

**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:

06/21/2017

Submitted Date:

06/22/2017

Document Number:

685303402**FIELD INSPECTION FORM**
 Loc ID 325477 Inspector Name: St John, William (Cal) 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:**22 Number of Comments6 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	L		Date:
Overall Good: <input type="checkbox"/>			
Signs/Marker:			
Type	WELLHEAD		
Comment:	Metal sign attached to meter house.		
Corrective Action:			Date:
Type	TANK LABELS/PLACARDS		
Comment:	Label directly on open top tank. Portions of labeling has faded and is unreadable.		
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: 07/03/2017
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:			
			corrective 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.		
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.		
Corrective Action:			Date:

Type: Deadman # & Marked	# 4		
Comment:			
Corrective Action:		Date:	
Type: Ancillary equipment	# 1		
Comment:	Wellhead.		
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.		
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:			
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.		
Corrective Action:	Comply with Phase I-Part 2 of the May 2, 2107 Flowline NTO.	Date:	05/30/2017
Type: Gas Meter Run	# 2		
Comment:			
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.		
Corrective Action:		Date:	
Type: Bird Protectors	# 1		
Comment:			
Corrective Action:		Date:	
Type: Other	# 2		
Comment:	Domestic tap.		
Corrective Action:		Date:	
Type: Flow Line	# 1		
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:	

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 FacilitiesFacility 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

Flowline DescriptionFlowline Type: Well SiteSize: 2"Material: Carbon Steel

Variance:

Age:

Contents: Natural GasIntegrity Summary

Failures:

Spills:

Repairs Made:

Coatings:

H2S:

Cathodic Protection:

Pressure TestingWitnessed: YesTest Result: FailCharted: NoCOGCC Rules(check all that apply)☐ 1101. Installation and Reclamation☒ 1102. Operations, Maintenance, and Repair☐ 1103. Abandonment

Comment:

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.

Corrective Action:

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.

Contact COGCC field inspector regarding scheduling of field repairs and follow up pressure testing.

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

Date: 06/30/2017

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 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: _____

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
401316147	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4177417
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