

Inspector Name: LEONARD, MIKE

**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	Loc ID	Inspector Name:	On-Site Inspection
	<u>276035</u>	<u>333963</u>	<u>LEONARD, MIKE</u>	<input type="checkbox"/> 2A Doc Num: _____

**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: <u>NWSW</u>		Sec: <u>11</u>	Twp: <u>33N</u>	Range: <u>7W</u>			
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	<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
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?

<b>Equipment:</b>					
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		

<b>Venting:</b>		
Yes/No	Comment	

<b>Flaring:</b>				
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: 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? \_\_\_\_\_

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Cuttings management: \_\_\_\_\_

1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing?     In    

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: SOME THISTLE EVIDENT. DISCUSSED METHODS OF CONTROL AND OPTIONS THROUGH LA PLATA COUNTY WEED MANAGEMENT TO AID IN CONTROL AND ERADICATION OF NOXIOUS WEEDS. SLOPES NEED MORE STABILIZATION TO ALLOW FOR VEGETAION RETURN

Overall Interim Reclamation     In Process    

**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
Other	Fail					SOUTH SLOP HAS EVIDENCE OF RUN ON
Compaction	Pass					
				MHSP	Pass	BMP INSTALLED
Gravel	Pass					
Waddles						WILL BE REMOVED AS PER DISCUSSION

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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