

**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:

07/30/2024

Submitted Date:

07/30/2024

Document Number:

715500488

FIELD INSPECTION FORM

Loc ID 316154 Inspector Name: Burchett, Kirby On-Site Inspection 2A Doc Num: _____

Status Summary:

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

Operator Information:

ECMC Operator Number: 10775
Name of Operator: KT RESOURCES LLC
Address: 3381 WESTBROOK LANE
City: HIGHLANDS State: CO Zip: 80129

Findings:

- 21 Number of Comments
- 13 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	
Enforcement, ECMC		dnr_cogccenforcement@state.co.us	
Engineering, ECMC		dnr_cogccengineering@state.co.us	
Wilson, Justin	(970) 878-3825	jrwilson@blm.gov	
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
232248	WELL	SI	08/01/2022	GW	103-09919	ANT HILL UNIT 30-42	SI

General Comment:

ECMC Inspection Report Summary

On Tuesday, 07/30/2024, 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 and 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. #702502619 on 4/17/24 and 4 previous inspections dating back to 6/13/23. The following Corrective Actions have not been resolved and original due dates remain:

1. Debris.
2. Several areas of stained soil.
3. Tank battery containment damaged.
4. Gas meter calibration out of compliance.
5. Stormwater BMP's need implementation and maintenance.
6. Oily waste on containment. Containment full.

Refer to Inspection Photos for observed compliance issues.

7. Well was shut in over 2 years then returned to production without a Mechanical Integrity Test. Inspection on 1/17/24 had no reported production in July 2022.

While there during normal operations the following compliance issue was observed.

1. Weeds
2. Illegible chemical labels.

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	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	OTHER		
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	BATTERY		
Comment:			
Corrective Action:		Date:	
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:	Faded and illegible labels		
Corrective Action:	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.	Date:	08/10/2024

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
Type	WEEDS		
Comment:	Oil and Gas Locations will be kept free of all Undesirable Plant Species.		
Corrective Action:	Maintain noxious weed control on all disturbed and reclaimed areas as a result of Oil & Gas activities including access roads.	Date:	08/07/2024

Overall Good:

Spills:			
Type	Area	Volume	
Other	WELLHEAD	>= 5 bbls	
Comment:	Chemical containment full of oily waste and liquids. No freeboard.		

Corrective Action: Empty containment and properly dispose of contents.		Date: <u>08/05/2024</u>
Crude Oil	Treater <= 1 bbl	
Comment: Stained soil.		
Corrective Action: Remove and properly dispose of oily waste and stained soils.		Date: <u>07/05/2023</u>
PW/CO	Tank <= 1 bbl	
Comment: Several areas of stained soil inside tank battery		
Corrective Action: Remove and properly dispose of oily waste and impacted soil.		Date: <u>08/15/2024</u>
Crude Oil	WELLHEAD <= 1 bbl	
Comment: Oily waste piled on top of chemical containment		
Corrective Action: Remove and properly dispose of oily waste		Date: <u>03/25/2024</u>
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: <u>06/29/2023</u>

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: 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: <u>03/30/2024</u>
Type: Bird Protectors	# 2	
Comment:		
Corrective Action:		Date:
Type: Bradenhead	# 1	
Comment:		
Corrective Action:		Date:
Type: Ancillary equipment	# 3	
Comment:	2 chemical tanks on containment 1 lube oil tank in containment	
Corrective Action:		Date:
Type: Pump Jack	# 1	

Comment:			
Corrective Action:		Date:	
Type: Horizontal Heater Treater	# 1		
Comment:			
Corrective Action:		Date:	
Type: Deadman # & Marked	# 4		
Comment:			
Corrective Action:		Date:	

Tanks and Berms:

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				
Comment:	Corrective Action addressed under Tanks and Berms: Crude Oil			
Corrective Action:				Date:

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	Inadequate			
Comment:	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

Venting:

Yes/No	NO		
Comment:			
Corrective Action:		Date:	

Flaring:

Type			
Comment:			
Corrective Action:		Date:	

Inspected Facilities

Facility ID: 232248 Type: WELL API Number: 103-09919 Status: SI Insp. Status: SI

Idle Well

Purpose: Shut In Temporarily Abandoned Reminder: _____

Comment: Last Production - July 2022
Well shut in June 2020 - June 2022
June 2024 Production Report
Last Production - May 2020 from 1/17/24 Inspection. June 2022 Production added after 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.

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

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
Gradient Terraces						
				Material Handling And Spill Prevention		
		Ditches				

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

Document Num	Description	URL
403871593	INSPECTION SUBMITTED	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6645695
715500489	Inspection Photos	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6645688