

**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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| DE | ET | OE | ES |
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Inspection Date:

01/15/2013

Document Number:

669400392

Overall Inspection:

Unsatisfactory**FIELD INSPECTION FORM**

| | | | | |
|---------------------|-------------|--------|---------------|----------------------------------|
| Location Identifier | Facility ID | Loc ID | Tracking Type | Inspector Name: LABOWSKIE, STEVE |
| | 298720 | 333963 | | |

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 |
|----------------|-----------------------------------|------------------------|-----------|
| O'Hare, Mickey | (970) 563-4000/ (719) 429-3529 | amohare@maralexinc.com | President |
| Reid, Christie | (970) 563-4000 | creid@maralexinc.com | Engineer |

Compliance Summary:

QtrQtr: NWSW Sec: 11 Twp: 33N Range: 7W

| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Unsatisfactory | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|------------------------------|----------|----------------|-----------------|
| 08/27/2009 | 200217439 | ES | PR | U | | | Y |
| 01/08/2009 | 200202727 | ES | DG | S | | | N |
| 11/06/2008 | 200198121 | DG | DG | S | | | N |
| 11/03/2008 | 200198120 | ES | ND | S | | | N |
| 10/23/2008 | 200198117 | ES | ND | S | | | N |
| 10/20/2008 | 200196994 | ES | ND | S | | | N |

Inspector Comment:**Related Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | |
|-------------|------|--------|-------------|------------|-----------|---------------------------|-------------------------------------|
| 276035 | WELL | PR | 10/27/2005 | GW | 067-09016 | KEEGAN PATRICK 33-7-11 2A | <input checked="" type="checkbox"/> |
| 298720 | WELL | PR | 02/09/2009 | GW | 067-09631 | KEEGAN PATRICK 33-7-11 3C | <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 | Satisfactory | | | |

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

Comment: _____

Corrective Action: _____

| | | | | |
|---------------------------|-----------------------------|--|---|------------|
| Good Housekeeping: | | | | |
| Type | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
| OTHER | Unsatisfactory | engine leaks, some diapers deployed, leaks still getting onto ground | fix leaks and clean up released oil on concrete pad and ground/gravel (Note: do not cover up stained soils/gravel, clean up and dispose off site) | 02/05/2013 |

| | | | | |
|----------------|-----------|-----------|--|------------|
| Spills: | | | | |
| Type | Area | Volume | Corrective action | CA Date |
| Lube Oil | Pump Jack | <= 5 bbls | see "housekeeping" above | 02/05/2013 |
| Produced Water | Pump Jack | <= 5 bbls | minor stuffing box leak needs attention before leak becomes worse. | 02/05/2013 |

☐ Multiple Spills and Releases?

| | | | | | |
|-----------------------------|---|-----------------------------|---|----------------------------------|------------|
| Equipment: | | | | | |
| Type | # | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
| Prime Mover | 1 | Unsatisfactory | both wells have excessive engine leaks/releases | fix leaks, clean up oil releases | 02/05/2013 |
| Gas Meter Run | 2 | Satisfactory | | | |
| Flow Line | 2 | Satisfactory | | | |
| Pump Jack | 1 | Unsatisfactory | 3C well has stuffing box leak | fix leaks, self inspect | 02/05/2013 |
| Horizontal Heated Separator | 2 | Unsatisfactory | no bird protection screens observed on separators | install bird protectors | 02/05/2013 |

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

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

Predrill

Location ID: 333963

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: 276035 Type: WELL API Number: 067-09016 Status: PR Insp. Status: PR

Producing Well

Comment: _____

Facility ID: 298720 Type: WELL API Number: 067-09631 Status: PR Insp. Status: PR

Producing WellComment: **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? Pass CM _____

CA _____ CA Date _____

Waste Material Onsite? Pass CM _____

CA _____ CA Date _____

Unused or unneeded equipment onsite? Pass CM _____

CA _____ CA Date _____

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? _____ CM

CA _____ CA Date _____

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

Inspector Name: LABOWSKIE, STEVE

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? _____

Comment: _____

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 Multi-Well Location ☐

Storm Water:

| Loc Erosion BMPs | BMP Maintenance | Lease Road Erosion BMPs | Lease BMP Maintenance | Chemical BMPs | Chemical BMP Maintenance | Comment |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|----------------|
| | | | | SR | Fail | lube oil leaks |

S/U/V: **Unsatisfactory** Corrective Date: **02/05/2013**

Comment: snow covered at time of inspection

CA: install spill prevention on lube oil tank, fix stuffing box leak, clean up lube oil

Attached Documents

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

| Document Num | Description | URL |
|--------------|--|------------------------------|
| 669400414 | engine leak/release | DSCN0764.JPG |
| 669400415 | lube oil release on equipment and ground | DSCN0763.JPG |

Inspector Name: LABOWSKIE, STEVE

| | | |
|-----------|---|-------------------------------------|
| 669400416 | no bird protectors observed on vents | <u>DSCN0767.JPG</u> |
| 669400417 | stuffing box leak | <u>DSCN0766.JPG</u> |