

**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:

674901102

Overall Inspection:

ACTION REQUIRED**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	214932	333566	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	
O'Hare, Mickey	(970) 563-4000/ (719) 429-3529	amohare@maralexinc.com	All Inspections
Labowskie, Steve		steve.labowskie@state.co.us	
Tahmahkera, Kerry	(970) 563-4000	maralextech@gmail.com	All Inspections

Compliance Summary:QtrQtr: NWSW Sec: 10 Twp: 33N Range: 7W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
01/06/2010	200226214	ES	PR	ACTION REQUIRED			Yes
08/27/2009	200217555	ES	PR	ACTION REQUIRED			Yes
07/22/2009	200217345	PR	PR	ACTION REQUIRED			Yes
11/06/2008	200198280	CO	PR	SATISFACTORY			No
11/03/2008	200202726	ES	PR	ACTION REQUIRED			Yes
11/02/2008	200198578	CO	PR	ACTION REQUIRED			Yes
10/20/2008	200196988	PR	PR	ACTION REQUIRED			Yes
09/09/2008	200195340	PR	PR	ACTION REQUIRED			Yes
06/18/2008	200192667	PR	PR	ACTION REQUIRED			Yes
06/18/2008	200192502	PR	PR	SATISFACTORY			Yes
03/24/2008	200189078	ID	SI	ACTION REQUIRED			Yes
11/10/2006	200085173	PR	PR	SATISFACTORY		Pass	No
12/05/2002	200034449	PR	PR	SATISFACTORY		Pass	No
06/18/2001	200018939	PR	PR	SATISFACTORY		Pass	No
01/20/2000	200004014	PR	PR	SATISFACTORY		Pass	No
08/25/1998	500148081	CO	PR			Pass	No
08/18/1998	500148080	CO	PR			Pass	No

Inspector Name: Hughes, Jim

07/21/1998	500148079	CO	PR			Pass	No
04/27/1998	500148078	CO	PR			Pass	No
03/19/1998	500148077	CO	PR			Fail	Yes
02/02/1998	500148076	CO	PR			Fail	Yes
01/12/1998	500148075	PR	PR			Pass	No
05/22/1995	500148074	PR	PR				Yes

Inspector Comment:

On April 27, 2016 COGCC SW EPS Jim Hughes conducted an environmental field inspection of the Maralex Shelhammer #1. COGCC West Environmental Supervisor Alex Fischer, Region 180 Field Inspection Supervisor Steve Labowskie, and Area 125 Field Inspector Cal St. John were present during this site visit. For the most recent field inspection report of this facility, please refer to document #667700035. Overall inspection status shall remain the same as that document until all corrective actions have been performed.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
214932	WELL	PR	11/01/2007	GW	067-06537	SHELHAMMER 1	EI	<input checked="" type="checkbox"/>
429650	GAS COMPRESSOR	AC	07/23/2012		-	SHELHAMMER COMPRESSOR	AC	<input 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

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			
WELLHEAD	SATISFACTORY			
BATTERY	SATISFACTORY			

Emergency Contact Number (S/AR): SATISFACTORY

Corrective Date: _____

Comment: _____

Corrective Action: _____

Good Housekeeping:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Inspector Name: Hughes, Jim

Spills:				
Type	Area	Volume	Corrective action	CA Date
<input checked="" type="checkbox"/> 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	37.115542,-107.601441
S/AR	ACTION REQUIRED		Comment: Tanks labeled 6672 and 6673 are leaking fluids from the load out line valves.	
Corrective Action:	Securely fasten all valves, pipes, and fittings to ensure good mechanical condition per Rule 605.d. Control and contain spills/releases and clean up per Rule 906.a. Contact EPS staff.			Corrective Date: 06/10/2016
Paint				
Condition	Inadequate			
Other (Content)				
Other (Capacity)				
Other (Type)				
Berms				
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate	Walls Sufficient	Base Sufficient	Adequate
Corrective Action				Corrective Date
Comment	Approximately 3' diameter excavation near eastern most AST (labeled 6672) with safety fence and T post around it.			
Venting:				
Yes/No				
Comment				
Flaring:				
Type			Satisfactory/Action Required	
Comment:				
Corrective Action:				Correct Action Date:

Inspector Name: Hughes, Jim

Predrill

Location ID: 214932

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:

Summary of Operator Response to Landowner Issues:

Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:

Facility

Facility ID: 214932 Type: WELL API Number: 067-06537 Status: PR Insp. Status: EI

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 _____

Inspector Name: Hughes, Jim

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? _____

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:

Inspector Name: Hughes, Jim

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	Pass	Secondary containment for containers.

S/A/V: SATISFACTOR _____ Corrective Date: _____
Y _____

Comment: _____

CA: _____

Pits: ☒ NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
<p>On April 27, 2016 COGCC SW EPS Jim Hughes conducted an environmental field inspection of the Maralex Shelhammer #1. COGCC West Environmental Supervisor Alex Fischer, Region 180 Field Inspection Supervisor Steve Labowskie, and Area 125 Field Inspector Cal St. John were present during this site visit. For the most recent field inspection report of this facility, please refer to document #667700035. Overall inspection status shall remain the same as that document until all corrective actions have been performed.</p> <p>During this site visit, fluids were observed dripping from the load out line valves on all three 400 bbl. ASTs. The operator was contacted and notified of the ongoing releases. Inspection document #667700035 also noted releases from ball valves on ASTs.</p> <p>An approximately 3' diameter excavation exists near the eastern most AST, inside the secondary containment berm. Barricade fencing surrounds the excavation. Impacted material is present within the secondary containment berm for a fiberglass open topped PBV. Wildlife netting has gaps.</p>	hughesj	05/10/2016

Attached Documents

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

Document Num	Description	URL
674901102	INSPECTION APPROVED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3851544

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674901103	Impacted material around fiberglass PBV.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3851538
674901104	Fenced off excavation near eastern AST.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3851539
674901105	Leaking load out line valve.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3851540
674901106	Leaking load out line valve on tank #6673	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3851541