

**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:  
06/25/2014

Document Number:  
674600560

Overall Inspection:

**ACTION REQUIRED**

**FIELD INSPECTION FORM**

|                     |               |               |                      |                          |             |
|---------------------|---------------|---------------|----------------------|--------------------------|-------------|
| Location Identifier | Facility ID   | Loc ID        | Inspector Name:      | On-Site Inspection       | 2A Doc Num: |
|                     | <u>294237</u> | <u>311955</u> | <u>Maclaren, Joe</u> | <input type="checkbox"/> |             |

**Operator Information:**

|                       |   |
|-----------------------|---|
| OGCC Operator Number: | <u>53255</u>                                      |
| 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         |
|------------------|-----------------------------------|-----------------------------|-----------------|
| LABOWSKIE, STEVE |                                   | steve.labowskie@state.co.us |                 |
| Azulai, Naomi    | (970) 563-4000                    | naomi@maralexinc.com        | All Inspections |
| O'Hare, Mickey   | (970) 563-4000/<br>(719) 429-3529 | amohare@maralexinc.com      | President       |

**Compliance Summary:**

| QtrQtr:    | <u>SESW</u> | Sec:       | <u>3</u>    | Twp:                          | <u>33N</u> | Range:         | <u>7W</u>       |
|------------|-------------|------------|-------------|-------------------------------|------------|----------------|-----------------|
| Insp. Date | Doc Num     | Insp. Type | Insp Status | Satisfactory /Action Required | PA P/F/I   | Pas/Fail (P/F) | Violation (Y/N) |
| 07/22/2009 | 200236588   | PR         | PR          | SATISFACTOR Y                 |            |                | No              |
| 03/10/2008 | 200129775   | ES         | WO          | <b>ACTION REQUIRED</b>        |            |                | Yes             |

**Inspector Comment:**

**Related Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num   | Facility Name            | Insp Status                            |
|-------------|------|--------|-------------|------------|-----------|--------------------------|--|
| 277814      | WELL | PR     | 01/11/2006  | GW         | 067-09050 | MARY CATHERINE 33-7-3 1  | PR <input checked="" type="checkbox"/> |
| 294237      | WELL | PR     | 06/03/2008  | GW         | 067-09475 | MARY CATHERINE 33-7-3 3B | 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**

| <b>Signs/Marker:</b> |                              |  |   |            |
|----------------------|------------------------------|--|---|------------|
| Type                 | Satisfactory/Action Required | Comment  | Corrective Action   | CA Date    |
| CONTAINERS           | ACTION REQUIRED              | No labeling on steel 55 Gallon drum near pumping unit. | Install sign to comply with rule 210 or remove from location. | 08/04/2014 |
| WELLHEAD             | ACTION REQUIRED              | No signage in place to differentiate individual wells. | Install sign to comply with rule 210.                         | 08/04/2014 |

Emergency Contact Number (S/A/V): SATISFACTORY

Corrective Date: \_\_\_\_\_

Comment: \_\_\_\_\_

Corrective Action: \_\_\_\_\_

| <b>Good Housekeeping:</b> |                              |  |   |            |
|---------------------------|------------------------------|--|---|------------|
| Type                      | Satisfactory/Action Required | Comment  | Corrective Action   | CA Date    |
| UNUSED EQUIPMENT          | ACTION REQUIRED              | Belt guard removed from pumping unit.  | Re-install equipment or remove from location if no longer needed. | 08/04/2014 |
| WEEDS                     | ACTION REQUIRED              | Musk thistle around sides of well pad. This is a State-listed and La Plata County-listed noxious weed. | Remove existing weeds and prevent/ control future weed growth.    | 08/04/2014 |
| TRASH                     | ACTION REQUIRED              | Unused/ unlabeled 55 gallon steel drum and unused culvert on well pad.                                 | Remove trash from location.                                       | 08/04/2014 |

| <b>Spills:</b> |           |           |  |            |
|----------------|-----------|-----------|--|------------|
| Type           | Area      | Volume    | Corrective action  | CA Date    |
| Produced Water | Pump Jack | <= 5 bbls | Standing fluid observed around wellhead on far west well. Source appears to be from a leaking stuffing box. Remove standing fluid (< 1 bbl) and remediate stained soils per local and state regulations. Picture Uploaded. | 06/30/2014 |

