

**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:

07/08/2024

Submitted Date:

07/08/2024

Document Number:

715500363**FIELD INSPECTION FORM**Loc ID 315708 Inspector Name: Burchett, Kirby On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**ECMC Operator Number: 47200Name of Operator: KGH OPERATING COMPANYAddress: P O BOX 2235City: BILLINGS State: MT Zip: 59103-**Status Summary:**

- ☐
- THIS IS A FOLLOW UP INSPECTION
-
- ☒
- FOLLOW UP INSPECTION REQUIRED
-
- ☐
- NO FOLLOW UP INSPECTION REQUIRED

Findings:16 Number of Comments5 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 |
|------------------|----------------|---------------------|---------|
| Hauptman, Thomas | (307) 380-7616 | tom@tmhauptman.com | |
| Allen, Lisa C | (970) 290-2912 | lisa@tmhauptman.com | |
| Wilson, Justin | (970) 878-3825 | jrwilson@blm.gov | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|-----------------------|-------------|
| 231426 | WELL | PR | 09/17/1983 | GW | 103-09096 | TEXAS MOUNTAIN-FED. 1 | PR |

General Comment:[ECMC Inspection Report Summary](#)

On Monday, 07/08/2024, Inspector Kirby Burchett, conducted a routine field inspection at KGH Operating Company on the Texas Mountain-Fed. 1 well, Location #315708, in Rio Blanco County, Colorado.

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

Any Corrective Actions from previous Inspections are still applicable.

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

1. Random debris.
2. Containments open to wildlife.
3. Open ended tank valve.
4. Relief riser missing cap.
5. Production reports not up to date.

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 | OTHER | | |
| Comment: | Separator units include attached storage tanks. No form of labeling or markers are present to identify a potential hazard or the contents of the storage tank. | | |
| Corrective Action: | | Date: | |
| Type | WELLHEAD | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | CONTAINERS | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | BATTERY | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

Emergency Contact Number:

Comment: 406-655-3381 or 911

Corrective Action:

Date: _____

Good Housekeeping:

| | | | |
|--------------------|---|-------|------------------|
| Type | DEBRIS | | |
| Comment: | Random debris | | |
| 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: 07/16/2024 |
| Type | WEEDS | | |
| Comment: | Maintain noxious weed control on all disturbed and reclaimed areas as a result of Oil & Gas activities including access roads. | | |
| Corrective Action: | | Date: | |

Overall Good: ☐**Spills:**

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

In Containment: No

Comment:

☐ Multiple Spills and Releases?**Fencing/:**

| | | | |
|--------------------|---|-------|--|
| Type | OTHER | | |
| Comment: | Methanol tank in containment at wellhead. Fence panels | | |
| Corrective Action: | | Date: | |
| Type | WELLHEAD | | |
| Comment: | Double rail | | |

| | | | |
|--------------------|--------------|-------|--|
| Corrective Action: | | Date: | |
| Type | TANK BATTERY | | |
| Comment: | Fence panels | | |
| Corrective Action: | | Date: | |

| | | | |
|-----------------------------------|--|-------|-----------------|
| Equipment: | | | corrective date |
| Type: Deadman # & Marked | # 2 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Horizontal Heated Separator | # 1 | | |
| Comment: | Vent riser missing protective cap | | |
| 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: | 07/23/2024 |
| Type: Ancillary equipment | # 2 | | |
| Comment: | Methanol tanks in and on containment. Containments open to wildlife. | | |
| Corrective Action: | Install or repair wildlife protection equipment. | Date: | 07/19/2024 |
| Type: Gas Meter Run | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Bradenhead | # 2 | | |
| Comment: | Surface and Intermediate casing | | |
| Corrective Action: | | Date: | |
| Type: Plunger Lift | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Bird Protectors | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

Tanks and Berms:

| Contents | # | Capacity | Type | Tank ID | SE GPS | |
|--------------------|--|-----------|-------------|---------|--------|------------------|
| PRODUCED WATER | 2 | <100 BBLS | PLASTIC AST | | , | |
| Comment: | Open ended tank valve. | | | | | |
| Corrective Action: | All load lines or tank valves that can be used as a load line will be capped or plugged. | | | | | Date: 07/14/2024 |

Paint

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

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|------|----------|---------------------|---------------------|-------------|
|------|----------|---------------------|---------------------|-------------|

| | | | | | |
|--------------------|----------|--|--|-------|--|
| Earth | Adequate | | | | |
| Comment: | Unlined | | | | |
| Corrective Action: | | | | Date: | |
| Venting: | | | | | |
| Yes/No | NO | | | | |
| Comment: | | | | | |
| Corrective Action: | | | | Date: | |
| Flaring: | | | | | |
| Type | | | | | |
| Comment: | | | | | |
| Corrective Action: | | | | Date: | |

| Inspected Facilities | | | | | | | | | |
|----------------------|--|-------|------|-------------|-----------|---------|------------|---------------|----|
| Facility ID: | 231426 | Type: | WELL | API Number: | 103-09096 | Status: | PR | Insp. Status: | PR |
| Producing Well | | | | | | | | | |
| Comment: | February 2024 Production Report Review of production records indicate operator is delinquent in submitting monthly operations reports. | | | | | | | | |
| Corrective Action: | Operators will report all existing oil and gas Wells that are not Plugged and Abandoned on the Form 7, Operator's Monthly Report of Operations within 45 days after the end of each month. | | | | | Date: | 08/08/2024 | | |

The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12

Reclamation - Storm Water - Pit

Storm Water:

| Loc Erosion BMPs | BMP Maintenance | Lease Road Erosion BMPs | Lease BMP Maintenance | Chemical BMPs | Chemical BMP Maintenance | Comment |
|------------------|-----------------|-------------------------|-----------------------|--|--------------------------|------------------|
| Berms | | | | | | |
| | | Drains | | | | |
| Ditches | | | | | | |
| | | | | Material Handling And Spill Prevention | Fail | Open to wildlife |
| | | Ditches | | | | |

Comment: Operator is responsible for maintaining Best Management Practices (BMPs) to control vehicle tracking and potential sediment discharges from operational roads, well pads, and other unpaved surfaces.

Corrective Action:

Date:

Pits: ☒ NO SURFACE INDICATION OF PIT

Attached Documents

You can go to ECMC Images (<https://ecmc.state.co.us/weblink/>) and search by document number:

| Document Num | Description | URL |
|--------------|----------------------|---|
| 403847984 | INSPECTION SUBMITTED | https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6615248 |
| 715500364 | Inspection Photos | https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6615244 |