

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: <p style="text-align: center;"><u>12/27/2013</u></p> Document Number: <p style="text-align: center;"><u>667700132</u></p> Overall Inspection: <div style="border: 2px solid red; padding: 2px; text-align: center; color: red; font-weight: bold;"> Unsatisfactory </div>

Location Identifier	Facility ID <u>297903</u>	Loc ID <u>333710</u>	Inspector Name: <u>LABOWSKIE, STEVE</u>	On-Site Inspection <input type="checkbox"/>
				2A Doc Num: _____

Operator Information:

OGCC Operator Number: _____ Name of Operator: <u>MARALEX RESOURCES, INC</u> Address: <u>P O BOX 338</u> City: <u>IGNACIO</u> State: <u>CO</u> Zip: <u>81137</u>

- THIS IS A FOLLOW UP INSPECTION
- FOLLOW UP INSPECTION REQUIRED
- NO FOLLOW UP INSPECTION REQUIRED
- INSPECTOR REQUESTS FORM 42 WHEN CORRECTIVE ACTIONS ARE COMPLETED

Contact Information:

Contact Name	Phone	Email	Comment
Azulai, Naomi	970-563-4000	naomi@maralexinc.com	Production Technician
O'Hare, Mickey	(970) 563-4000/ (719) 429-3529	amohare@maralexinc.com	President

Compliance Summary:

QtrQtr: NENW Sec: 3 Twp: 33N Range: 7W

Inspector Comment:

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
265538	WELL	PR	10/15/2003	GW	067-08770	JENNIE ROSE 33-7-3 1	PR	<input checked="" type="checkbox"/>
297903	WELL	AL	04/18/2012	LO	067-09619	JENNIE ROSE 33-7-3 3B	AL	<input 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
WEEDS		Note: some dead undesirable vegetation observed, need to re-inspect in spring to determine type and extent	watch for weed infestations next growth cycle	
DEBRIS	Unsatisfactory	used stuffing box rubber	remove all debris and unused parts	01/30/2014
OTHER	Unsatisfactory	spills covered by gravel	stop practice of covering small spills and releases, remediate area around mover by removing and disposing or remediating oily/stained soils in an approved manner.	01/30/2014

Spills:				
Type	Area	Volume	Corrective action	CA Date
<input type="checkbox"/> Multiple Spills and Releases?				

Fencing/:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
LOCATION	Satisfactory			

Equipment:					
Type	#	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
Bird Protectors	1	Satisfactory			
Gas Meter Run	1	Satisfactory			
Flow Line	1	Satisfactory			
Pump Jack	1	Unsatisfactory	evaporation ring and puddle at well had indicate stuffing box leaks	confirm stuffing box is no longer leaking, clean up evaporation ring/stained soils.	01/30/2014
Deadman # & Marked	2	Satisfactory	2 readily visible, others may be present in vegetation		
Horizontal Heated Separator	1	Satisfactory			
Prime Mover	1	Unsatisfactory	small leaks accumulating below engine, lube tank should hve spill prevention measures of some type.	fix motor leaks or install spill prevention, clean up stained soils in approved manner (do not just cover with fresh material).	01/30/2014

Venting:	
Yes/No	Comment

Flaring:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date

Predrill

Location ID: 297903

Site Preparation:

Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____

S/U/V: _____

Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

S/U/V: _____ **Comment:** _____

CA: _____ **Date:** _____

Wildlife BMPs:

S/U/V: _____ **Comment:** _____

CA: _____ **Date:** _____

Stormwater:

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: 265538 Type: WELL API Number: 067-08770 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: _____ 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: Partial snow cover at time of inspection, tire rutted in places.

- 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? Pass CM _____
 CA _____ CA Date _____

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

1003c. Compacted areas have been cross ripped? _____

1003d. Drilling pit closed? Pass Subsidence over on drill pit? Pass

Cuttings management: _____

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

Production areas have been stabilized? Pass Segregated soils have been replaced? Pass

RESTORATION AND REVEGETATION

Cropland

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

Non-Cropland

Top soil replaced Pass Recontoured Pass 80% Revegetation Pass

1003 f. Weeds Noxious weeds? _____ P _____

Comment: **Some weeds observed, all vegetation is winter-time dead, location should be re-examined for weed species in spring.**

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 Well Release on Active Location 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	spills covered up, not removed
Compaction	Pass			SI	Pass	leaks and spills were responed to but not correct
Gravel	Pass	Compaction	Pass	MHSP	Fail	lube tank needs spill prevention

S/U/V: **Unsatisfactory** Corrective Date: **01/30/2014**

Comment: _____

CA: **clean up stained soils (including those covered up) and fix leaks in order to prevent site degradation. Install spill prevention measures of some sort for lube oil tank.**

Pits: NO SURFACE INDICATION OF PIT

Attached Documents

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

Document Num	Description	URL
667700145	evaporation ring at wellhead	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3255184
667700146	cover-up spill response	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3255185
667700147	motor leak onto ground	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3255186