

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:
11/13/2015

Document Number:
680600356

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>276035</u>	<u>333963</u>	<u>ROY, CATHERINE</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
Azulai, Naomi	970-563-4000	maralextech@gmail.com	all inspections
O'Hare, Mickey	(970) 563-4000/ (719) 429-3529	amohare@maralexinc.com	President

Compliance Summary:

QtrQtr:	<u>NWSW</u>	Sec:	<u>11</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)
09/08/2015	680600159	PR	PR	ACTION REQUIRED	F		No
08/01/2013	668200584	PR	PR	ACTION REQUIRED	I		No
10/20/2008	200196992	PR	PR	SATISFACTORY			No
11/07/2006	200098545	ES	PR	SATISFACTORY		Pass	No
10/10/2006	200098536	PR	PR	ACTION REQUIRED		Fail	No
08/04/2005	200076279	DG	DG	SATISFACTORY		Pass	No

Inspector Comment:

This is a followup inspection to Inspection Number 680600159 conducted on September 8, 2015. Corrective actions described in that inspection have not been addressed. Weeds are still present and a long-term weed control plan has not been received. Additionally, stormwater erosion was not addressed.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
276035	WELL	PR	10/27/2005	GW	067-09016	KEEGAN PATRICK 33-7-11 2A	PR <input checked="" type="checkbox"/>
298720	WELL	PR	02/09/2009	GW	067-09631	KEEGAN PATRICK 33-7-11 3C	PR <input checked="" type="checkbox"/>

Equipment:

Location Inventory

--

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): _____ Corrective Date: _____

Comment: _____

Corrective Action: _____

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

Venting:	
Yes/No	Comment

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

Predrill

Location ID: 276035

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: 276035 Type: WELL API Number: 067-09016 Status: PR Insp. Status: PR

Facility ID: 298720 Type: WELL API Number: 067-09631 Status: PR Insp. Status: 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: Russian knapweed, Canada thistle, and musk thistle were all observed within the interim reclamation area and have not been controlled.

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? _____ F _____

Comment:

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: **ACTION REQUIRED** Corrective Date: **10/31/2013**

Comment: **Rill erosion is occurring within the cut-slopes in the southeastern portion of the project area.**

CA: **Cut-slopes need to be stabilized. Revegetation is the best way to stabilize the slopes. A short term measure such as jute mat or straw blanket is necessary to reduce erosion until slopes are successfully revegetated.**

Pits: NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
Weeds haven't been controlled in accordance with previous inspections. The corrective action date to control weeds is backdated to the date the corrective action was due (10/16/2015) to document days of non-compliance.	RoyC	12/04/2015
A long-term weed management plan was due by October 31, 2015. This plan should be submitted as an attachment to a Form 4 and contain a minimum of: 1. A site specific description of weeds that need to be controlled 2. Control methods that will be used 3. Control timing 4. Revegetation plans for areas where infestation has been controlled if desirable vegetation is damaged 5. Monitoring plan for identification and rapid response for new weed infestations		
Stormwater erosion needs to be controlled on the southeastern cut-slope. The corrective action date was 10/31/2013, documenting the first date of documented non-compliance in this area.	RoyC	12/04/2015

Attached Documents

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

Document Num	Description	URL
680600357	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3733560

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.)