

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
**Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.**

5. Lease Serial No.
Lease No. COC-52677

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Maralex Resources, Inc.

3a. Address
775 Goddard Avenue Ignacio, Colorado 81137

3b. Phone No. (include area code)
(970) 563-4000

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.
Roan Creek Federal 25-3

9. API Well No.
05-077-08410

10. Field and Pool or Exploratory Area
Coon Hollow

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Lat. 39.32433 Long. 108.281114 SESW Sec. 25 - Township 8s Range 98 W

11. Country or Parish, State
Mesa, Colorado

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input checked="" type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Please see the Environmental Services, Inc. data Report dated July 23, 2013. For convenience a copy of the report has been included with this correspondence. The investigation began on April 2013 and was completed in July, 2013. It is our understanding that Bond is not required for the environmental investigation or to reclaim the pits. Final Abandonment Notices will be completed once the reclamation work has been authorized by the BLM and completed by Maralex. The date of the final inspection will be coordinated with BLM Staff.

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)

Mr. Jim Graves

Title Operations Manager Maralex Resources

Signature

Jim Graves

Date

Sept. 30, 2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 (303)894-2100 Fax:(303)894-2109



FOR OGCC USE ONLY

SITE INVESTIGATION AND REMEDIATION WORKPLAN

This form shall be submitted to the Director for approval prior to the initiation of site investigation and remediation activities. Form 27 is intended to be used whenever possible. Additional documentation will be required when large volumes of soil and groundwater have been impacted or involve large facilities with multiple source areas. See Rule 910. Attach as many pages as needed to fully describe the proposed work.

OGCC Employee:

☐ Spill ☐ Complaint

☐ Inspection ☐ NOAV

Tracking No:

CAUSE OF CONDITION BEING INVESTIGATED AND REMEDIATED

☐ Spill or Release ☐ Plug & Abandon ☐ Central Facility Closure ☐ Site/Facility Closure ☒ Other (describe): Pit Closure

OGCC Operator Number: 53255

Name of Operator: Maralex Resources, Inc.

Address: P.O. Box 338

City: Ignacio, State: CO Zip: 81137

Contact Name and Telephone:

Naomi Azulai and Jim Graves

No: (970) 563-4000

Fax: (970) 563-4116

API Number: 05-077-08410

County: Mesa

Facility Name:

Facility Number: 35609 Lease No. COC-52677

Well Name: Roan Creek Federal

Well Number: 25-3

Location: (QtrQtr, Sec, Twp, Rng, Meridian): SE/SW SEC. 25, Township 8 South, Range 98 West Latitude: 39.32433 Longitude: 108.281114

TECHNICAL CONDITIONS

Type of Waste Causing Impact (crude oil, condensate, produced water, etc): Calcium Chloride

Site Conditions: Is location within a sensitive area (according to Rule 901e)? ☐ Y ☒ N If yes, attach evaluation.

Adjacent land use (cultivated, irrigated, dry land farming, industrial, residential, etc.): non-cropland - undeveloped

Soil type, if not previously identified on Form 2A or Federal Surface Use Plan: Colluvium - clayed sand w/ gravel and cobbles.

Potential receptors (water wells within 1/4 mi, surface waters, etc.):

Description of Impact (if previously provided, refer to that form or document):

Impacted Media (check):

☐ Soils☐ Vegetation☐ Groundwater☐ Surface Water

Extent of Impact:

Surface soils @ bottom of pit(s)

sparse grass and weeds adjacent to pit

N/A - GW was not observed in the pit to a

N/A - evidence or stormwater was observed in

How Determined:

laboratory analysis

visual

max. excavated depth of 6' BGS - Visual

the Separator Pit - Visual

REMEDIALTION WORKPLAN

Describe initial action taken (if previously provided, refer to that form or document):

Characterization soil samples were obtained from both the Calcium Chloride and Separator Pits on April 25, 2013. The samples were analyzed for and compared to the COGCC Table 910-1 Concentration Levels. Evidence of petroleum hydrocarbon contamination was not indicated at either the Calcium Chloride or the Separator Pits.

Describe how source is to be removed:

No source removal appears to be necessary at this time.

Based on the reported laboratory data the soil, at both the Calcium Chloride Pit and the Separator Pit met the COGCC Table 910-1 Concentration Levels with the following exceptions:

* Boron was reported at 13.6 and 9.7 mg/Kg in the Calcium Chloride Pit and the Separator Pit, respectively. The concentrations exceed the COGCC's Concentration Level of 2 mg/L.

Describe how remediation of existing impacts is to be accomplished, including removal and disposal at an injection well or licensed facility, land treatment on site, removal of impacted groundwater, insitu bioremediation, burning of oily vegetation, etc.:

* Arsenic concentrations from samples obtained at the pits and from the undisturbed location were reported at 0.9, 0.8, 1.4, 1.2 and 1.1 mg/Kg respectively, and exceed the COGCC standard of 0.39 mg/Kg. We believe the reported Arsenic concentrations of represent background. Based on our experience, soils in Colorado commonly fail the State's standards for Arsenic.

* A Sodium Adsorption Ratio was reported in the Separator Pit at 107 and exceeds the COGCC Concentration of <12. Calcium, Magnesium and Sodium were reported at 0.44, 0.12, and 56.5 meq/L. No soil remediation is proposed at this time.

Submit Page 2 with Page 1



REMEDIATION WORKPLAN (Cont.)

Tracking Number: _____
Name of Operator: _____
OGCC Operator No: _____
Received Date: _____
Well Name & No: _____
Facility Name & No: _____

OGCC Employee: _____

If groundwater has been impacted, describe proposed monitoring plan (# of wells or sample points, sampling schedule, analytical methods, etc.):

GW was not observed in the pit to a max. excavated depth of 6' BGS.

Describe reclamation plan. Discuss existing and new grade recontouring; method and testing of compaction alleviation; and reseeding program, including location of new seed, seed mix and noxious weed prevention. Attach diagram or drawing. Use additional sheet for description if required.

Based on our observations and the reported laboratory data the Site's Calcium Chloride and Separator pits can be closed with No Further Action pending review by the BLM/COGCC. The security fences can be removed and the pits will be backfilled with material from the Site's berms and other onsite material.

Attach samples and analytical results taken to verify remediation of impacts. Show locations of samples on an onsite schematic or drawing.

Is further site investigation required? ☐ Y ☒ N If yes, describe:

Final disposition of E&P waste (landtreated and disposed onsite, name of licensed disposal facility, recycling, reuse, etc.):

Not Applicable

IMPLEMENTATION SCHEDULE

Date Site Investigation Began: <u>April, 2013</u>	Date Site Investigation Completed: <u>July, 2013</u>	Date Remediation Plan Submitted: <u>N/A</u>
Remediation Start Date: <u>N/A</u>	Anticipated Completion Date: <u>N/A</u>	Actual Completion Date: <u>N/A</u>

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct, and complete.

Print Name: Jim Graves

Signed: Jim Graves

Title: Maralex - Operations Manager

Date: Sept. 30, 2013

OGCC Approved: _____ Title: _____ Date: _____