

**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:

03/19/2024

Submitted Date:

03/21/2024

Document Number:

702502507

FIELD INSPECTION FORMLoc ID: 316154 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:

19 Number of Comments

11 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	
Wilson, Justin	(970) 878-3825	jrwilson@blm.gov	
Gale, Tony	(303) 886-8733	tony@kt-res.com	
Baumgras, Dan	(307) 321-3299	Dan@KT-Res.com	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
232248	WELL	SI	08/01/2022	GW	103-09919	ANT HILL UNIT 30-42	SI

General Comment:**ECMC Inspection Report Summary**

On Tuesday, 03/19/2024, Inspector Kirby Burchett, conducted a follow up field inspection at KT Resources LLC on the Ant Hill Unit 30-42 well, Location #316154, in Rio Blanco County, Colorado.

This location is within or in close proximity to a Parks and Wildlife (CPW) District, Black Bear and High Priority area with 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. #702501445 on 6/13/23 and Insp. #702502291 on 1/17/24. All Corrective Actions have not been resolved and original due dates will remain:

1. Debris. (Unresolved)
2. Stained soil. (Unresolved)
3. Tank battery sign does not match database or wellhead sign. (Unresolved)
4. Insufficient tank battery containment. (Unresolved)
5. Gas meter calibration out of compliance. (Unresolved)
6. Stormwater BMP's need implementation and maintenance. (Unresolved)

Refer to Inspection Photos for observed compliance issues.

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

1. Oily waste on containment.
2. Relief riser missing rain cap.

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.

LocationOverall Good: ☐**Signs/Marker:**

Type	BATTERY		
Comment:	Well name on sign at entrance to location does not match database or wellhead sign.		
Corrective Action:	The Location Entrance sign will identify: The Well name; The Commission's Location identification number (ID #); The Operator's telephone number where it may be reached at all times; and the Telephone number(s) for local emergency services (911 where available).	Date:	03/11/2024
Type	TANK LABELS/PLACARDS		
Comment:	Operators will ensure that container and tank labels are well maintained and legible, and will replace damaged or vandalized labels within 10 days of discovery that the label is no longer legible or is damaged.		
Corrective Action:		Date:	
Type	CONTAINERS		
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:	Well name on sign at tank battery does not match database or wellhead 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:	03/11/2024

Emergency Contact Number:

Comment: (800)288-0560 or 911

Corrective Action:

Date: _____

Good Housekeeping:

Type	DEBRIS		
Comment:	Pail still on containment at pumping unit		
Corrective Action:	All excess materials, rubbish, supplies, trash, or other waste material will be properly contained until removed from the Oil and Gas Location. At no time will debris be placed or remain on the ground.	Date:	01/25/2024

Overall Good: ☐**Spills:**

Type	Area	Volume		
Crude Oil	Treater	<= 1 bbl		
Comment:	Stained soil.			
Corrective Action:	Remove and properly dispose of oily waste and stained soils.			Date: 07/05/2023
Crude Oil	WELLHEAD	<= 1 bbl		

Comment:	Oily waste piled on top of chemical containment				
Corrective Action:	Remove and properly dispose of oily waste			Date:	03/25/2024
Lube Oil	Pump Jack	<= 1 bbl			
Comment:	Oily equipment and stained soil				
Corrective Action:	Repair leaks. Remove and properly dispose of oily waste and stained soils.			Date:	06/29/2023

In Containment: No

Comment:

☐ Multiple Spills and Releases?

Fencing/:			
Type	PUMP JACK		
Comment:	Manufacturer		
Corrective Action:			Date:
Type	WELLHEAD		
Comment:	Wellhead and pumping unit Livestock wire and panels		
Corrective Action:			Date:

Equipment:				corrective date
Type: Bird Protectors	# 2			
Comment:				
Corrective Action:				Date:
Type: Gas Meter Run	# 1			
Comment:	Gas meter calibration out of compliance. Well shut in - June 2020. MIT required. Meter will be required to be calibrated if well is returned to production.			
Corrective Action:	Meters will be calibrated annually unless more frequent calibration is required by contractual obligations or by the Director.			Date: 03/30/2024
Type: Ancillary equipment	# 3			
Comment:	2 chemical tanks on containment 1 lube oil tank in containment			
Corrective Action:				Date:
Type: Horizontal Heater Treater	# 1			
Comment:	Relief riser missing rain protection			
Corrective Action:	Vents on pressure safety devices will terminate in a manner so as not to endanger the public or adjoining facilities. They will be designed to be clear and free of debris and water at all times.			Date: 04/04/2024
Type: Bradenhead	# 1			
Comment:				
Corrective Action:				Date:
Type: Pump Jack	# 1			
Comment:				
Corrective Action:				Date:

Tanks and Berms:

Contents	#	Capacity	Type	Tank ID	SE GPS
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PRODUCED WATER	1	300 BBLS	STEEL AST			
Comment:						
Corrective Action:					Date:	
<u>Paint</u>						
Condition	Adequate					
Other (Content)						
Other (Capacity)						
Other (Type)						
<u>Berms</u>						
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance		
Metal	Adequate					
Comment:		Unlined				
Corrective Action:					Date:	
Contents	#	Capacity	Type	Tank ID	SE GPS	
CRUDE OIL	1	300 BBLS	HEATED STEEL AST			
Comment:						
Corrective Action:					Date:	
<u>Paint</u>						
Condition	Adequate					
Other (Content)						
Other (Capacity)						
Other (Type)						
<u>Berms</u>						
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance		
Metal	Adequate	Walls Insufficient	Base Insufficient	Inadequate		
Comment:		Unlined Secondary containment is not sufficiently impervious to contain spilled or released materials.				
Corrective Action:		Install liner material to ensure spill or released materials will be maintained within containment structure.			Date:	02/17/2024
<u>Venting:</u>						
Yes/No	NO					
Comment:						
Corrective Action:					Date:	
<u>Flaring:</u>						
Type						
Comment:						
Corrective Action:					Date:	

Inspected Facilities									
Facility ID:	232248	Type:	WELL	API Number:	103-09919	Status:	SI	Insp. Status:	SI
Idle Well									
Purpose: <input checked="" type="checkbox"/> Shut In <input type="checkbox"/> Temporarily Abandoned Reminder: _____									
<div>Comment: Last Production - July 2022 Well shut in June 2020 - June 2022 January 2024 Production Report Last Production - May 2020 from 1/17/24 Inspection 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.</div>									
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: 02/17/2024									

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				
Gradient Terraces						

Comment: Stormwater BMPs need implementation and maintenance.

Corrective Action: Provide proper Stormwater BMPs to control runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation. Vehicle tracking BMPs to control potential sediment discharges from operational roads, well pads, and other unpaved surfaces.

Date: 06/29/2023

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
702502508	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6476530