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August 26, 2016

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Colorado Oil and Gas Conservation Commission
ATTN: Commission Secretary
1120 Lincoln Street, Suite 801
Denver, CO 80203

Re: Response to Notice of Alleged Violation issued August 11, 2016 Doc# 401091611

Maralex Resources, Inc. is submitting this as an official response to the Notice of Alleged Violation issued on August 11, 2016, which was received by Maralex on August 15, 2016. The NOAV is in reference to the Baldy Creek Federal 3-28 well API# 05-045-06280. Prior to receiving this NOAV, Maralex filed a Form 42 (Doc#401092850), giving the COGCC the required 10-day Field Operations Notice that an MIT had been scheduled.

Richard Murray, the area field inspector for the COGCC, was notified via phone and email of the MIT scheduling and was in attendance when the MIT took place. A Field Inspection Form, Doc#666802505, was filed by the inspector to document his observations of the MIT, recording a starting pressure of 510psi which held for 15 minutes with zero loss. The Form 21 required for completion of the MIT has also been filed under Doc#401099821 and includes reference to these documents as well as the pressure chart from the test.

Maralex requests a waiver of any and all penalties that could be assessed for this NOAV. The rule violation is a class 2 rule according to the COGCC Enforcement Guidance and Penalty Policy, published April 2015, and is classified as a Discretionary Penalty as opposed to a Mandatory Penalty. Maralex had already secured a rig and all the services necessary to conduct this test, and had submitted notification prior to receipt of the NOAV. In addition, Maralex has been attempting to work with the COGCC for more than a year to bring all Maralex wells into compliance within a reasonable time frame. Any fines assessed will greatly reduce the amount of work Maralex is able to do in order to accomplish this goal.