

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



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Inspection Date:
08/11/2014

Document Number:
674600763

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>277814</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
Fischer, Alex		alex.fischer@state.co.us	
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	
Labowskie, Steve		steve.labowskie@state.co.us	

Compliance Summary:

QtrQtr:	<u>SESW</u>	Sec:	<u>3</u>	Twp:	<u>33N</u>	Range:	<u>7W</u>
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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	200236592	PR	PR	SATISFACTOR Y			No
01/15/2008	200125824	PR	PR	ACTION REQUIRED			Yes

Inspector Comment:

On August 11, 2014 COGCC staff members Joe MacLaren and Steve Labowskie conducted a follow-up field inspection of the Mary Catherine 33-7-3#1 and #3B (067-09050 and 067-09475). The corrective actions listed on the previous inspection #674600560 performed on 6/25/2014 were not completed. The operator did not submit a form 42 to COGCC as requested. The Operator must respond to COGCC and comply with directives as listed by the corrective action deadline dates. Failure to perform corrective actions will result in the issuance of a Notice of Alleged Violation and initiate enforcement action.

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

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Inspector Name: Maclaren, Joe

Special Purpose Pits: _____	Drilling Pits: _____	Wells: _____	Production Pits: _____
Condensate Tanks: _____	Water Tanks: _____	Separators: _____	Electric Motors: _____
Gas or Diesel Motors: _____	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/Action Required	Comment	Corrective Action	CA Date
CONTAINERS	ACTION REQUIRED	Corrective action not performed from previous inspection due on 8/4/2014.	Install sign to comply with rule 210.	09/01/2014
WELLHEAD	ACTION REQUIRED	Corrective action not performed from previous inspection due on 8/4/2014.	Install sign to comply with rule 210.	09/01/2014

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

Corrective Date: _____

Comment: _____

Corrective Action: _____

Good Housekeeping:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
WEEDS	ACTION REQUIRED	Corrective action not performed from previous inspection due on 8/4/2014.	Control existing weeds (Musk Thistle) from around well pad and prevent/ control future weed growth. Provide COGCC with weed management program.	09/01/2014
TRASH	ACTION REQUIRED	Corrective action not performed from previous inspection due on 8/4/2014.	Remove trash from location (55 Gallon drum/ Culvert).	09/01/2014

Spills:				
Type	Area	Volume	Corrective action	CA Date
Produced Water	Pump Jack	<= 5 bbls	Standing fluid (10' x 5' x 6") observed around wellhead on 067-09050. Leak/ accumulation appears to be getting larger. Apparent green algae growth/ evaporation rings provide evidence that leak has been ongoing overtime (also observed on consecutive inspections). The corrective action was not performed as outlined on previous inspection due 6/30/2014.	09/01/2014

Multiple Spills and Releases?

Equipment:					
Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Pump Jack		ACTION REQUIRED	Corrective action not performed from previous inspection due on 8/4/2014.	Repair equipment (Leaking Gear Box) and properly remove/ remediate oil stained soils and gravel.	09/01/2014
Deadman # & Marked		ACTION REQUIRED	Corrective action not performed from previous inspection due on 8/4/2014.	Locate and mark all rig anchors on location.	09/01/2014

Venting:	
Yes/No	Comment
NO	

Flaring:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 277814

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

Producing Well

Comment: **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: _____ 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? _____ CM _____
 CA _____ CA Date _____
 Waste Material Onsite? _____ CM _____
 CA _____ CA Date _____
 Unused or unneeded equipment onsite? _____ CM _____
 CA _____ CA Date _____
 Pit, cellars, rat holes and other bores closed? _____ CM _____
 CA _____ CA Date _____
 Guy line anchors removed? _____ CM _____
 CA _____ CA Date _____
 Guy line anchors marked? _____ CM _____
 CA _____ CA Date _____

1003b. Area no longer in use? _____ Production areas stabilized ? _____

1003c. Compacted areas have been cross ripped? _____

1003d. Drilling pit closed? _____ Subsidence over on drill pit? _____

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? _____ Segregated soils have been replaced? _____

RESTORATION AND REVEGETATION

Cropland

Inspector Name: Maclaren, Joe

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003 f. Weeds Noxious weeds? _____ F _____

Comment: Musk Thistle (Carduus nutans) around perimeter of well pad. This is a State-listed and La Plata County-listed noxious weed. These weeds must be controlled 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

S/A/V: _____ Corrective Date: _____

Comment: _____

CA: _____

Pits: NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
Depressed area in front of wellhead allows for accumulation of fluids; Importing fill material (gravel) and re-grading area around well head/ pumping unit will aid in drainage and prevent pooling of water.	maclarej	08/12/2014

Attached Documents

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

Document Num	Description	URL
674600764	Standing Fluid/ Spill at wellhead	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3407341

Inspector Name: Maclaren, Joe

674600765	Noxious Weeds around wellpad	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3407342
674600766	Algea growth in fluid around wellhead	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3407343
674600773	Fluid in front of wellhead	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3407344