

**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:
07/30/2015Document Number:
674900696

Overall Inspection:

ACTION REQUIRED**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	285319	306963	Hughes, Jim	<input type="checkbox"/>	

Operator Information:OGCC Operator Number: 10119Name of Operator: MARALEX DISPOSAL LLCAddress: 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
Fischer, Alex		alex.fischer@state.co.us	
O'Hare, Mickey	(970) 563-4000/ (719) 429-3529	amohare@maralexinc.com	All Inspections
Azulai, Naomi	(970) 563-4000	naomi@maralexinc.com	All Inspections
Labowskie, Steve		steve.labowskie@state.co.us	

Compliance Summary:

QtrQtr: <u>SWNW</u>		Sec: <u>32</u>	Twp: <u>33N</u>	Range: <u>9W</u>			
Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
01/03/2008	200125666	ES	AC	ACTION REQUIRED			Yes

Inspector Comment:

On July 30, 2015 COGCC SW EPS Jim Hughes conducted an environmental field inspection of the Maralex Dara Ferguson #1. This inspection was in response to Spill #400870940, which has subsequently been closed with remediation project #9193. Maralex personnel Dennis Reimers, Naomi Azulai, Doug Savage, and Keith Jackson were on site. Remediation activities were in progress during this inspection. Impacted material was being removed from within the secondary containment berm and stock piled on plastic sheeting for on-site land farm treatment. For the most recent field inspection report of this facility, please refer to document #200125666. Corrective actions noted in that inspection report have not fully been addressed. The overall inspection status of this document shall remain the same until all corrective actions have been performed.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
159245	UIC DISPOSAL	AC	10/13/2008		-	DARA FERGUSON INJECTION #1	EI <input type="checkbox"/>
285319	WELL	IJ	06/23/2006	STRT	067-09194	DARA FERGUSON INJECTION (EPA) 1	IJ <input checked="" type="checkbox"/>
442572	SPILL OR RELEASE	AC	07/29/2015		-	SPILL/RELEASE POINT	EI <input checked="" type="checkbox"/>

Equipment:**Location Inventory**

Inspector Name: Hughes, Jim

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

Lease Road:

Type	Satisfactory/Action Required	comment	Corrective Action	Date
Access	SATISFACTORY	Controlled access with key pad entry gate.		

Signs/Marker:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
TANK LABELS/PLACARDS	ACTION REQUIRED	4,800 bbl. storage tank does not have labels or placards.	Install sign to comply with rule 210.	08/31/2015
WELLHEAD	SATISFACTORY	Location sign mounted to fence at entrance to location.		
CONTAINERS	ACTION REQUIRED	Silver stock tank near well head does not have labels or placards.	Install sign to comply with rule 210.	08/31/2015
BATTERY	ACTION REQUIRED	Southern 550 bbl. tank does not have labels or placards. Northern 500 bbl. tank has placard and contents labeled.	Install sign to comply with rule 210.	08/31/2015
TANK LABELS/PLACARDS	ACTION REQUIRED	Approximately 60 bbl. PBV does not have labels or placards.	Install sign to comply with rule 210.	08/31/2015

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

Corrective Date: _____

Comment: _____

Corrective Action: _____

Good Housekeeping:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
UNUSED EQUIPMENT	ACTION REQUIRED	Unused equipment on western edge of location. According to Maralex personnel, building materials for protective structure that was never installed.	Remove unused equipment from location.	08/31/2015

Spills:				
Type	Area	Volume	Corrective action	CA Date
PW/CO	Tank	> 5 bbls	Proceed with work plan under remediation project #9193. Remove/remediate impacted material.	08/07/2015

☐ Multiple Spills and Releases?

Fencing/:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
LOCATION	SATISFACTORY			

Equipment:					
Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Deadman # & Marked	4	SATISFACTORY			
Ancillary equipment	1	SATISFACTORY	Potable water tank on flat bed trailer for landowner use, according to Maralex personnel.		
Bird Protectors	2	SATISFACTORY			
Ancillary equipment	3	SATISFACTORY	Truck off loading stations.		

