

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:
03/27/2014

Document Number:
667700306

Overall Inspection:

Violation

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	<input type="checkbox"/>
	<u>290230</u>	<u>333435</u>	<u>LABOWSKIE, STEVE</u>	2A Doc Num:	

Operator Information:

OGCC Operator Number: _____

Name of Operator: MARALEX RESOURCES, INC

Address: P O BOX 338

City: IGNACIO State: CO Zip: 81137

- 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
Hughes, Jim		jimo.hughes@state.co.us	
WEEMS, MARK		mark.weems@state.co.us	
ANDREWS, DAVID		david.andrews@state.co.us	
FISCHER, ALEX		alex.fischer@state.co.us	
ASH, MARGARET		margaret.ash@state.co.us	

Compliance Summary:

QtrQtr: NESW Sec: 35 Twp: 34N Range: 7W

Inspector Comment:

Inspection conducted with COGCC field inspector Joe MacLaren, engineer Marks Weems accompanied by La Plata County Sherrifs Dept in execution of search warrant.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
267697	WELL	PR	08/10/2003	GW	067-08803	KATIE EILEEN 34-7-35 2A	PR	<input checked="" type="checkbox"/>
290230	WELL	PR	04/17/2007	GW	067-09352	KATIE EILEEN 34-7-35 4	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

Signs/Marker:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
WELLHEAD	Unsatisfactory	sign for #4 well still has old operator info	Install sign to comply with rule 210.	05/02/2014

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

Comment: _____

Corrective Action: _____

Good Housekeeping:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
STORAGE OF SUPL	Violation	south end of constructed location used for pipe, casing, equipment, parts storage.	1) Remove equipment, 2) Store unused equipment and surplus supplies at county permitted facility or)3) request 502.b.1 variance	05/02/2014
DEBRIS	Violation	debris, used and junk equipmet, old materials on south end of location.	Remove/dispose of unusable equipment,materials, junk and debris in approved manner.	05/02/2014

Spills:				
Type	Area	Volume	Corrective action	CA Date
Lube Oil		<= 5 bbls	unused equipment leaking oil in junk/storage yard area requires clean up and removal/proper remediation of contaminated soils	05/02/2014
Lube Oil	Pump Jack	<= 5 bbls	clean up impacted soils and dispose in approved manner. Stop/mitigate gear box leak.	04/16/2014

Multiple Spills and Releases?

Equipment:					
Type	#	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
Ancillary equipment	1	Satisfactory	telemetry		
Bird Protectors	2	Satisfactory			
Deadman # & Marked	4	Satisfactory			
Pump Jack	2	Unsatisfactory	gear box leak	fix/mitigate leak on 2A pumping unit	05/02/2014
Ancillary equipment	2	Unsatisfactory	lube oil tanks with no spill prevention	install spill prevention	05/02/2014
Vertical Heated Separator	1	Satisfactory			
Gas Meter Run	2	Satisfactory			
Flow Line	1	Satisfactory			
Prime Mover	2	Satisfactory			
Other	2	Unsatisfactory	bradenhead	expose access (install housing if necessary)	05/02/2014
Horizontal Heated Separator	1	Satisfactory			

Venting:	
Yes/No	Comment

Flaring:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date

Predrill

Location ID: 290230

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: 267697 Type: WELL API Number: 067-08803 Status: PR Insp. Status: PR

