

**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:

08/14/2015

Document Number:

674900712

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: 10119

Name of Operator: MARALEX DISPOSAL LLC

Address: P O BOX 338

City: 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
O'Hare, Mickey	(970) 563-4000/ (719) 429-3529	amohare@maralexinc.com	All Inspections
Fischer, Alex		alex.fischer@state.co.us	
Azulai, Naomi	(970) 563-4000	naomi@maralexinc.com	All Inspections
Labowskie, Steve		steve.labowskie@state.co.us	

**Compliance Summary:**

QtrQtr: SWNW Sec: 32 Twp: 33N Range: 9W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
07/30/2015	674900696	IJ	IJ	ACTION REQUIRED			No
01/03/2008	200125666	ES	AC	ACTION REQUIRED			Yes

**Inspector Comment:**

On August 14, 2015 COGCC SW EPS Jim Hughes conducted a follow up environmental field inspection of the Maralex Dara Ferguson #1. For the most recent field inspection report of this facility, please refer to document #674900696. Overall inspection status shall remain the same as that document until all corrective actions have been performed. Maralex representatives Naomi Azulai and Keith Jackson were on location collecting confirmation and background samples for analysis at Green Analytical Laboratory.

**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	AC	<input type="checkbox"/>
285319	WELL	IJ	06/23/2006	STRT	067-09194	DARA FERGUSON INJECTION (EPA) 1	EI	<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			

#### Signs/Marker:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
CONTAINERS	SATISFACTORY	Silver stock tank is labeled with capacity, contents, operator, and NFPA placard.		
TANK LABELS/PLACARDS	SATISFACTORY	4,800 bbl. tank is labeled with capacity, contents, operator, and NFPA placard.		
BATTERY	SATISFACTORY	500 bbl. tanks have labels and placards.		
WELLHEAD	SATISFACTORY	Location sign mounted to fence at entrance of location.		

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, plans have been made to remove building materials.	Remove unused equipment from location.	08/31/2015

#### Spills:

Type	Area	Volume	Corrective action	CA Date
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☐ Multiple Spills and Releases?

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

<b>Facilities:</b> <input type="checkbox"/> New Tank Tank ID: _____				
Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	<100 BBLS	PBV FIBERGLASS	37.061661,-107.855892
S/A/V:	ACTION REQUIRED		Comment: PBV has been removed for remediation work associated with remediation project #9193. PBV was previously noted as being steel.	
Corrective Action:	Install signs to comply with Rule 210.d.			Corrective Date: 08/31/2015

<b>Paint</b>				
Condition	Adequate			
Other (Content)	_____			
Other (Capacity)	Approximately 60 bbl.			
Other (Type)	_____			

<b>Berms</b>				
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Corrective Action				Corrective Date
Comment				

<b>Facilities:</b> <input type="checkbox"/> New Tank Tank ID: _____				
Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	2	500 BBLS	STEEL AST	37.061555,-107.855895
S/A/V:	SATISFACTORY		Comment: Both tanks have labels and placards.	
Corrective Action:				Corrective Date:

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

<b>Berms</b>				
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
Comment	Recent release percolated through containment berm.			

<b>Venting:</b>		
Yes/No	Comment	

<b>Flaring:</b>				
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: EI

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. Provide a supplemental Form 27 with analytical results and a description of sample locations and analysis performed. Describe remediation efforts associated with landfarmed material.

Corrective Action: Remove/remediate impacted material. Date: 08/31/2015

Inspector Name: Hughes, Jim

Reportable: <u>YES</u>	GPS: Lat <u>37.061555</u>	Long <u>-107.855895</u>
Proximity to Surface Water:	Depth to Ground Water:	

**Water Well:**

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

**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

Inspector Name: Hughes, Jim

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

S/A/V: **ACTION REQUIRED** Corrective Date: **08/31/2015**

Comment: Landowner has verbally confirmed that operator can access adjacent property to maintain and repair storm water BMPs. Location berm has filled in with sediment on north and east sides of location. Berm has been breached on north side of location.

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

Pits: ☒ NO SURFACE INDICATION OF PIT

**COGCC Comments**

Comment	User	Date
<p>On August 14, 2015 COGCC SW EPS Jim Hughes conducted a follow up environmental field inspection of the Maralex Dara Ferguson #1. For the most recent field inspection report of this facility, please refer to document #674900696. Maralex representatives Naomi Azulai and Keith Jackson were on location collecting confirmation and background samples for analysis at Green Analytical Laboratory.</p> <p>Three additional landfarm treatment cells were noted during this inspection. All three have lined earthen containment berms.</p> <p>One sample was collected by the operator in the area that released fluids percolated through the secondary containment berm.</p> <p>The fiberglass PBV has been removed and the area excavated. One sample was taken from this excavation to confirm that impacted material has been removed. Two additional samples were taken from within the tank battery containment berm.</p> <p>One background sample was collected by the operator from undisturbed material along the east side of the location.</p>	hughesj	08/17/2015

**Attached Documents**

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

Document Num	Description	URL
674900713	Excavated area where PBV was located.	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3663399">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3663399</a>
674900714	Operator collecting sample from outside berm.	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3663400">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3663400</a>
674900715	Additional landfarmed material on west side of location.	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3663401">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3663401</a>

## **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.)