

**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:

04/11/2023

Submitted Date:

04/13/2023

Document Number:

702501145

FIELD INSPECTION FORM

Loc ID Inspector Name: On-Site Inspection ☐
 316310 Burchett, Kirby 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 |
|-----------------|----------------|----------------------------|---------|
| Adams, Karen | (303) 886-8733 | adams@kt-res.com | |
| Baumgras, Dan | | Dan@KT-Res.com | |
| Kellerby, Shaun | (970) 712-1248 | shaun.kellerby@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 |
|-------------|------|--------|-------------|------------|-----------|---------------------|-------------|
| 262222 | WELL | PR | 11/01/2022 | GW | 103-10216 | ANT HILL UNIT 19-44 | PR |

General Comment:**COGCC Inspection Report Summary**

On Tuesday, 04/11/2023, Inspector Kirby Burchett, conducted a routine field inspection at KT Resources LLC on the Ant Hill Unit 19-44D, Location #316310, in Rio Blanco County, Colorado.

This location is within or in close proximity to Parks and Wildlife (CPW) District with High Priority/NSO/Density/Other Consultation Habitats.

Any Corrective Actions from previous Inspections are still applicable.

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

1. Stormwater BMPs not implemented or maintained.
2. Gas meter calibration card not conspicuously posted.
3. Chemical tank label missing and/or illegible.
4. Chemical containment full of liquid.
5. No API Number on tank battery sign.

Refer to Inspection Photos for observed compliance issues.

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 lacking well API Number | | |
| 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: | 06/12/2023 |
| Type | WELLHEAD | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | Chemical tank labels faded and illegible | | |
| 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: | 05/15/2023 |
| 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: 911 / (800) 288-0560

Corrective Action:

Date: _____

Overall Good: ☐

| | | | | |
|--------------------------------------------------------|------|--------|--|--|
| Spills: | | | | |
| Type | Area | Volume | | |
| In Containment: No | | | | |
| Comment: _____ | | | | |
| <input type="checkbox"/> Multiple Spills and Releases? | | | | |

| | | | |
|--------------------|-------------------|-------|--|
| Fencing/: | | | |
| Type | PUMP JACK | | |
| Comment: | Livestock fencing | | |
| Corrective Action: | | Date: | |

| | | | |
|---------------------------|------------------------------------------------------------------|-------|-----------------|
| Equipment: | | | corrective date |
| Type: Ancillary equipment | # 2 | | |
| Comment: | Chemical tanks on plastic containment tubs. Tubs full of liquid. | | |
| Corrective Action: | Drain and properly dispose of liquid waste | Date: | 04/24/2023 |
| Type: Bradenhead | # 1 | | |

| | | | | | |
|-----------------------------------|-----|-------------------------------------------------------------------------------------------|--|-------|------------|
| Comment: | | Accessible | | Date: | |
| Corrective Action: | | | | Date: | |
| Type: Horizontal Heated Separator | # 1 | | | | |
| Comment: | | | | Date: | |
| Corrective Action: | | | | Date: | |
| Type: Gas Meter Run | # 1 | | | | |
| Comment: | | Gas meter calibration card not conspicuously posted. | | Date: | 05/01/2023 |
| Corrective Action: | | The Operator will conspicuously post and maintain the date of the last meter calibration. | | Date: | 05/01/2023 |
| Type: Bird Protectors | # 2 | | | | |
| Comment: | | | | Date: | |
| Corrective Action: | | | | Date: | |
| Type: Ancillary equipment | # 1 | | | | |
| Comment: | | Lube oil tank on plastic containment tub for pumping unit engine | | Date: | |
| Corrective Action: | | | | Date: | |
| Type: Pump Jack | # 1 | | | | |
| Comment: | | | | Date: | |
| Corrective Action: | | | | Date: | |
| Type: Deadman # & Marked | # 4 | | | | |
| Comment: | | | | Date: | |
| 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 | 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 | 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

| | | | | | |
|--------------------|----------|---------------------|---------------------|-------------|--|
| 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: | 262222 | Type: | WELL | API Number: | 103-10216 | Status: | PR | Insp. Status: | PR |
| Producing Well | | | | | | | | | |
| Comment: | Rod pump | | | | | | | | |
| 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 |
|------------------|-----------------|-------------------------|-----------------------|----------------------------------------|--------------------------|-------------------|
| | | Gravel | | | | |
| Ditches | | | | | | |
| | | | | Material Handling And Spill Prevention | Fail | Contaminants full |
| Gravel | | | | | | |
| | | Ditches | | | | |
| | | Culverts | | | | |

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.

Material Handling and Spill Prevention BMPs need implementation and maintenance.

Oil and gas operators shall implement and maintain Best Management Practices (BMPs) at all oil and gas locations for materials handling and spill prevention procedures and practices implemented for material handling and spill prevention of materials used, stored, or disposed of that could result in discharges causing pollution of surface waters.

Date: 05/01/2023

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 |
|--------------|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 403373538 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6081447 |
| 702501146 | Inspection Photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6081441 |