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|--|--|--|--|--|----|----|----|----|
| 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>04/17/2012</u> | | | | | | | |

| | | | |
|------------------------------|------------------------------|-------------------------|---|
| FIELD INSPECTION FORM | | | |
| Location Identifier | Facility ID <u>221432</u> | Loc ID <u>312384</u> | Tracking Type Inspector Name: <u>BROWNING, CHUCK</u> |

Overall Inspection:
Unsatisfactory

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 |
|-----------------|--------------|----------------------------|--------------------|
| Baker, Debbie | 970-563-4000 | dbaker@maralexinc.com | |
| Graves, Jim | 970-858-8550 | mrinc20@qwestoffice.net | Operations Manager |
| Browning, Chuck | 970-433-4139 | chuck.browning@state.co.us | Field Inspector |

Compliance Summary:

QtrQtr: SWNW Sec: 1 Twp: 1N Range: 1W

Inspector Comment:

Shut in wellhead. No reclamation

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | |
|-------------|----------|--------|-------------|------------|-----------|---------------------|---|
| 221432 | WELL | SI | 09/05/1985 | | 077-08032 | FEDERAL 1-1-1-1 | X |
| 312384 | LOCATION | AC | 04/14/2009 | | - | FEDERAL-U1N1W 1SWNW | |

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 |
|----------|-----------------------------|---------|---|-------------------|
| WELLHEAD | Violation | | Install sign to comply with rule 210.b. | 07/31/2012 |

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

Comment: _____

Corrective Action: _____

| Good Housekeeping: | | | | |
|---------------------------|-----------------------------|--------------------------|-------------------|------------|
| Type | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
| DEBRIS | Unsatisfactory | cement pad for separator | remove | 07/31/2012 |

| Spills: | | | | |
|--|------|--------|-------------------|---------|
| Type | Area | Volume | Corrective action | CA Date |
| <input type="checkbox"/> Multiple Spills and Releases? | | | | |

| Fencing/: | | | | |
|------------------|-----------------------------|----------------|-------------------|---------|
| Type | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
| PIT | Satisfactory | poor condition | | |

| Tanks/Berms: <input type="checkbox"/> New Tank Tank ID: _____ | | | | |
|---|---|----------|-------|-----------------------|
| Contents | # | Capacity | Type | SE GPS |
| OTHER | 1 | 100 BBLS | OTHER | 39.190290,-108.549600 |

| | | | |
|--------------------|------------------|----------|---|
| S/U/V: | Unsatisfactory | Comment: | |
| Corrective Action: | open pit- unused | | Corrective Date: 07/31/2012 |

| | |
|------------------|----------|
| <u>Paint</u> | |
| Condition | |
| Other (Content) | open pit |
| Other (Capacity) | |
| Other (Type) | open pit |

| <u>Berms</u> | | | | |
|-------------------|----------|---------------------|---------------------|-----------------|
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
| | | | | |
| Corrective Action | | | | Corrective Date |
| Comment | | | | |

| Venting: | |
|-----------------|---------|
| Yes/No | Comment |
| | |

| Flaring: | | | | |
|-----------------|-----------------------------|---------|-------------------|---------|
| Type | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
| | | | | |

Predrill

Location ID: 312384

Site Preparation:

Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____
Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

Wildlife BMPs:

Stormwater:

| Erosion BMPs | Present | Other BMPs | Present |
|--------------|---------|------------|---------|
| | | | |

Corrective Action: _____ Date: _____

Comments: Erosion BMPs: _____
Other BMPs: _____

Comment: _____

Staking:

On Site Inspection (305):

Surface Owner Contact Information:

Name: _____ Address: _____
Phone Number: _____ Cell Phone: _____

Operator Rep. Contact Information:

Landman Name: _____ Phone Number: _____
Date Onsite Request Received: _____ Date of Rule 306 Consultation: _____

Request LGD Attendance: _____

LGD Contact Information:

Name: _____ Phone Number: _____ Agreed to Attend: _____

Summary of Landowner Issues:

Summary of Operator Response to Landowner Issues:

Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:

Well

Facility ID: 221432 API Number: 077-08032 Status: SI Insp. Status: SI

Idle Well

Purpose: Shut In Temporarily Abandoned Reminder: _____

S/V: Violation CA Date: 10/31/2012

CA: Well must be either: 1) Put on production or 2) Per COGCC Rule 326.b.(1) a mechanical integrity test shall be performed on each temporarily abandoned well within thirty (30) days of the date the well becomes incapable of production or 3) Be properly plugged and abandoned. 4) A sundry requesting continued temporarily abandoned status should be submitted to Bob Koehler at the COGCC within thirty (30) days of receipt of this report - the sundry should detail the plan for the future operation of the well and the way the well is closed to the atmosphere. Shut-in and temporarily abandoned wells must be properly reported on COGCC Form 7, Operator's Monthly Production Report.

Comment: _____

Environmental

Spills/Releases:

Type of Spill: _____ Description: _____ Estimated Spill Volume: _____
Comment: _____
Corrective Action: _____ Date: _____
Reportable: _____ 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? _____ CM _____
CA _____ CA Date _____
Waste Material Onsite? _____ CM _____
CA _____ CA Date _____
Unused or unneeded equipment onsite? _____ CM _____
CA _____ CA Date _____
Pit, cellars, rat holes and other bores closed? Fail CM _____ open pit
CA close pit CA Date **07/31/2012**
Guy line anchors removed? Fail CM _____ unmarked anchors
CA remove CA Date **07/31/2012**
Guy line anchors marked? _____ CM _____
CA _____ CA Date _____
1003b. Area no longer in use? Fail Production areas stabilized? _____
1003c. Compacted areas have been cross ripped? Fail
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? Fail Segregated soils have been replaced? Fail

RESTORATION AND REVEGETATION

Cropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced Fail Recontoured Fail 80% Revegetation Fail

1003 f. Weeds Noxious weeds? F

Comment: _____

Overall Interim Reclamation Fail

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: _____ Corrective Date: _____

Comment: _____

CA: _____