

FORM
INSPRev
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:

06/21/2017

Submitted Date:

06/22/2017

Document Number:

685303402

FIELD INSPECTION FORM

Loc ID _____ Inspector Name: _____ On-Site Inspection
325477 _____ St John, William (Cal) _____ 2A Doc Num: _____

Status Summary:

- THIS IS A FOLLOW UP INSPECTION
 FOLLOW UP INSPECTION REQUIRED
 NO FOLLOW UP INSPECTION REQUIRED

Operator Information:

OGCC Operator Number: 53255
Name of Operator: MARALEX RESOURCES, INC
Address: P O BOX 338
City: IGNACIO State: CO Zip: 81137

Findings:

- 22 Number of Comments
6 Number of Corrective Actions
 Corrective Action Response Requested

Contact Information:

Contact Name	Phone	Email	Comment
O'Hare, Mickey	(970) 563-4000/ (719) 429-3529	amohare@maralexinc.com	President
Labowskie, Steve		steve.labowskie@state.co.us	COGCC

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
214856	WELL	PR	08/27/1981	GW	067-06460	MAGDALEN CLARE 33-7-2 2	PR

General Comment:

[2017 Flowline NTO Inspection 1000' Buffer](#)

[Shadowing Operator Pressure Testing Team](#)

See link at end of report for path to downloadable pictures. Inspection report contains corrective action and comment. See Signs/Markers, Equipment, Tanks and Berms, and Related Facility Sections of report for additional details.

Location			
Lease Road:			
Type	Access		
comment:	Dirt and gravel two track road.		
Corrective Action:			Date:
Overall Good: <input type="checkbox"/>			
Signs/Marker:			
Type	TANK LABELS/PLACARDS		
Comment:	Label directly on open top tank. Portions of labeling has faded and is unreadable.		
Corrective Action:			Date:
Type	WELLHEAD		
Comment:	Metal sign attached to meter house.		
Corrective Action:			Date:
Emergency Contact Number:			
Comment:	Operator contact information on wellhead sign.		
Corrective Action:			Date: _____
Good Housekeeping:			
Type	WEEDS		
Comment:	Weeds and grass are growing around all production related equipment.		
Corrective Action:	Remove weeds and grass to comply with Rule 603.f using the Rule 603.f guidance document for further details.		Date: <u>07/03/2017</u>
Overall Good: <input type="checkbox"/>			
Spills:			
Type	Area	Volume	
In Containment: No			
Comment:			
<input type="checkbox"/> Multiple Spills and Releases?			
Fencing/:			
Type	PIT		
Comment:	Steel post and wire fencing.		
Corrective Action:			Date:
Equipment:			
Type: Flow Line	# 1		corrective date
Comment:	In use - 2" steel line from separator outlet to gas meter inlet. All points are on location. 37.13605/-107.58276 from scout card.		
Corrective Action:			Date:
Type: Other	# 2		
Comment:	Domestic tap.		
Corrective Action:			Date:
Type: Flow Line	# 1		

Comment:	Not in use - 2" steel line riser with check valve and valve. Do not know (A) and (B) points. Production equipment has been removed from this location. Riser is on location at 37.13605/-107.58276 from scout card. Riser not painted and tagged for abandonment or tagged for testing and future use. Required by NTO to be completed by May 30, 2017.			Date:	
Corrective Action:	Comply with Phase I-Part 2 of the May 2, 2107 Flowline NTO.			Date:	05/30/2017
Type: Flow Line	# 1				
Comment:	In use - 1" steel supply gas line from separator outlet to (2) domestic taps at separator. All points on location. 37.13605/-107.58276 from scout card.			Date:	
Corrective Action:				Date:	
Type: Flow Line	# 1				
Comment:	Not in use - 2" steel line from wellhead to riser. Production equipment has been removed. All points are on location. 37.13605/-107.58276 from scout card. Riser not painted and tagged for abandonment or tagged for testing and future use. Required by NTO to be completed by May 30, 2017.			Date:	
Corrective Action:	Comply with Phase I-Part 2 of the May 2, 2107 Flowline NTO.			Date:	05/30/2017
Type: Deadman # & Marked	# 4				
Comment:				Date:	
Corrective Action:				Date:	
Type: Ancillary equipment	# 1				
Comment:	Wellhead.			Date:	
Corrective Action:				Date:	
Type: Bird Protectors	# 1				
Comment:				Date:	
Corrective Action:				Date:	
Type: Flow Line	# 1				
Comment:	Not in use - 2" steel line riser. Do not know (A) and (B) points. Production equipment has been removed from this location. Riser is on location at 37.13605/-107.58276 from scout card. Riser not painted and tagged for abandonment or tagged for testing and future use. Required by NTO to be completed by May 30, 2017.			Date:	
Corrective Action:	Comply with Phase I-Part 2 of the May 2, 2107 Flowline NTO.			Date:	05/30/2017
Type: Horizontal Heated Separator	# 1				
Comment:				Date:	
Corrective Action:				Date:	
Type: Gas Meter Run	# 2				
Comment:				Date:	
Corrective Action:				Date:	
Type: Flow Line	# 1				
Comment:	In use - 2" steel line from wellhead to separator inlet. All points are on location. 37.13605/-107.58276 from scout card.			Date:	
Corrective Action:				Date:	

