

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

Date received 7/18/14

REM #8584

Doc #1733799

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: PO Box 338

City: Ignacio State: CO Zip: 81137

Contact Name and Telephone:

Naomi Azulai

No: 970-563-4000

Fax:

API Number: 05-103-07632

County: Rio Blanco

Facility Name: Soldier Canyon 25-2

Facility Number: Pit Permit #117299

Well Name: Soldier Canyon

Well Number: 25-2

Location: (QtrQtr, Sec, Twp, Rng, Meridian): NENE, 25, 4S, 101W, 6th Latitude: 39.677326 Longitude: -108.673254

TECHNICAL CONDITIONS

Type of Waste Causing Impact (crude oil, condensate, produced water, etc): Produced Water

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: Blakabin-Rhone-Waybe complex, 5 to 50% slopes

Potential receptors (water wells within 1/4 mi, surface waters, etc.): Gillam Draw ~250 feet, Unnamed tributary ~240 feet

(Yes was selected for "sensitive area" above due to the near-by surface waters.)

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

Impacted Media (check):



Soils

Extent of Impact:

surface soils in pit

How Determined:

visually - discoloration



Vegetation

none

visually



Groundwater

none known



Surface Water

none known

REMEDIALTION WORKPLAN

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

The use of the pit has been discontinued but no other actions have been taken.

Describe how source is to be removed:

Once the work plan is approved, the pit will be excavated to a depth at which no visual evidence of contamination nor hydrocarbon smell is apparent. The soils remaining in the pit will be analysed to verify that they do not exceed Table 910-1 parameter limits.

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.:

The contaminated soils that will be removed from the pit will be landfarmed on site, according to the following parameters and with the approval of the landowner: The affected soil will be placed on plastic sheeting to a loose depth no greater than 3' as indicated by using a device on the surface of the liner designating depth. The area required will be determined by the volume of soil excavated from the pit. The area is calculated by dividing the volume of soil by 3' deep. A composite sample of the full Table 910-1 parameters will be analyzed for a baseline when the soil is first excavated. The soil will be cultivated monthly with a small tracked backhoe or by manually operated equipment and the facility will be regularly inspected during routine site visits.

Submit Page 2 with Page 1



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.):

It is not believed groundwater is impacted; however, if it is determined through the process of remediating/reclaiming the pit that groundwater has been impacted, a ground water monitoring plan will be developed.

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.

Once analytical results indicate all Table 910-1 constituents are within regulatory parameters, the pit will be back filled and compacted in one foot lifts. The top three feet of the pit will be filled with clean native soil with a SAR < 12. Any materials associated with the pit such as netting will be removed from the site.

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:

An initial assessment of the pits as well and sidewall and pit bottom samples will be necessary for the closures. The work to excavate soils and test the pit soils will commence within one week of receiving approval from the COGCC and the BLM.

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

If E&P waste is encountered, it will be disposed of in accordance with applicable local, State and Federal requirements. The preferred treatment method for any impacted soils removed from the pit will be to landtreat and use the soil onsite for grading once parameters test under the Table 910-1 limits.

IMPLEMENTATION SCHEDULE

Date Site Investigation Began: June 2014 Date Site Investigation Completed: TBD Date Remediation Plan Submitted: 7/8/2014
Remediation Start Date: TBD Anticipated Completion Date: TBD Actual Completion Date: TBD

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

Print Name: Naomi Azulai

Signed: _____

Title: Production Technician

Date: 7/8/2014

OGCC Approved: _____

Carlos Lujan, Ph.D.

Digitally signed by Carlos Lujan, Ph.D.

DN: cn=Carlos Lujan, Ph.D., o=COGCC, ou=EPS NW Region,

email=carlos.lujan@state.co.us, c=US

Date: 2014.07.18 14:58:29 -0600

Date: _____



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
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.
COC3639

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No
891014307C8. Well Name and No.
SOLDIER CANYON 25-29. API Well No.
05-103-07632-00-S110. Field and Pool, or Exploratory
SOLDIER CANYON11. County or Parish, and State
RIO BLANCO COUNTY, CO**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator
MARALEX RESOURCES INCORPORATED
Contact: NAOMI AZULAI
E-mail: naomi@maralexinc.com3a. Address
P.O. BOX 338
IGNACIO, CO 811373b. Phone No. (include area code)
Ph: 970-563-4000

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

Sec 25 T4S R101W NENE

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

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other
Emergency Pits or Closure

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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

This sundry is providing NOI to close a pit on this site. Approval is requested to excavate the soil in the pit that appears to be contaminated, then test the pit for COGCC's Table 910-1 parameters. Results of the analysis will be provided to the BLM before backfilling the pit. The pit will be reclaimed by backfilling with soil from the earthen berms. The excavated soil will be treated on site until the stockpiled soil tests under COGCC's table 910-1 limits. Results of the analysis will be provided to the BLM before using this soil to grade the site so that storm water flows away from the pit. Work will commence within one week of receiving both BLM and COGCC approval. 48 hours notice will be given to the BLM prior to any work on the site.

Note INC CK13-0251 to close pit by 6/30/2014 - Bob Hartman granted extension to provide pit closure plan by the week of 7/7/2014.

☒ COGCC ☐ LEAD ☐ PE ☐ PET ☐ LLE☒ NRS 1: ☐ NRS 2: ☒ OTH: KC☒ COA REQ: SURFACE: Y ☒ N ☐ DOWNHOLE: Y ☒ N☒ RECOMMENDED FOR APPROVAL ☐ AFMSS: ☐ IN ☐ OUT

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

Electronic Submission #251996 verified by the BLM Well Information System
For MARALEX RESOURCES INCORPORATED, sent to the Grand Junction
Committed to AFMSS for processing by BOB HARTMAN on 07/08/2014 (14BH0422SE)

Name (Printed/Typed) NAOMI AZULAI

Title GENERAL CONTACT

Signature (Electronic Submission)

Date 07/08/2014

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 in any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

<u>Well Name</u>	<u>Well No.</u>	<u>Location</u>	<u>Lease No.</u>	<u>Operator</u>
Soldier Canyon	25-2	NENE SEC 25, T4S, R101W, 6PM	COC3639	Maralex Resources Inc.

**SUNDRY NOTICE –PIT CLOSURE CONDITIONS OF APPROVAL
July 14, 2014**

1. Pit shall be closed according to the requirements and standards of COGCC 900-Series Rules.
2. Pit shall be dry prior to excavation, soil testing and backfilling.
3. All soil excavated from the pit prior to testing shall be placed on an impervious liner, bermed or contained so as to prevent possible spread of contamination to other parts of the well pad.
4. Results of soil sampling and analysis shall be provided to BLM.
5. BLM's approval is required prior to any onsite remediation.
6. BLM shall be notified 48 hours before any work commences on the site.