Producing Well

Comment: **PR**

Facility ID: 290230 Type: WELL API Number: 067-09352 Status: PR Insp. Status: PR

Producing Well

Comment: **PR**

Environmental		
Spills/Releases:		
Type of Spill: _____	Description: _____	Estimated Spill Volume: _____
Comment: <input style="width: 100%;" type="text"/>		
Corrective Action: _____		Date: _____
Reportable: _____	GPS: Lat _____	Long _____
Proximity to Surface Water: _____	Depth to Ground Water: _____	
Water Well:		
DWR Receipt Num: _____	Owner Name: _____	GPS : _____
Field Parameters:		
Sample Location: <input style="width: 100%;" type="text"/>		
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: <input style="width: 100%;" type="text" value="cropland to north, non-cropland to south of location, stream on east side."/>	
1003a. Debris removed? <u>Fail</u> CM <u>south end location</u>	
CA <input style="width: 60%;" type="text" value="remove"/>	CA Date <input style="width: 20%;" type="text" value="05/02/2014"/>
Waste Material Onsite? <u>Fail</u> CM <u>south end location</u>	
CA <input style="width: 60%;" type="text" value="remove"/>	CA Date <input style="width: 20%;" type="text" value="05/02/2014"/>
Unused or unneeded equipment onsite? <u>Fail</u> CM <u>south end location</u>	
CA <input style="width: 60%;" type="text" value="remove"/>	CA Date <input style="width: 20%;" type="text" value="05/02/2014"/>
Pit, cellars, rat holes and other bores closed? <u>Fail</u> CM <u>vertical buried pipe</u>	
CA <input style="width: 60%;" type="text" value="contact COGCC environmental staff"/>	CA Date <input style="width: 20%;" type="text" value="04/09/2014"/>
Guy line anchors removed? _____ CM _____	
CA _____	CA Date _____
Guy line anchors marked? <u>Fail</u> CM <u>several unmarked anchors</u>	
CA <input style="width: 60%;" type="text" value="mark or remove anchors"/>	CA Date <input style="width: 20%;" type="text" value="05/02/2014"/>
1003b. Area no longer in use? _____ Production areas stabilized ? <u>Pass</u>	
1003c. Compacted areas have been cross ripped? _____	
1003d. Drilling pit closed? <u>Pass</u> Subsidence over on drill pit? <u>Pass</u>	
Cuttings management: _____	
1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? <u>Fail</u>	

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 In

Non-Cropland

Top soil replaced _____

Recontoured _____

80% Revegetation _____

1003 f. Weeds Noxious weeds? P

Comment: _____

Overall Interim Reclamation Fail

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
Gravel	Pass	Gravel	Pass	MHSP	Fail	
Compaction	Pass	Compaction	Pass	SR	Fail	
Drains	Pass			CM	Fail	

S/U/V: **Violation**

Corrective Date: **04/16/2014**

Comment: _____

CA: **Install stormwater BMPs to prevent sediment and potential contaminates from leaving location and entering waterway. Remove pollutant sources (oily/leaking equipment, stained soils, containers, contaminated pipe/tubulars) or install proper BMPs to prevent site degradation.**

Pits: NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
CORRECTIVE ACTION REQUIRED - fix or minimize gearbox leak, clean up impacted soils, install spill prevention on lube oil tanks to prevent site degradation (by May 1, 2014)	labowsks	03/31/2014

<p>CORRECTIVE ACTION REQUIRED- Install stormwater BMPs to prevent sediment and potential contaminants from entering downgradient waterway within 2 weeks (no later than April 16, 2014)</p>	labowsks	03/31/2014
<p>CORRECTIVE ACTION REQUIRED - Provide name of disposal facility(ies) for produced water reported on Form 10. Provide records such as manifest or truck tickets that document transport and disposal of the produced water, within 1 week (no later than April 8, 2014)</p>	labowsks	03/31/2014
<p>CORRECTIVE ACTION REQUIRED - provide documentation regarding purpose, use and regulatory compliance of vertically buried corrugated pipe by April 8, 2014. (Note: closing of this borehole will need to follow 900 series Rules).</p>	labowsks	03/31/2014
<p>CORRECTIVE ACTION - Employ qualified environmental professional or environmental consultant to sample fluid in vertically buried corrugated pipe and water samples (upgradient, sidegradient and downgradient in Ute Creek), collect produced water samples from both wells (#2A & #4) within 1 week (no later than April 8, 2014). Water samples to be tested for: <ul style="list-style-type: none"> • Dissolved Metals (Se) by Method 6020 • Fluoride by Method 300.0A • Alkalinity Series (Carbonate, Bicarbonate, Hydroxide, and Total Alkalinity) by Method 2320B • Total Dissolved Solids by Method 2540C • Specific Conductance by Method 2510B • pH by Method E150.1 • VOA Headspace List by Method 8260B (*) • BNA Headspace List by Method 8270C (**) • BTEX by Method 8021B • Anions (Cl, Br, NO2, NO3, o-Phosphate, SO4) by Method 300.0 IC • Dissolved Metals (Ca, Fe, Mg, Mn, K, Na) by Method 6010B </p>	labowsks	04/02/2014

Attached Documents

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

Document Num	Description	URL
667700313	culvert material cased borehole	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3313053
667700314	gearbox leaks, lube tank no spill prevention	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3313054
667700315	buckets with fluid (no spill prevention)	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3313055