

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
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Inspection Date: 08/01/2013

Document Number: 668200584

Overall Inspection: **Unsatisfactory**

FIELD INSPECTION FORM

Location Identifier	Facility ID <u>276035</u>	Loc ID <u>333963</u>	Inspector Name: <u>LEONARD, MIKE</u>	On-Site Inspection <input type="checkbox"/>	2A Doc Num: _____
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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
LABOWSKIE, STEVE		steve.labowskie@state.co.us	
Azulai, Naomi	(970) 563-4000	naomi@maralexinc.com	All Inspections

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)
10/20/2008	200196992	PR	PR	S			N
11/07/2006	200098545	ES	PR	S		P	N
10/10/2006	200098536	PR	PR	U		F	N
08/04/2005	200076279	DG	DG	S		P	N

Inspector Comment:

MIKE LEONARD AND STEVE LABOWSKIE MET WITH MICKEY O'HARE ON SITE TO DISCUSS AND CLARIFY ISSUES AND CONCERNS FROM PAST INSPECTIONS TO ACHIEVE OVERALL COMPLIANCE. OVERALL IMPROVEMENTS FROM LAST INSPECTION ARE NOTED IN THIS FORM. SOME FURTHER ACTIONS ARE NOTED, SEE INDIVIDUAL COMMENTS THROUGHOUT FORM. MARALEX IS ENCOURAGED TO CONTINUE RECENT DIALOGUE CONCERNING PLANNING AND PERFORMANCE TO ACHIEVE COMPLIANCE.

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	X
298720	WELL	PR	02/09/2009	GW	067-09631	KEEGAN PATRICK 33-7-11 3C	X

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
DEBRIS	Satisfactory	DEBRIS LISTED IN LAST INSPECTION HAS BEEN REMOVED		
UNUSED EQUIPMENT	Unsatisfactory	SOUND PANEL STIL ON GROUND. MR. O'HARE SAID AS SOON AS CREW IS AVAIBLE TO INSTALL PANEL HE WILL HAVE IT DONE	INSTALL PANEL	08/30/2013
OTHER	Satisfactory	STUFFING BOX AND MOTOR OIL LEAKS HAVE BEEN ADDRESSED. MR. O'HARE STRESSED ONGOING MAINTENANCE WILL CONTINUE		
WEEDS	Unsatisfactory	WEEDS ARE ACTIVELY GROWING. DISCUSSED CONTROL PLAN W/MR. O'HARE. LOCATION WILL RECEIVE ONGOING ATTENTION	ONGOING CONTROL OF WEEDS	08/30/2013

Spills:

Type	Area	Volume	Corrective action	CA Date
Produced Water	Pump Jack	<= 5 bbls	OPERATOR TO REMEDIATE DISCOLORED SOIL AS DISCUSSED	08/30/2013

Multiple Spills and Releases?

Equipment:					
Type	#	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
Horizontal Heated Separator	1	Satisfactory	FURTHER INVESTIGATION REVEALS EXPANDED METAL WELDED TO TOP OF SEPARATOR STACK. DIFICULT TO SEE FROM GROUND LEVEL		
Deadman # & Marked	4	Satisfactory	ALL MARKED AS REQUIRED. DISCUSSION OF POSSIBLE OTHER MARKING METHODS TO PREVENT LIVESTOCK FROM DAMAGING CURRENT MARKERS		

Venting:		
Yes/No	Comment	

Flaring:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date

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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: PR

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

Producing Well

Comment: PR

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 REMOVED AS REQUIRED
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? Pass CM MARKED AS REQUIRED
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? _____

S/U/V:	Unsatisfactory	Corrective Date:	10/31/2013
Comment:	DISCUSSED RUN ON / RUN OFF ISSUES. DISCUSS VARIOUS METHODS THAT MAY ADDRESS EROSION PROBLEM. MR. O'HARE INDICATED HE WOULD LOOK INTO VARIOUS SOLUTIONS. HE ALSO INDICATED WADDLES WILL BE REMOVED		
CA:	PREVENT AND REPAIR EROSION ON SOUTH CUT SLOPE OF LOCATION TO ALLOW VEGETATION RETURN		