

**FORM
INSP**Rev
X/15**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:

05/19/2017

Submitted Date:

05/25/2017

Document Number:

680101769**FIELD INSPECTION FORM**Loc ID 322451 Inspector Name: Colby, Lou On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**OGCC Operator Number: 53255Name of Operator: MARALEX RESOURCES, INCAddress: P O BOX 338City: IGNACIO State: CO Zip: 81137**Status Summary:**☐ THIS IS A FOLLOW UP INSPECTION☒ FOLLOW UP INSPECTION REQUIRED☐ NO FOLLOW UP INSPECTION REQUIRED**Findings:**9 Number of Comments3 Number of Corrective Actions☒ Corrective Action Response Requested**Contact Information:**

| Contact Name | Phone | Email | Comment |
|----------------|-----------------------------------|-------------------------|--------------------|
| Graves, Jim | (970) 858-8550 | mrinc20@qwestoffice.net | Operations Manager |
| O'Hare, Mickey | (970) 563-4000/ (719) 429-3529 | amohare@maralexinc.com | All Inspections |
| | | maralextech@gmail.com | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|-------------------|-------------|
| 210534 | WELL | PA | 08/12/2016 | GW | 045-06290 | RIFLE WALTON 25-2 | RI |

General Comment:

2017 Flowline NTO Inspection 1000' Buffer. Well was plugged 8/12/16. Debris, abandoned gathering line risers, flowline risers, and surface equipment have not been removed as of Date of this Inspection. GPS positions & Photos of any risers noted on Location are attached to Inspection.

This is also a Reclamation Inspection for PA Well API#045-06290, Spud 1/3/1981 by Piute Energy; Plugged and Abandoned 8/12/2016 by Maralex Resources. Photo Log of Location conditions is attached to Inspection. Please note that though FINDINGS Section at Top of Inspection Form notes only Three CAs, there are actually Five CAs and Four CA Dates reported in this Inspection.

LocationOverall Good: ☐

Emergency Contact Number:

Comment: Corrective Action: Date: Overall Good: ☐**Spills:**

| | | | | |
|------|------|--------|--|--|
| Type | Area | Volume | | |
|------|------|--------|--|--|

In Containment: No

Comment: ☐ Multiple Spills and Releases?**Equipment:**

corrective date

Type: Flow Line

#

Comment: Comply with the Reclamation rules to remove, all debris, abandoned gathering line risers, and flowline risers, and equipment within three months of plugging (8/12/16) the associated facility. All work should have been conducted by 11/12/16. Operator must now at a minimum abide by the (5/2/17) Flowline or Pipeline NTO. Photos and/or GPS of the various Risers/ Flowlines/ Pipelines are attached.

Corrective Action: All Risers/ Flowlines/ Pipelines must abide by the phase II of the (5/2/17) Flowline NTO. Make sure to identify both endpoints of all riser Risers/ Flowlines/ Pipelines. Respond when corrective action is complete with date completed and photos attached to an FIRR response to CA

Date: 06/30/2017

Type: Flow Line

#

Comment: Comply with the Reclamation rules to remove, all debris, abandoned gathering line risers, and flowline risers, and equipment within three months of plugging (8/12/16) the associated facility. All work should have been conducted by 11/12/16. Operator must now at a minimum abide by the (5/2/17) Flowline or Pipeline NTO. Photos and/or GPS of the various Risers/ Flowlines/ Pipelines are attached.

Corrective Action: All Risers/ Flowlines/ Pipelines must abide by the phase I of the (5/2/17) Flowline NTO. Make sure to identify both endpoints of all Risers/ Flowlines/ Pipelines. Respond when corrective action is complete with date completed and photos attached to an FIRR response to CA.

Date: 05/31/2017**Venting:**

Yes/No

Comment: Corrective Action: Date: **Flaring:**

| | | |
|--------------------|----------------------|----------------------------|
| Type | | |
| Comment: | <input type="text"/> | |
| Corrective Action: | <input type="text"/> | Date: <input type="text"/> |

Reclamation - Storm Water - Pit**Interim Reclamation:**

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: _____

Comment: _____

1002 SITE PREPARATION AND STABILIZATION

1002a. FENCING _____

Comment _____

Corrective Action _____

Date _____

1002b. SOIL REMOVAL AND
SEGREGATION _____

Comment _____

Corrective Action _____

Date _____

1002c. PROTECTION OF SOILS _____

Comment _____

Corrective Action _____

Date _____

1002E. SURFACE DISTURBANCE MINIMIZATION _____

Comment _____

Corrective Action _____

Date _____

1003a. Waste and Debris removed? _____

Comment _____

Corrective Action _____

Date _____

Unused or unneeded equipment onsite? _____

Comment _____

Corrective Action _____

Date _____

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

Comment _____

Corrective Action _____

Date _____

Guy line anchors marked? _____

Comment _____

Corrective Action _____

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 REVEGETATIONCropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003e. INTERIM VEGETATION TRANSECT

TRANSECT RESULTS OF DISTURBED AREA% _____

TRANSECT RESULTS OF REFERENCE AREA% _____

TOTAL % OF DESIRABLE VEGETATION COVER _____

VEGETATIVE COVER _____

1003 f. Weeds Noxious weeds? _____

Comment _____

Corrective Action _____ Date _____

Overall Interim Reclamation

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: _____

Reminder: _____

Comment: Rangeland

Well plugged Pass Pit mouse/rat holes, cellars backfilled Pass

Debris removed Fail No disturbance /Location never built _____

Access Roads Regraded Fail Contoured Fail Culverts removed Fail

Gravel removed Fail

Location and associated production facilities reclaimed Fail Locations, facilities, roads, recontoured Fail

Compaction alleviation Fail Dust and erosion control Pass

Non cropland: Revegetated 80% Fail Cropland: perennial forage _____

Weeds present Fail Subsidence Pass

1004.d. FINAL VEGETATION TRANSECT

TRANSECT RESULTS OF DISTURBED AREA% _____

TRANSECT RESULTS OF REFERENCE AREA% _____

TOTAL % OF DESIRABLE VEGETATION COVER _____

VEGETATIVE COVER _____

Comment:

Debris, and surface equipment have not been removed within three (3) months of plugging the Well (11/12/2016) as required by Rule 1004 a. No Reclamation work has been performed; such work was to be completed within 12 months on Non Crop land after Plugging of Well which would be 8/12/2017. Condition of site does not indicate that this timeline will be met. B list Noxious weeds, Thistle, Houndstongue & White Top identified on site. The Risers/Pipelines/ flowlines noted at inspection are addressed in the Location Equipment section.

Corrective Action:

There are Three CAs & Two CA Dates given in this Section. Remove all debris and surface equipment by 9/25/2017. Perform Final Reclamation per COGCC 1004 Rules. Reclamation Activities to be complete by 10/15/2017. Control Noxious Weeds on site, recommended to apply controls before seed head formation and no later than 9/25/17.

Date **09/25/2017**

Overall Final Reclamation

FailWell 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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| | | | | | | |

Comment: Location is Stable and has no Soil migration Concerns at this time

Corrective Action:

Date: _____

Pits: ☒ NO SURFACE INDICATION OF PIT**COGCC Comments**

| Comment | User | Date |
|--|--------|------------|
| Two Photo Logs are attached to Inspection, One of Risers with GPS positions & One depicting Location conditions. | colbyl | 05/20/2017 |

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

| Document Num | Description | URL |
|--------------|---------------------------------|---|
| 401293146 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4155804 |
| 680101773 | Inspection Photos Loc Condition | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4155800 |
| 680101774 | Inspection Photos GPS Risers | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4155801 |