Tanks and Berms:

Contents	#	Capacity	Type	Tank ID	SE GPS
PRODUCED WATER	1	OTHER	Open Top		
Comment:	Open top fiberglass tank in a pit with poultry netting covering top.				
Corrective Action:					Date:

Paint	
Condition	Adequate
Other (Content)	
Other (Capacity)	Unknown label not readable.
Other (Type)	

Berms					
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Earth	Adequate	Walls Insufficient	Base Insufficient	Inadequate	
Comment:	Fiberglass open top is in a containment pit that has grass and weeds growing inside pit on walls and in the base of pit.				
Corrective Action:	Repair or install berms or install other secondary containment devices to comply with Rule 605.a.(4).			Date:	07/23/2017

Venting:			
Yes/No	NO		
Comment:			
Corrective Action:			Date:

Flaring:			
Type			
Comment:			
Corrective Action:			Date:

Inspected Facilities

Facility ID: 214856 Type: WELL API Number: 067-06460 Status: PR Insp. Status: PR

Producing Well

Comment: PR - Review of electronic well file record indicates last reported production as April 2017.

Corrective Action: _____ Date: _____

Flowline

#1	Type: Well Site	2 of Lines	
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Flowline Description

Flowline Type: Well Site Size: 2" Material: Carbon Steel
 Variance: _____ Age: _____ Contents: Natural Gas

Integrity Summary

Failures: _____ Spills: _____ Repairs Made: _____
 Coatings: _____ H2S: _____ Cathodic Protection: _____

Pressure Testing

Witnessed: Yes Test Result: Fail Charted: No

COGCC Rules(check all that apply)

1101. Installation and Reclamation 1102. Operations, Maintenance, and Repair 1103. Abandonment

<u>Comment:</u>	<p><u>Witnessed flow line pressure test on 2" steel gas line from wellhead to separator to gas meter isolation valve. All points are on location. 37.13605/-107.58276 from Scout Card. Testing was part of requirement of May 2, 2017 NTO. Test and was conducted using liquid gauge for pressure reading with pressure checks taken in 5 minute intervals. Starting pressure was 135.0 psi. 5 min - 110.0 psi. Test was terminated after loss of more than 10%. Test was determined to be a fail and well to remain shut in.</u></p>	
<u>Corrective Action:</u>	<p><u>Document and retain records of root cause of failure evaluation, measures taken to prevent the problem from reoccurring and a description of all flowline repairs and/ or replacements completed; perform flowline pressure testing to verify integrity of repairs completed (Must be deemed passing per COGCC rule 1101e) prior to returning flowline to service.</u></p> <p><u>Contact COGCC field inspector regarding scheduling of field repairs and follow up pressure testing.</u></p> <p><u>This well must remain shut in until one of two corrective actions are met: 1) All failure points on the flowline are identified and adequate repair(s) are completed and integrity verified via follow up pressure testing (witnessed by COGCC staff); 2) A new well site flowline is constructed to service the well from wellhead to horizontal separator; Pressure test flowline prior to adding to service</u></p>	Date: <u>06/30/2017</u>

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? Pass

Comment _____

Corrective Action _____

Date _____

Unused or unneeded equipment onsite? Pass

Comment _____

Corrective Action _____

Date _____

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

Comment _____

Corrective Action _____

Date _____

Guy line anchors marked? Pass

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 REVEGETATION

Cropland

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:

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 _____

1004.d. FINAL VEGETATION TRANSECT

TRANSECT RESULTS OF DISTURBED AREA% _____

TRANSECT RESULTS OF REFERENCE AREA% _____

TOTAL % OF DESIRABLE VEGETATION COVER _____

VEGETATIVE COVER _____

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
Compaction	Pass	Compaction	Pass			

Comment: [Stormwater BMPs appear to be functioning at time of inspection.](#)

Corrective Action:

Date: _____

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
685303421	Produced water tank in pit.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4177410
685303422	Grass and weeds around production equipment.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4177411
685303423	Risers not painted or tagged.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4177412