

<b>FORM INSP</b> <small>Rev 05/11</small>	<b>State of Colorado</b> <b>Oil and Gas Conservation Commission</b> <small>1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109</small>		DE	ET	OE	ES
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**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	<input type="checkbox"/>
	297995	333984	Maclaren, Joe	2A Doc Num:	

Inspection Date: <u>03/20/2014</u>
Document Number: <u>674600120</u>
Overall Inspection: <b style="border: 1px solid red; padding: 2px;">Unsatisfactory</b>

**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	All Inspections
O'Hare, Mickey	(970) 563-4000/ (719) 429-3529	amohare@maralexinc.com	President

**Compliance Summary:**

QtrQtr: <u>NWSW</u>	Sec: <u>14</u>	Twp: <u>33N</u>	Range: <u>7W</u>
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Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Unsatisfactory	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
11/06/2008	200198137	DG	WO	Satisfactory			No
10/20/2008	200197000	OI	ND	Satisfactory			No

**Inspector Comment:**

"Unsatisfactory" means corrective actions required. The COGCC field inspection form will be changing in the near future to show one of the following: satisfactory, corrective actions required or a violation inspection status.

**Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
297995	WELL	PR	05/25/2010	GW	067-09621	ARTFGANCE 33-7-14 #2A	PR	<input checked="" type="checkbox"/>
298106	WELL	PR	05/25/2010	GW	067-09623	ARTFGANCE 33-7-14 3C	PR	<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**

Emergency Contact Number: <u>(S/U/V) Satisfactory</u>	Corrective Date: _____
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Comment:	
Corrective Action:	

<b>Good Housekeeping:</b>				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
OTHER	Unsatisfactory	Stuffing box leak. Stained soils around wellhead and other areas around pumping unit.	Stained soils around and in front of pumping unit must be remediated, stuffing box leaks corrected.	03/28/2014
DEBRIS		Unused tubing section on location	Remove un-needed debris	

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

<b>Fencing/:</b>				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
LOCATION	Satisfactory	Post and wire		

<b>Equipment:</b>					
Type	#	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
Gas Meter Run	2	Satisfactory			
Prime Mover	2	Satisfactory	Natural gas fueled		
Deadman # & Marked	6	Unsatisfactory	Most deadmen unmarked or have markers that are not standing.	Locate and mark all deadmen.	04/24/2014
Pump Jack	2	Unsatisfactory	Gear box leak on pumping unit	Repair leaking gear box and remediate contaminated soils	04/24/2014
Flow Line	2	Satisfactory			
Horizontal Heated Separator	2	Satisfactory			
Bird Protectors	2	Satisfactory			

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

<b>Flaring:</b>				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date

**Predrill**

Location ID: 297995

**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: 297995 Type: WELL API Number: 067-09621 Status: PR Insp. Status: PR

Facility ID: 298106 Type: WELL API Number: 067-09623 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: \_\_\_\_\_

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? In 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? \_\_\_\_\_  
 Production areas have been stabilized? Pass Segregated soils have been replaced? Pass

**RESTORATION AND REVEGETATION**

Cropland  
 Top soil replaced Pass Recontoured Pass Perennial forage re-established Pass  
Non-Cropland

Inspector Name: Maclaren, Joe

Top soil replaced \_\_\_\_\_ Recontoured \_\_\_\_\_ 80% Revegetation \_\_\_\_\_  
 1003 f. Weeds Noxious weeds? \_\_\_\_\_ P \_\_\_\_\_  
 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 \_\_\_\_\_ 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
Compaction	Pass	Compaction	Pass			
Gravel	Pass	Gravel	Pass			

S/U/V: Satisfactory \_\_\_\_\_ Corrective Date: \_\_\_\_\_  
 Comment: \_\_\_\_\_  
 CA: \_\_\_\_\_

Pits:  NO SURFACE INDICATION OF PIT

**COGCC Comments**

Comment	User	Date
The overall unsatisfactory inspection status is being made primarily due to the significance of the pumping unit gear box leak. See attached pictures.	maclarej	03/21/2014

**Attached Documents**

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

Document Num	Description	URL
674600128	067-09621 Gear box leak	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3304764">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3304764</a>
674600129	067-09621 Lube oil stains around wellhead	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3304765">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3304765</a>