Facilities:				
<input type="checkbox"/> New Tank		Tank ID: _____		
Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	<100 BBLS	PBV STEEL	37.061661,-107.855892
S/A/V:	ACTION REQUIRED		Comment: PBV does not have any labels or placard.	
Corrective Action:	Install signs to comply with Rule 210.d.			Corrective Date: 08/31/2015

Paint

Condition	Adequate
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Other (Content) _____

Other (Capacity) Approx. 60 bbl. _____

Other (Type) _____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Other	Adequate	Walls Sufficient	Base Sufficient	Adequate

Corrective Action		Corrective Date	
Comment	Lined cellar.		

Facilities:				
<input type="checkbox"/> New Tank		Tank ID: _____		
Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	OTHER	STEEL AST	37.061847,-107.855890
S/A/V:	ACTION REQUIRED		Comment: Produced water tank does not have labels or placards.	
Corrective Action:	Install labels and placard to comply with Rule 210.d			Corrective Date: 08/31/2015

Paint

Condition	Adequate
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Other (Content) _____

Inspector Name: Hughes, Jim

Other (Capacity) Approx. 4,800 bbl.

Other (Type)

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate	Walls Sufficient	Base Sufficient	Adequate

Corrective Action		Corrective Date	
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Comment	Location berm.
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Facilities: ☐ New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	2	500 BBLS	STEEL AST	37.061555,-107.855895

S/AV:	ACTION REQUIRED	Comment:	Southern tank does not have any labels or placard.
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Corrective Action:	Install signs to comply with Rule 210.d.	Corrective Date:	08/31/2015
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Paint

Condition	Adequate
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Other (Content)

Other (Capacity)

Other (Type)

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate	Walls Insufficient	Base Sufficient	Inadequate

Corrective Action	Maintain secondary containment berm to comply with Rule 605.a.4.	Corrective Date	08/31/2015
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Comment	Recent release percolated through containment berm.
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Venting:

Yes/No	Comment

Flaring:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Inspector Name: Hughes, Jim

Predrill

Location ID: 285319

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: 285319 Type: WELL API Number: 067-09194 Status: IJ Insp. Status: IJ

Facility ID: 442572 Type: SPILL OR API Number: - Status: AC Insp. Status: EI

Environmental

Spills/Releases:

Type of Spill: WATER Description: Produced water Estimated Spill Volume: 110

Comment: Continue remediation efforts under remediation project #9193.

Corrective Action: Remove/remediate impacted material. Date: 08/07/2015

Reportable: YES GPS: Lat 37.061555 Long -107.855895

Inspector Name: Hughes, Jim

Proximity to Surface Water: _____

Depth to Ground Water: _____

Water Well:

DWR Receipt Num: _____ Owner Name: _____ GPS : _____ Lat _____ Long _____

Field Parameters:

Sample Location: _____

Waste Management:

Type	Management	Condition	Comment	GPS (Lat)	(Long)
Oily Soil	Landfarm	Adequate	Landfarmed material shall comply with COGCC Rules regarding E and P waste management.	37.061513	- 107.856084

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: Hughes, Jim

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
Berms	Fail	Compaction	Pass	MHSP	Pass	Spill prevention at truck off loading stations.
Sediment Traps	Pass					
Drains	Pass					
Berms	Pass					Temporary berm around impacted material.
Rip Rap	Pass					
Waddles	Pass					

S/A/V: **ACTION REQUIRED**

Corrective Date: **08/31/2015**

Comment: **Location berm has filled in with sediment on north and east sides of pad. Berm has been breached to the north of the 4,800 bbl. tank. Off loading stations have drip pans or buckets for spill prevention.**

CA: **Install/maintain BMPs to adequately address stormwater run on.**

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:

Inspector Name: Hughes, Jim

Document Num	Description	URL
674900697	Truck off loading station with spill prevention.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3654876
674900698	Impacted material to be land farmed on site.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3654877
674900699	Impacted material being excavated from secondary containment.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3654878
674900700	Location berm has been breached.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3654879

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.)