

FORM
INSPRev
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:

11/21/2012

Document Number:

668100144

Overall Inspection:

Violation

FIELD INSPECTION FORM

| Location Identifier | Facility ID | Loc ID | Tracking Type | Inspector Name |
|---------------------|-------------|--------|---------------|-----------------|
| | 430697 | 430698 | | KELLERBY, SHAUN |

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

Compliance Summary:

QtrQtr: Sec: Twp: Range:

Inspector Comment:

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | |
|-------------|----------------|--------|-------------|------------|---------|---------------|---|
| 430697 | GAS COMPRESSOR | AC | 11/01/2012 | | - | Compressor | X |

Equipment:

Location Inventory

| | | | |
|-----------------------------|------------------------|---------------------|-------------------------|
| Special Purpose Pits: 2 | Drilling Pits: _____ | Wells: _____ | Production Pits: _____ |
| Condensate Tanks: _____ | Water Tanks: _____ | Separators: _____ | Electric Motors: _____ |
| Gas or Diesel Motors: _____ | Cavity Pumps: _____ | LACT Unit: _____ | Pump Jacks: _____ |
| Electric Generators: _____ | Gas Pipeline: _____ | Oil Pipeline: _____ | Water Pipeline: _____ |
| Gas Compressors: 1 | VOC Combustor: _____ | Oil Tanks: _____ | Dehydrator Units: _____ |
| Multi-Well Pits: _____ | Pigging Station: _____ | Flare: _____ | Fuel Tanks: _____ |

Location

Lease Road:

| Type | Satisfactory/Unsatisfactory | comment | Corrective Action | Date |
|--------|-----------------------------|--|-------------------|------|
| Access | | No stormwater BMP along the access road. | | |

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

Corrective Date: 12/31/2012

Comment: No sign at this facility. No emergency contact information.

Corrective Action: Place emergency contact information on facility.

Good Housekeeping:

| Type | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
|-------|-----------------------------|--|---|------------|
| TRASH | Unsatisfactory | Chemical containers, equipment, trash present on location. | Remove all trash, containers, and equipment not needed to operate facility. | 12/31/2012 |

Spills:

| Type | Area | Volume | Corrective action | CA Date |
|-------|------|--------|---|------------|
| Other | | | Staining and impacted soil were observed by Cogcc staff around the compressor skid, and in and around three pits used at this facility. | 12/31/2012 |

☐ Multiple Spills and Releases?
Equipment:

| Type | # | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
|------------|---|-----------------------------|--|--|------------|
| Compressor | 1 | Violation | Noise survey result is 57.53 db(A). Noise survey conducted in response to a complaint. | Mitigate Noise level to comply with Cogcc rule 802 | 04/30/2013 |

Facilities:
☐ New Tank

Tank ID: _____

| Contents | # | Capacity | Type | SE GPS |
|--------------------|---|----------|------|------------------|
| | | | | |
| S/U/V: | | Comment: | | |
| Corrective Action: | | | | Corrective Date: |

Paint

| Condition | |
|------------------|--|
| Other (Content) | |
| Other (Capacity) | |
| Other (Type) | |

Berms

| 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: 430698

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: 430697 Type: GAS API Number: - Status: AC Insp. Status: UN

Environmental**Spills/Releases:**

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

Inspector Name: KELLERBY, SHAUN

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: _____

Waste Management:

| Type | Management | Condition | Comment | GPS (Lat) | (Long) |
|-----------|------------|------------|---|-----------|------------|
| Oily Soil | Pits | Inadequate | Pit has hydrocarbon staining and saturated soil. Pit was empty at the time of inspection, and is used for fluid storage from the separator unit. | 39.447320 | 108.648160 |
| Oily Soil | Pits | Inadequate | Pit used for oil storage. Hydrocarbon Staining and saturated soil is apparent at the pit walls. Pit is not lined, no fence, no netting. Oil is on the surface of the pit at the time of inspection. | 39.447770 | 108.648340 |
| Oily Soil | Pits | Inadequate | Pit used for oil storage. Hydrocarbon Staining and saturated soil is apparent at the pit walls. Pit is not lined, no fence, no netting. Oil is on the surface of the pit at the time of inspection. | 39.447320 | 108.648160 |

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 REVEGETATIONCropland

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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| | | | | | | |

S/U/V: **Unsatisfactory** Corrective Date: **12/31/2012**

Comment: No storm water BMP were observed during Cogcc staff inspection.

CA: Evaluate, install, and maintain storm water BMP to control run on and run off of storm water at facility.

Pits:

| | | | | |
|-----------------------------|-----------|---------|------|-------|
| Pit Type: Skimming/Settling | Lined: NO | Pit ID: | Lat: | Long: |
|-----------------------------|-----------|---------|------|-------|

Lining:

Liner Type: _____ Liner Condition: _____

Comment: 3 pits with no lining, No permits on pits.

Fencing:

Fencing Type: _____ Fencing Condition: _____

Comment: No fencing

Netting:

Netting Type: _____ Netting Condition: _____

Comment: No netting

Anchor Trench Present: _____ Oil Accumulation: YES 2+ feet Freeboard: _____

| | |
|------------------------------------|--|
| Pit (S/U/V): Unsatisfactory | Comment: Oil is stored in two pits at this facility. Soil is stained and saturated by hydrocarbons in the pits. No protection to prevent entry by wildlife is present at any of the three pits on this facility. |
|------------------------------------|--|

Corrective Action: Remove oil from the pits within 24 hours of notification.

Date: **12/01/2012**

| | | |
|-------------|-----------------|---------|
| Monitoring: | Monitoring Type | Comment |
| | None | |

COGCC Comments

| Comment | User | Date |
|--|----------|------------|
| Noav Doc # 200371201 issued 11/28/12 due to violation of rule 802. | kellerbs | 11/28/2012 |