

**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:

11/07/2014

Document Number:

670201322

Overall Inspection:

ACTION REQUIRED**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	210534	322451	BURGER, CRAIG	<input type="checkbox"/>	

Operator Information:OGCC Operator Number: 53255Name of Operator: MARALEX RESOURCES, INCAddress: P O BOX 338City: IGNACIO State: CO Zip: 81137

- ☒ 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
Hart, Margaret	(970) 563-4000	mhart@maralexinc.com	All Inspections
Azulai, Naomi	(970) 563-4000	naomi@maralexinc.com	All Inspections
Murray, Richard		g.richard.murray@state.co.us	
Andrews, Dave		david.andrews@state.co.us	
O'Hare, Mickey	(970) 563-4000/ (719) 429-3529	amohare@maralexinc.com	All Inspections

Compliance Summary:QtrQtr: SENW Sec: 25 Twp: 7S Range: 91W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
08/05/2013	670200729	PR	SI	ACTION REQUIRED			No
01/18/2013	670200028	PR	PR	ACTION REQUIRED			No
05/17/2012	663100045	PR	SI	ACTION REQUIRED			No
06/25/2010	200257868	PR	PR	ACTION REQUIRED			Yes
04/29/2006	200094269	ID	SI	ACTION REQUIRED		Fail	No
10/29/1998	500142090	PR	PR			Pass	No
11/23/1994	500142089	PR	SI			Pass	No

Inspector Comment:**Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
210534	WELL	PR	12/21/1996	GW	045-06290	RIFLE WALTON 25-2	TA	<input checked="" type="checkbox"/>

Equipment:**Location Inventory**

Inspector Name: BURGER, CRAIG

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

<u>Signs/Marker:</u>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
TANK LABELS/PLACARDS	ALLEGED VIOLATION	No signage on tank. Corrective action date from 8/5/2013 inspection was 9/19/2013.	Install sign to comply with rule210.	11/13/2014
WELLHEAD	SATISFACTORY	Sign is on the access stairs for the tank.		

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

Corrective Date: _____

Comment: _____

Corrective Action: _____

<u>Spills:</u>				
Type	Area	Volume	Corrective action	CA Date
<input type="checkbox"/> Multiple Spills and Releases?				

<u>Equipment:</u>					
Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Gas Meter Run	1	SATISFACTORY	Shows no flow this month or previous month.		

<u>Facilities:</u>		<input type="checkbox"/> New Tank	Tank ID: _____			
Contents		#	Capacity	Type	SE GPS	
PRODUCED WATER		1	OTHER	STEEL AST	39.419800,-107.504880	
S/A/V:			Comment:	No signs or labels.		
Corrective Action:					Corrective Date:	

<u>Paint</u>	
Condition	Adequate
Other (Content)	_____
Other (Capacity)	_____
Other (Type)	_____

<u>Berms</u>				
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate	Walls Sufficient	Base Sufficient	Adequate
Corrective Action				Corrective Date

Comment				
Venting:				
Yes/No	Comment			
YES	Bradenhead vented to produced water tank through regulators at 50psi back pressure.			
Flaring:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 210534

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: 210534 Type: WELL API Number: 045-06290 Status: PR Insp. Status: TA

Idle WellPurpose: ☐ Shut In☒ Temporarily Abandoned

Reminder: _____

S/A/V: _____

CA Date: **12/08/2014**

CA: Perform an MIT or provide evidence that the well has not been temporarily abandoned more than 30 days. Perform a bradenhead test and submit a Bradenhead Test Report, Form 17.
Contact COGCC Engineer Craig Burger by email and submit a Form 42 at least 3 days before the test.

Comment: This well did not produce from June 2012 to June 2014 and an MIT was not performed. The well is currently temporarily abandoned. There is no separator on the location. The flow meter showed 0 for this month and the previous month. The well appears to have been temporarily abandoned more than 30 days and an MIT has not been performed.
Pressure gauges read: tubing 750psi, casing 2200psi, bradenhead 50 psi.
The bradenhead is piped to the produced water tank. Fluid flow from the bradenhead was audible.
Commission order nos. 1-107, 139-56, and 191-22 apply to this well.

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 _____
 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? _____

Comment: _____

Overall Interim Reclamation _____

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
				MHSP	Fail	

S/A/V: **ACTION
REQUIRED** Corrective Date: **11/24/2014**

Comment: The system provided to pipe the fluid flow from the bradenhead to the produced water tank may be subject to freezing during winter months.
If the system freezes, the bradenhead will be effectively shut in and may build to a pressure higher than the threshold pressure of 53psi allowed by Sundry doc#2055269. The possibility that the line could rupture also exists.

CA: Provide a system that will not freeze. Submit a sundry to the COGCC showing the design of the system and evidence that the system will not burst or freeze during winter conditions.

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
670201324	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3483087

ACTION REQUIRED

ANY ACTION REQUIRED items listed on this report indicate that the oil and gas facility or the oil and gas operations listed on the report may be in violation of the rules and regulations of the Colorado Oil and Conservation Commission (“COGCC”) and corrective action is required.

There is reasonable cause to believe that a violation of the Oil and Gas Conservation Act, or of any rule, regulation, or order of the Commission, or of any permit issued by the Commission, has occurred. The Operator’s compliance with this Inspection Report is required to resolve these alleged violations. This document requires the Operator to timely respond to the COGCC and to comply with directives as listed by the **Corrective Action Deadline Date**. Failure to do so will result in the issuance of a Notice of Alleged Violation and initiation of enforcement proceedings in which COGCC will seek monetary penalties for the alleged violations pursuant to § 34-60-121, C.R.S. and Rule 523, COGCC Rules of Practice and Procedure, 2 CCR 404-1. (Please note that the COGCC's penalty authority was recently increased to a maximum of \$15,000 per day and penalties are no longer capped at a maximum of \$10,000 per violation.)