

FORM INSP
Rev 05/11

**State of Colorado
Oil and Gas Conservation Commission**

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



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Inspection Date:
07/17/2012

Document Number:
668400580

Overall Inspection:
Violation

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Tracking Type	Inspector Name:
	<u>222009</u>	<u>312607</u>		<u>BROWNING, CHUCK</u>

Operator Information:

OGCC Operator Number:	<u>53255</u>	Name of Operator:	<u>MARALEX RESOURCES, INC</u>
Address:	<u>P O BOX 338</u>		
City:	<u>IGNACIO</u>	State:	<u>CO</u> Zip: <u>81137</u>

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
Ohare, Mickey	(970) 563-4000	amohare@maralexinc.com	

Compliance Summary:

QtrQtr:	<u>SWNW</u>	Sec:	<u>21</u>	Twp:	<u>8S</u>	Range:	<u>98W</u>
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Inspector Comment:

Well shut in 5/2012. Weeds grown up around wellhead & equipment. No sign at wellhead. Insufficient berms. Tank valve leaking oil & water on ground.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name
222009	WELL	SI	10/01/1995		077-08611	SOUTH SHALE RIDGE 5-21 <input checked="" 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
	WELLHEAD	Violation	No sign at wellhead	Install sign to comply with rule 210.b.	11/01/2012
	BATTERY	Unsatisfactory	sign covered with weeds. Improper sign on tank	Install sign to comply with rule 210.b.	11/01/2012

Emergency Contact Number: (S/U/V) Unsatisfactory

Corrective Date: _____

Comment: _____
 Corrective Action: _____

Good Housekeeping:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
WEEDS	Violation	weeds grown up around equipment & wellhead	Clear weeds. Comply with rule 603.j.	11/01/2012
DEBRIS	Violation	Hay, plastic tarp piled next to tank. Junk equipment next to wellhead	Comply with rule 603.j.	11/01/2012

Spills:				
Type	Area	Volume	Corrective action	CA Date
Crude Oil	Tank	<= 5 bbls	Fix leaking valve at tank. Comply with rule 604.d.	10/28/2012

Multiple Spills and Releases?

Equipment:					
Type	#	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
Pump Jack	1	Unsatisfactory		Clear weeds and debris	11/01/2012
Gas Meter Run	1	Unsatisfactory		Clear weeds and debris	11/01/2012
Vertical Heated Separator	1	Unsatisfactory		Clear weeds and debris	11/01/2012

Facilities: New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
CRUDE OIL	1	100 BBLS	FIBERGLASS AST	39.348350,-108.339230

S/U/V: **Unsatisfactory** Comment: _____

Corrective Action: Comply with rule 604 Corrective Date: 11/01/2012

Paint

Condition	Adequate
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Other (Content) _____
 Other (Capacity) _____
 Other (Type) _____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Inadequate	Walls Insufficient	Base Insufficient	Inadequate

Corrective Action: Comply with rule 604.a.(4) Corrective Date: 11/01/2012

Comment: _____

Venting:

Yes/No	Comment
NO	

Flaring:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date

Predrill

Location ID: 312607

Site Preparation:

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

Form 2A COAs:

Comment: _____

CA: _____ **Date:** _____

Wildlife BMPs:

Comment: _____

CA: _____ **Date:** _____

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:

Facility

Facility ID: 222009 Type: WELL API Number: 077-08611 Status: SI Insp. Status: SI

Idle Well

Purpose: Shut In Temporarily Abandoned Reminder: _____

S/V: _____ CA Date: **11/01/2012**

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 shut-in well within two (2) years of the initial shut-in date or 3) Be properly plugged and abandoned. Shut-in and temporarily abandoned wells must be properly reported on COGCC Form 7, Operator's Monthly Production Report.

Comment: Well shut in 5/2010.

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:

DWR Receipt Num: _____ Owner Name: _____ GPS : _____ Lat _____ Long _____

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? Fail CM _____

CA **Comply with rule 1003.a** CA Date **11/01/2012**

Waste Material Onsite? _____ CM _____

CA _____ CA Date _____

Unused or unneeded equipment onsite? Fail CM _____

CA **Comply with rule 1003.a** CA Date **11/01/2012**

Pit, cellars, rat holes and other bores closed? Pass CM _____

CA _____ CA Date _____

Guy line anchors removed? _____ CM _____

CA _____ CA Date _____

Guy line anchors marked? Fail CM _____

CA **Comply with rule 1003.a** CA Date **11/01/2012**

1003b. Area no longer in use? _____ Production areas stabilized ? _____
 1003c. Compacted areas have been cross ripped? _____
 1003d. Drilling pit closed? Pass Subsidence over on drill pit? Pass
 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 _____

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 _____ Multi-Well Location

Storm Water:

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

S/U/V: **Violation** Corrective Date: **11/01/2012**

Comment: **No stormwater BMPs in place**

CA: **Comply with rule 1002.f.(2)**

Attached Documents

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

Document Num	Description	URL
668400580	INSPECTION APPROVED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=2964191