

FORM INSP Rev 05/11	State of Colorado Oil and Gas Conservation Commission 1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109				DE	ET	OE	ES
	Inspection Date: <u>03/22/2012</u>							

FIELD INSPECTION FORM			
Location Identifier	Facility ID	Loc ID	Tracking Type
	<u>290147</u>	<u>306988</u>	
Inspector Name: <u>LABOWSKIE, STEVE</u>			

Document Number:	<u>661700211</u>
Overall Inspection:	<u>Unsatisfactory</u>

Operator Information:

OGCC Operator Number: 53255 Name of Operator: MARALEX RESOURCES, INC

Address: P O BOX 338

City: IGNACIO State: CO Zip: 81137

Contact Information:

Contact Name	Phone	Email	Comment
SPRAY, KAREN		karen.spray@state.co.us	
Hart, M		mhart@maralexinc.com	Engineering Tech

Compliance Summary:

QtrQtr: NWSE Sec: 30 Twp: 33N Range: 9W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Unsatisfactory	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
12/20/2010	200288777	PR	PR	U			Y
07/11/2007	200114585	DG	DG	S		P	N
07/09/2007	200114314	DG	DG	U		F	Y

Inspector Comment:

ACTIVE SMALL RELEASE FROM CRACKED BY FROM SEPARATOR TO PRODUCED WATER TANK. OPERATOR ALSO NOTIFIED BY PHONE 3/22/2012. WELL IS CLOSE TO RIVER.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	
290147	WELL	PR	11/28/2007	GW	067-09350	FLORIDA G.U. 31	<input checked="" type="checkbox"/>
306988	LOCATION	AC	04/14/2009		-	FLORIDA G.U.-N33N9W 30NWSE	<input type="checkbox"/>

Equipment: Location Inventory

Special Purpose Pits: _____	Drilling Pits: _____	Wells: _____	Production Pits: _____
Condensate Tanks: _____	Water Tanks: _____	Separators: _____	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: _____	Oil Pipeline: _____	Water Pipeline: _____
Gas Compressors: _____	VOC Combustor: _____	Oil Tanks: _____	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: _____	Flare: _____	Fuel Tanks: _____

Location

Signs/Marker:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
TANK LABELS/PLACARDS	Unsatisfactory		Install contents, capacity and NFPA placard to comply with rule 210.d.	05/01/2012
WELLHEAD				

Emergency Contact Number: (S/U/V) Satisfactory Corrective Date: _____

Comment: _____

Corrective Action: _____

Good Housekeeping:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
WEEDS	Unsatisfactory	dead weeds inside tank berms	remove dead weeds, prevent regrowth	05/01/2012

Spills:				
Type	Area	Volume	Corrective action	CA Date
Produced Water	Tank	> 5 bbls	stop leak, report release of produced water COGCC form 19	03/30/2012

Multiple Spills and Releases?

Fencing/:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
TANK BATTERY		mesh fence		

Equipment:					
Type	#	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
Horizontal Heated Separator	2	Unsatisfactory	need bird protection screens on several vents	install bird protectors	05/01/2012

Tanks/Berms: New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	OTHER	OTHER	

S/U/V: Unsatisfactory Comment: weeds inside fence and berms, see corrective action under "Housekeeping", tank needs to be labeled

Corrective Action: remove dead weeds (fire hazard), label tank with contents, capacity and NFPA placard Corrective Date: _____

Paint

Condition Adequate

Other (Content) _____

Other (Capacity) unknown

Other (Type) open top buried vessel

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate	Walls Sufficient	Base Sufficient	Adequate

Corrective Action _____ Corrective Date _____

Comment _____

Venting:	
Yes/No	Comment

Flaring:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date

Predrill	
Location ID: <u>306988</u>	
Site Preparation:	
Lease Road Adeq.: _____	Pads: _____
Soil Stockpile: _____	
Corrective Action: _____	Date: _____ CDP Num.: _____
Form 2A COAs:	
Wildlife BMPs:	
Stormwater:	
Comment: _____	
Staking:	
On Site Inspection (305):	
<u>Surface Owner Contact Information:</u>	
Name: _____	Address: _____
Phone Number: _____	Cell Phone: _____
<u>Operator Rep. Contact Information:</u>	
Landman Name: _____	Phone Number: _____
Date Onsite Request Received: _____	Date of Rule 306 Consultation: _____
Request LGD Attendance: _____	
<u>LGD Contact Information:</u>	
Name: _____	Phone Number: _____
Agreed to Attend: _____	
<u>Summary of Landowner Issues:</u>	
<u>Summary of Operator Response to Landowner Issues:</u>	
<u>Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:</u>	

Well				
Facility ID: <u>290147</u>	API Number: <u>067-09350</u>	Status: <u>PR</u>	Insp. Status: <u>PR</u>	

Environmental	
Spills/Releases:	
Type of Spill: <u>WATER</u>	Description: <u>produced</u>
Estimated Spill Volume: _____	
Comment: absorbent ground makes volume hard to estimate. Constant stream of produced water coming from cracked pipe, stained area and foam indicate this is a consistent small release. Release is not traveling laterally but may be traveling downward and impacting grounding water which is probably shallow at this location near the Florida River.	
Corrective Action: <u>stop leak immediately, report spill and respond to further CAs</u>	Date: 03/30/2012

Reportable: YES GPS: Lat Long Proximity to Surface Water: Depth to Ground Water:

Water Well: Lat Long DWR Receipt Num: Owner Name: GPS:

Field Parameters: Sample Location:

Emission Control Burner (ECB): Comment: Pilot: Wildlife Protection Devices (fired vessels):

Reclamation - Storm Water - Pit

Interim Reclamation:

Date Interim Reclamation Started: Date Interim Reclamation Completed:

Land Use: Comment:

1003a. Debris removed? Pass CM CA Date Waste Material Onsite? Pass CM CA Date Unused or unneeded equipment onsite? Pass CM CA Date Pit, cellars, rat holes and other bores closed? Pass CM CA Date Guy line anchors removed? Pass CM CA Date Guy line anchors marked? CM CA Date

1003b. Area no longer in use? Production areas stabilized? Pass

1003c. Compacted areas have been cross ripped?

1003d. Drilling pit closed? Subsidence over on drill pit? Cuttings management:

1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? Production areas have been stabilized? Segregated soils have been replaced?

RESTORATION AND REVEGETATION

Cropland

Top soil replaced Recontoured Perennial forage re-established

Non-Cropland

Top soil replaced Recontoured 80% Revegetation

Inspector Name: LABOWSKIE, STEVE

1003 f. Weeds Noxious weeds? _____

Comment: location matches surrounding over grazed stock area

Overall Interim Reclamation Pass

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: _____

Reminder: _____

Comment: _____

Well plugged _____ Pit mouse/rat holes, cellars backfilled _____

Debris removed _____ No disturbance /Location never built _____

Access Roads Regraded _____ Contoured _____ Culverts removed _____

Gravel removed _____

Location and associated production facilities reclaimed _____ Locations, facilities, roads, recontoured _____

Compaction alleviation _____ Dust and erosion control _____

Non cropland: Revegetated 80% _____ Cropland: perennial forage _____

Weeds present _____ Subsidence _____

Comment: _____

Corrective Action: _____ Date _____

Overall Final Reclamation

Storm Water:

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment

S/U/V: Satisfactory _____ Corrective Date: _____

Comment: _____

CA: _____

COGCC Comments

Comment	User	Date
Will re-inspect for repair and stop of produced water release on 3/30/2012	labowsks	03/23/2012