

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:
674600767

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>277813</u>	<u>311958</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
O'Hare, Mickey	(970) 563-4000/ (719) 429-3529	amohare@maralexinc.com	President
Fischer, Alex		alex.fischer@state.co.us	
Labowskie, Steve		steve.labowskie@state.co.us	
Azulai, Naomi	(970) 563-4000	naomi@maralexinc.com	All Inspections
Hughes, Jim		jimo.hughes@state.co.us	

Compliance Summary:

QtrQtr:	<u>SWSE</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)
10/20/2008	200197005	ID	UN	SATISFACTOR Y			No

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 #2A and #3C (067-09049 and 067-09476). The corrective actions listed on the previous inspection #674600562 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. Pictures uploaded.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
277813	WELL	PR	01/10/2006	GW	067-09049	MARY CATHERINE 33-7-3 2A	PR	<input checked="" type="checkbox"/>
294238	WELL	PR	05/11/2008	GW	067-09476	MARY CATHERINE 33-7-3 3C	PR	<input checked="" type="checkbox"/>

Equipment:

Location Inventory

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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

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 completed from previous inspection; due on 8/4/2014.	Control weeds (Musk Thistle) on and around well pad and control future weed growth; Provide copy of weed control program	09/01/2014

Spills:

Type	Area	Volume	Corrective action	CA Date
Produced Water	Pump Jack	<= 5 bbls	Leaking stuffing box on Mary Catherine #2A has resulted in accumulation of fluid on north side of pump jack. Equipment requires repair; fluid and stained soils properly removed/ remediated.	09/01/2014

Multiple Spills and Releases?

Fencing/:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
OTHER	ACTION REQUIRED	Corrective action not completed from previous inspection; due on 8/4/2014.	Remove rolls of un-used fencing materials from location.	09/01/2014

Equipment:

Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Pump Jack		ACTION REQUIRED	Corrective action not completed from previous inspection; due on 8/4/2014.	Repair equipment (Leaking stuffing box/ gear box on Mary Catherine #2A); remediate stained soils around equipment; Prevent future leaks.	09/01/2014
Deadman # & Marked		ACTION REQUIRED	Corrective action not completed from previous inspection; due on 8/4/2014.	Locate and mark all rig anchors	09/01/2014

Prime Mover	ACTION REQUIRED	Corrective action not completed from previous inspection; due on 8/4/2014.	Engine oil leak on Mary Catherine #3C. Repair equipment and remediate stained soils around equipment; Prevent future leaks.	09/01/2014
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Venting:	
Yes/No	Comment
NO	

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

Predrill

Location ID: 277813

Site Preparation:

Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____

S/A/V: _____

Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

S/A/V: _____ **Comment:** _____

CA: _____ **Date:** _____

Wildlife BMPs:

S/A/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: 277813 Type: WELL API Number: 067-09049 Status: PR Insp. Status: PR

Producing Well

Comment: PR

Facility ID: 294238 Type: WELL API Number: 067-09476 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? _____ 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 _____

Inspector Name: Maclaren, Joe

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

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

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003 f. Weeds Noxious weeds? _____ F _____

Comment: Observed 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: <input type="checkbox"/> NO SURFACE INDICATION OF PIT	
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COGCC Comments

Comment	User	Date
Depressed area along in front of wellhead and along north side of pump jack 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/ comingling of produced and storm waters.	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
674600769	Un-used roll of fencing	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3407415
674600770	Musk Thistle around well pad	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3407416
674600771	Engine (prime mover) oil leak	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3407417
674600772	Standing fluid/ gear box leak	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3407418
674600777	Standing fluid on north side pump jack 067-09049	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3407419