berms**

Inspector Name: Burchett, Kirby

|                    |          |                     |                     |             |  |
|--------------------|----------|---------------------|---------------------|-------------|--|
| Type               | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |  |
| Metal              | Adequate | Walls Sufficent     | Base Sufficent      | Adequate    |  |
| Comment:           |          |                     |                     |             |  |
| Corrective Action: |          |                     |                     | Date:       |  |

**Venting:**

|                    |    |       |  |
|--------------------|----|-------|--|
| Yes/No             | NO |       |  |
| Comment:           |    |       |  |
| Corrective Action: |    | Date: |  |

**Flaring:**

|                    |  |       |
|--------------------|--|-------|
| Type               |  |       |
| Comment:           |  |       |
| Corrective Action: |  | Date: |

**Inspected Facilities**Facility ID: 231796 Type: WELL API Number: 103-09467 Status: SI Insp. Status: SI**Idle Well**Purpose: ☒ Shut In ☐ Temporarily Abandoned

Reminder: \_\_\_\_\_

Comment: Last Production - June 2017.  
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

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: 05/19/2023Facility ID: 270739 Type: WELL API Number: 103-10406 Status: SI Insp. Status: SI**Idle Well**Purpose: ☒ Shut In ☐ Temporarily Abandoned

Reminder: \_\_\_\_\_

Comment: Last Production - March 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

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: 05/19/2023

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

| Loc Erosion BMPs | BMP Maintenance | Lease Road Erosion BMPs | Lease BMP Maintenance | Chemical BMPs | Chemical BMP Maintenance | Comment |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
|                  |                 | Gravel                  |                       |               |                          |         |
|                  |                 | Ditches                 |                       |               |                          |         |
| Gravel           |                 |                         |                       |               |                          |         |
| Drains           |                 |                         |                       |               |                          |         |
| 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: 05/04/2023

Pits: ☒ NO SURFACE INDICATION OF PIT

**Attached Documents**

You can go to COGCC Images (<https://cogcc.state.co.us/webblink/>) and search by document number:

| Document Num | Description       | URL   |
|--------------|-------------------|---|
| 702501157    | Inspection Photos | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6085867">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6085867</a> |