

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		DE ET OE ES
-------------------------------	--	--	-------------

Inspection Date: 09/18/2012

Document Number: 668200153

Overall Inspection: **Violation**

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Tracking Type	Inspector Name: <u>LEONARD, MIKE</u>
	<u>429650</u>	<u>333566</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
Reid, Christie	(970) 563-4000	creid@maralexinc.com	Engineer
O'Hare, Mickey	(970) 563-4000/ (719) 429-3529	amohare@maralexinc.com	President

Compliance Summary:

QtrQtr: _____ Sec: _____ Twp: _____ Range: _____

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Unsatisfactory	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
07/18/2012	668200075	AC	AC	V	F		Y

Inspector Comment:

INSPECTED LOCATION WITH KAREN SPRAY, COGCC SW EPS. APPEARS THAT IMPACTED SOIL LISTED IN LAST INSPECTION HAS NOT BEEN REMOVED OR REMEDIATED, JUST COVERED WITH GRAVEL. OBTAINED SOIL SAMPLES FROM AREA ADJACENT TO DEHY AND OUTSIDE OF BERMS OF DEHY STILL VENT. AWAITING SAMPLE RESULTS.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	
214932	WELL	PR	11/01/2007	GW	067-06537	SHELHAMMER 1	<input type="checkbox"/>
429650	GAS COMPRESSOR	AC	07/23/2012		-	SHELHAMMER COMPRESSOR	<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
TANK LABELS/PLACARDS	Unsatisfactory	TWO TANKS HAVE BEEN LABELED. THIRD TANK DOES NOT HAVE NFPA LABELING	Install sign to comply with rule 210.b.	08/31/2012
CONTAINERS	Unsatisfactory	TWO UNLABELED 55 GAL DRUMS REMAIN ON LOCATION. NOT IN PROPER STORAGE FACILITY	Install sign to comply with rule 210.b.	08/31/2012
CONTAINERS	Unsatisfactory	BULK TANK DOES NOT HAVE READILY VISIBLE LABELS	Install sign to comply with rule 210.b.	08/31/2012

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

Corrective Date: _____

Comment: _____

Corrective Action: _____

Good Housekeeping:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
TRASH	Satisfactory	TRASH AND DEBRIS HAVE BEEN REMOVED		

Spills:				
Type	Area	Volume	Corrective action	CA Date
Glycol			APPEARS THAT SPILL RECORDED IN LAST INSPECTION HAS BEEN COVERED UP, NOT REMOVED	08/31/2012

Multiple Spills and Releases?

Facilities:		<input type="checkbox"/> New Tank	Tank ID: _____	
Contents	#	Capacity	Type	SE GPS
PRODUCED WATER				
S/U/V:	Unsatisfactory		Comment: APPEARS THAT VALVES HAVE BEEN ADDED TO STOP LEAKS ON PRODUCTION TANK LOAD OUTS. HOWEVER, NEW VALVES ARE LEAKING AS WELL.	
Corrective Action:	REPAIR LEAKING VALVES			Corrective Date:
<u>Paint</u>				
Condition				
Other (Content)	_____			
Other (Capacity)	_____			
Other (Type)	_____			
<u>Berms</u>				
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Corrective Action				Corrective Date
Comment				

Facilities:		<input type="checkbox"/> New Tank	Tank ID: _____	
Contents	#	Capacity	Type	SE GPS
GLYCOL				
S/U/V:	Violation		Comment: NETTING HAS LARGE HOLE. WILL ALLOW WILDLIFWE ACCESS	
Corrective Action:	REPAIR NETTING ON STILL VAPOR CATCH TANK			Corrective Date:
<u>Paint</u>				
Condition				
Other (Content)	_____			
Other (Capacity)	_____			
Other (Type)	_____			
<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: 333566

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: 429650 Type: GAS API Number: - Status: AC Insp. Status: AC

Environmental

Spills/Releases:

Type of Spill: _____ Description: _____ Estimated Spill Volume: _____

Comment: INSPECTED LOCATION WITH KAREN SPRAY, COGCC SW EPS. APPEARS THAT IMPACTED SOIL LISTED IN LAST INSPECTION HAS NOT BEEN REMOVED OR REMEDIATED, JUST COVERED WITH GRAVEL. OBTAINED SOIL SAMPLES FROM AREA ADJACENT TO DEHY AND OUTSIDE OF BERMS OF DEHY STILL VENT.

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? _____ CM _____
CA _____ CA Date _____

Guy line anchors removed? _____ CM _____
CA _____ CA Date _____

Guy line anchors marked? _____ CM _____
CA _____ CA Date _____

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

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

Inspector Name: LEONARD, MIKE

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

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003 f. Weeds Noxious weeds? _____

Comment: _____

Overall Interim Reclamation _____

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
				MHSP	Fail	

S/U/V: **Unsatisfactory** Corrective Date: **08/31/2012**

Comment: **TWO 55 GAL DRUMS REMAIN NOT STORED CORRECTLY.**

CA: **INSTALL BMP'S TO PREVENT SITE DEGRADATION FROM POTENTIAL SPILLS AND RELEASES**

COGCC Comments		
Comment	User	Date
	leonardm	09/24/2012