

FORM
INSPRev
X/20State of Colorado
Oil and Gas Conservation Commission1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109

Inspection Date:

03/05/2024

Submitted Date:

03/06/2024

Document Number:

702502439

FIELD INSPECTION FORM

Loc ID _____ Inspector Name: _____ On-Site Inspection
 316309 _____ 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:

10 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
Gale, Tony	(303) 886-8733	tony@kt-res.com	
Wilson, Justin	(970) 878-3825	jrwilson@blm.gov	
Baumgras, Dan	(307) 321-3299	Dan@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
261840	WELL	SI	03/01/2023	GW	103-10213	ANT HILL UNIT 29-11	SI

General Comment:

ECMC Inspection Report Summary

On Tuesday, 03/05/2024, Inspector Kirby Burchett, conducted a follow up field inspection at KT Resources LLC on the Ant Hill Unit 29-11 well, Location #316309, in Rio Blanco County, Colorado.

This location is within or in close proximity to a Parks and Wildlife (CPW) District, Black Bear area with High Priority, NSO, Density and Other Consultation Habitat regulations.

Any Corrective Actions from previous Inspections are still applicable.

Follow up inspection in response to compliance issues observed during Insp. #707800291 on 4/11/23 by Inspector Scott Ramsey. The following Corrective Actions were issued and original due dates will remain on any unresolved CA's:

1. No BMP's installed to prevent sediment migration from occurring on location. (Unresolved)
2. No API posted on well head or battery signage. (Resolved)
3. Chemical and oil tank containment full of fluid not sufficient to contain possible spill. (Resolved)
4. Chemical tank label is illegible. (Resolved)
5. Chemical tank is unused/stored equipment. (Unresolved)
6. Holes in secondary containment in the corners. (Resolved)
7. Staining. (Resolved)
8. Meter calibration card not conspicuously posted. (Resolved)

Refer to Inspection Photos for observed compliance issues.

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

1. Gas meter calibration out of date
2. Relief risers missing rain caps
3. Mechanical Integrity Test overdue.

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 ECMC rules.

Location

Overall Good:

Signs/Marker:			
Type	CONTAINERS		
Comment:			
Corrective Action:			Date:
Type	TANK LABELS/PLACARDS		
Comment:			
Corrective Action:			Date:
Type	WELLHEAD		
Comment:	As Wellhead signs are replaced: The Well name; The API Number; and Its legal location, including the quarter/quarter section will be required.		
Corrective Action:			Date:
Type	BATTERY		
Comment:			
Corrective Action:			Date:

Emergency Contact Number:			
Comment:	<u>(800) 288-0560 or 911</u>		
Corrective Action:			Date: _____

Good Housekeeping:			
Type	UNUSED EQUIPMENT		
Comment:	Chemical tank at wellhead disconnected. No pump.		
Corrective Action:	All equipment not hooked up or out of service will be removed from location.		Date: <u>05/04/2023</u>

Overall Good:

Spills:			
Type	Area	Volume	
Crude Oil	Tank	<= 1 bbl	
Comment:	Tank valve leaking at plug. Stained soil below.		
Corrective Action:	Remove and properly dispose of oily waste and impacted soil.		Date: <u>03/30/2024</u>

In Containment: Yes

Comment:

Multiple Spills and Releases?

Equipment:			corrective date
Type: Horizontal Heater Treater	# 1		
Comment:			
Corrective Action:			Date:
Type: Deadman # & Marked	# 4		
Comment:			
Corrective Action:			Date:
Type: Gas Meter Run	# 1		

Comment:	Gas meter calibration out of compliance.			
Corrective Action:	Meters will be calibrated annually unless more frequent calibration is required by contractual obligations or by the Director.		Date:	03/16/2024
Type:	Bird Protectors	# 2		
Comment:				
Corrective Action:			Date:	
Type:	Bradenhead	# 1		
Comment:				
Corrective Action:			Date:	
Type:	Ancillary equipment	# 1		
Comment:				
Corrective Action:			Date:	
Type:	Plunger Lift	# 1		
Comment:				
Corrective Action:			Date:	

Tanks and Berms:

Contents	#	Capacity	Type	Tank ID	SE GPS
CRUDE OIL	1	300 BBLs	HEATED STEEL AST		,
Comment:					
Corrective Action:					Date:

Paint

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

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Metal	Adequate			
Comment:	Unlined			
Corrective Action:				Date:

Contents	#	Capacity	Type	Tank ID	SE GPS
PRODUCED WATER	1	300 BBLs	STEEL AST		,
Comment:					
Corrective Action:					Date:

Paint

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

Berms				
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Metal	Adequate			
Comment: Unlined				
Corrective Action:				Date:

Venting:				
Yes/No	NO			
Comment:				
Corrective Action:				Date:

Flaring:				
Type				
Comment:				
Corrective Action:				Date:

Inspected Facilities

Facility ID: 261840 Type: WELL API Number: 103-10213 Status: SI Insp. Status: SI

Idle Well

Purpose: Shut In Temporarily Abandoned Reminder: _____

Comment: Last Production - September 2020
1 day production reported in February 2023
December 2023 Production Report.
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.

Mechanical Integrity Test required to maintain shut in status or before returning to production.

Date: 04/05/2024

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		
		Ditches				
Ditches						

Comment: No BMP's installed to prevent sediment migration from occurring on location.

Corrective Action: Install or repair required BMPs

Date: 05/25/2023

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
702502440	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6456325