

**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

Inspection Date:

04/27/2016

Document Number:

674901097

Overall Inspection:

ACTION REQUIRED**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	325560	325560	Hughes, Jim	<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
Fischer, Alex		alex.fischer@state.co.us	
Tahmahkera, Kerry	(970) 563-4000	maralextech@gmail.com	All Inspections
Labowskie, Steve		steve.labowskie@state.co.us	
O'Hare, Mickey	(970) 563-4000/ (719) 429-3529	amohare@maralexinc.com	All Inspections

Compliance Summary:QtrQtr: NWNE Sec: 10 Twp: 33N Range: 7W**Inspector Comment:**

On April 27, 2016 COGCC SW EPS Jim Hughes conducted an environmental field inspection of the Maralex Resources "Katie Eileen" Tank Battery, also known as the Campbell Tank Battery (Facility ID #443485). West Environmental Supervisor Alex Fischer, Region 180 Field Inspection Supervisor Steve Labowskie, and Area 125 Field Inspector Cal St. John were present during this field inspection. For the most recent field inspection report of this facility, please refer to document #674600756. Overall inspection status shall remain the same as that document until all corrective actions have been performed. During this location inspection, COGCC staff notified Maralex Resources representative Kerry Tahmahkera of an ongoing release from the tank battery.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
215004	WELL	PR	08/28/2006	GW	067-06609	HEIKKINEN 1-10	PR	<input type="checkbox"/>
443485	TANK BATTERY	AC			-	Campbell Tank Battery	EI	<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 Motors: _____	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

Inspector Name: Hughes, Jim

Lease Road:				
Type	Satisfactory/Action Required	comment	Corrective Action	Date
Access	SATISFACTORY			

Signs/Marker:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
TANK LABELS/PLACARDS	SATISFACTORY			
BATTERY	ACTION REQUIRED	Central tank battery is not in compliance with Rule 210.b.2.	Install sign to comply with rule 210.b.	06/28/2016

Emergency Contact Number (S/AR): SATISFACTORY Corrective Date: _____

Comment: _____

Corrective Action: _____

Good Housekeeping:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Spills:				
Type	Area	Volume	Corrective action	CA Date

☐ Multiple Spills and Releases?

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

Equipment:				
Type:	#	Satisfactory/Action Required:		
Comment				
Corrective Action				Date:

Facilities: <input type="checkbox"/> New Tank Tank ID: _____				
Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	3	400 BBLS	STEEL AST	37.122722,-107.592157
S/AR	ACTION REQUIRED	Comment: Valve and fitting on load out line is leaking. Operator was notified during inspection of ongoing release.		
Corrective Action:	Securely fasten all valves, pipes, and fittings to ensure good mechanical condition per Rule 605.d.			Corrective Date: 04/29/2016

Paint

Condition	Adequate
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Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance

Inspector Name: Hughes, Jim

Earth					
Corrective Action					Corrective Date
Comment					

Venting:

Yes/No	
Comment	

Flaring:

Type		Satisfactory/Action Required	
Comment:			
Corrective Action:		Correct Action Date:	

Predrill

Location ID: 325560

Site Preparation:

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

S/AR: _____

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

Form 2A COAs:

S/AR: _____ **Comment:** _____

CA: _____ **Date:** _____

Wildlife BMPs:

S/AR: _____ **Comment:** _____

CA: _____ **Date:** _____

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:

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Summary of Operator Response to Landowner Issues:

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Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:

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Inspector Name: Hughes, Jim

Facility

Facility ID: 443485 Type: TANK API Number: - Status: AC Insp. Status: EI

Environmental

Spills/Releases:

Type of Spill: WATER Description: produced water Estimated Spill Volume:

Comment: Valve and fitting on load out line are leaking produced water.

Corrective Action: Control and contain spills/releases and clean up per Rule 906.a. Contact COGCC EPS Date: 04/29/2016

Reportable: GPS: Lat 37.122722 Long -107.592157

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. Waste and Debris removed?

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 marked?

CM

CA CA Date

1003b. Area no longer in use? Production areas stabilized ?

1003c. Compacted areas have been cross ripped?

Inspector Name: Hughes, Jim

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

S/A/V: _____ Corrective Date: _____

Comment: _____

CA: _____

Pits: ☐ NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
On April 27, 2016 COGCC SW EPS Jim Hughes conducted an environmental field inspection of the Maralex Resources "Katie Eileen" Tank Battery, also known as the Campbell Tank Battery (Facility ID #443485). West Environmental Supervisor Alex Fischer, Region 180 Field Inspection Supervisor Steve Labowskie, and Area 125 Field Inspector Cal St. John were present during this field inspection. For the most recent field inspection report of this facility, please refer to document #674600756. Overall inspection status shall remain the same as that document until all corrective actions have been performed. During this location inspection, COGCC staff notified Maralex Resources representative Kerry Tahmahkera of an ongoing release from the tank battery. During this inspection, produced water was observed leaking from the load out valve and a valve on the eastern tank.	hughesj	04/28/2016

Attached Documents

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

Document Num	Description	URL
674901098	Release from load out line valve.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3844132
674901099	Close up of leaking valve.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3844133
674901100	Release from leaking valve.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3844134
674901101	Close up of leaking valve.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3844135