Multiple Spills and Releases?

| <b>Fencing/:</b> |                              |   |                   |         |
|------------------|------------------------------|---|-------------------|---------|
| Type             | Satisfactory/Action Required | Comment                                 | Corrective Action | CA Date |
| PUMP JACK        | SATISFACTORY                 | Post and wire with partial sound walls. |                   |         |

| <b>Equipment:</b>           |   |                              |   |                                  |            |
|-----------------------------|---|------------------------------|---|----------------------------------|------------|
| Type                        | # | Satisfactory/Action Required | Comment   | Corrective Action                | CA Date    |
| Flow Line                   | 2 | SATISFACTORY                 |   |                                  |            |
| Horizontal Heated Separator | 2 | SATISFACTORY                 |   |                                  |            |
| Bird Protectors             | 2 | SATISFACTORY                 |   |                                  |            |
| Deadman # & Marked          | 5 | ACTION REQUIRED              | Observed 5 of 8 rig anchors with only 3 currently marked. | Locate and mark all rig anchors. | 08/04/2014 |
| Prime Mover                 | 2 | SATISFACTORY                 |   |                                  | 08/04/2014 |

|               |   |                        |   |   |            |
|---------------|---|------------------------|---|---|------------|
| Gas Meter Run | 2 | SATISFACTORY           |   |   |            |
| Pump Jack     | 2 | <b>ACTION REQUIRED</b> | Leaking gear box observed on eastern most well. Picture Uploaded. | Repair equipment and remove/ remediate oil stained soils per local and state regulations. | 08/04/2014 |

**Venting:**

|        |         |
|--------|---------|
| Yes/No | Comment |
| NO     |         |

**Flaring:**

| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
|------|------------------------------|---------|-------------------|---------|
|      |                              |         |                   |         |

**Predrill**

Location ID: 294237

**Site Preparation:**  
 Lease Road Adeq.: \_\_\_\_\_ Pads: \_\_\_\_\_ Soil Stockpile: \_\_\_\_\_

**S/AV:** \_\_\_\_\_  
 Corrective Action: \_\_\_\_\_ Date: \_\_\_\_\_ CDP Num.: \_\_\_\_\_

**Form 2A COAs:**

**S/AV:** \_\_\_\_\_ **Comment:**

**CA:**  **Date:** \_\_\_\_\_

**Wildlife BMPs:**

**S/AV:** \_\_\_\_\_ **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: 277814 Type: WELL API Number: 067-09050 Status: PR Insp. Status: PR

Facility ID: 294237 Type: WELL API Number: 067-09475 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 \_\_\_\_\_ 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? Fail CM **5 of 8 rig anchors marked**  
 CA **Locate and mark all rig anchors.** CA Date **08/04/2014**

Inspector Name: Maclaren, Joe

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? \_\_\_\_\_ F

Comment: Observed Musk Thistle (Carduus nutans) around entire well pad. This is a State-listed and La Plata County-listed noxious weed. These weeds must be removed and future growth prevented.

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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| Compaction       | Pass            | Compaction              | Pass                  |               |                          |         |
| Gravel           | Pass            | Gravel                  | Pass                  |               |                          |         |
|                  |                 | Culverts                | Pass                  |               |                          |         |

S/A/V: SATISFACTOR Corrective Date: \_\_\_\_\_

Y

Comment: \_\_\_\_\_

CA: \_\_\_\_\_

**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   |
|--------------|---|---|
| 674600566    | Musk Thistles (Noxious) around wellpad  | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3375076">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3375076</a> |
| 674600567    | Spill/ Leaking stuffing box at wellhead | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3375077">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3375077</a> |
| 674600568    | Leaking gear box and stained soils      | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3375078">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3375078</a> |