

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:
05/31/2016
Document Number:
666802207
Overall Inspection:
ACTION REQUIRED

FIELD INSPECTION FORM

| | | | | | |
|---------------------|---------------|---------------|------------------------|--------------------|--------------------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | <input type="checkbox"/> |
| | <u>210524</u> | <u>322445</u> | <u>Murray, Richard</u> | 2A Doc Num: | |

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 |
|-------------------|----------------|------------------------------|---------------------|
| O'Hare, Mickey | | amohare@maralexinc.com | |
| Ellsworth, Stuart | | stuart.ellsworth@state.co.us | |
| Graves, Jim | (970) 858-8550 | mrinc20@qwestoffice.net | Operations Manager |
| Kellerby, Shaun | | Shaun.Kellerby@state.co.us | NW Field Supervisor |

Compliance Summary:

| | | | | | | | |
|---------|-------------|------|-----------|------|-----------|--------|------------|
| QtrQtr: | <u>SWNW</u> | Sec: | <u>28</u> | Twp: | <u>7S</u> | Range: | <u>90W</u> |
|---------|-------------|------|-----------|------|-----------|--------|------------|

| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Action Required | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|-------------------------------|----------|----------------|-----------------|
| 06/27/2013 | 670200598 | PR | SI | ACTION REQUIRED | P | | No |
| 05/30/2000 | 200007688 | ID | SI | ACTION REQUIRED | | Fail | No |
| 10/24/1996 | 500142088 | ID | SI | | | Pass | No |

Inspector Comment:

No tank facilities on location, Action required items noted on inspection document number 670200598 dated 06/27/2013 have not been satisfied

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|--------------------------|--|
| 210524 | WELL | PR | 11/01/2007 | GW | 045-06280 | BALDY CREEK FEDERAL 3-28 | SI <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

| Lease Road: | | | | |
|--------------------|------------------------------|--|-------------------|------|
| Type | Satisfactory/Action Required | comment | Corrective Action | Date |
| Access | SATISFACTORY | Trees have fell accross access road, will need maintenance | | |

| Signs/Marker: | | | | |
|----------------------|------------------------------|---------|-------------------|---------|
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| WELLHEAD | SATISFACTORY | | | |

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 |
| <input type="checkbox"/> Multiple Spills and Releases? | | | | |

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

| Equipment: | | | | |
|-----------------------------------|----------------|--|--|-------|
| Type: Horizontal Heated Separator | # 1 | Satisfactory/Action Required: SATISFACTORY | | |
| Comment | out of service | | | |
| Corrective Action | | | | Date: |

| Venting: | |
|-----------------|----|
| Yes/No | NO |
| Comment | |

| Flaring: | | | |
|--------------------|------------------------------|----------------------|--|
| Type | Satisfactory/Action Required | | |
| Comment: | | | |
| Corrective Action: | | Correct Action Date: | |

Predrill

Location ID: 210524

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: 210524 Type: WELL API Number: 045-06280 Status: PR Insp. Status: SI

Idle Well

Purpose: Shut In Temporarily Abandoned Reminder: _____

S/A/V: ACTION CA Date: 07/12/2013

CA: Contact COGCC Area Engineer. Well must be either: 1) Put on production or 2) Per COGCC Rule 326.b.(1) a successful mechanical integrity test shall be performed on each shut-in well within two (2) years of the initial shut-in date or 3) Be properly plugged and abandoned . Shut-in and temporarily abandoned wells must be properly reported on COGCC Form 7, Operator's Monthly Production Report.

Comment: Shut in at separator, Last production November 2009. Time limit to produce, perform MIT or plug and abandon has lapsed. Submit a Form 42 with the planned date for the required mechanical integrity test or plans to plug and abandon.

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:

Lat _____ Long _____

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

Field Parameters:

Sample Location: _____

Emission Control Burner (ECB): N

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? Pass

CM _____

CA _____ CA Date _____

Unused or unneeded equipment onsite? Pass

CM _____

CA _____ CA Date _____

Pit, cellars, rat holes and other bores closed? Pass

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: Murray, Richard

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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| | | Ditches | Pass | | | |
| | | Culverts | Pass | | | |
| Seeding | Pass | | | | | |

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

Comment: _____

CA: _____

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:

| Document Num | Description | URL |
|--------------|---------------------|---|
| 666802207 | INSPECTION APPROVED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3870432 |