

**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:

08/01/2019

Submitted Date:

08/02/2019

Document Number:

696600429

FIELD INSPECTION FORM

Loc ID 312662 Inspector Name: Wentzel, Dougo On-Site Inspection 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:

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

ANY CORRECTIVE ACTION(S) FROM PREVIOUS INSPECTIONS THAT HAVE NOT BEEN ADDRESSED ARE STILL APPLICABLE

Contact Information:

| Contact Name | Phone | Email | Comment |
|-----------------|-------------|----------------------------|---------------------------------|
| Ried, Jordan | 970-563-400 | maralextechjr@gmail.com | All Inspections |
| Graves, Jim | | mrinc20@qwestoffice.net | |
| Kellerby, Shaun | | shaun.kellerby@state.co.us | All Inspections |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|-----------------------|-------------|
| 222107 | WELL | SI | 11/01/2014 | GW | 077-08709 | SULFUR GULCH 9-98-2 1 | SI |

General Comment:

This is a follow up from inspection dated 3/18/2019 Doc# 675002024 Required Corrective Action (s) items noted in previous inspections have not been satisfied.
Vegetation in tank containment.
Tank lable is faded

Location

| | | | |
|--------------------|--|-------|------------|
| Lease Road: | | | |
| Type | Access | | |
| comment: | No maintenance has been made to access road. See photos 23,24,25 and 26 | | |
| Corrective Action: | Corrective Action Repair and maintain lease road to comply with rule 204 | Date: | 09/02/2019 |

Overall Good:

| | | | |
|----------------------|---|-------|------------|
| Signs/Marker: | | | |
| Type | WELLHEAD | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | BATTERY | | |
| Comment: | No Battery sign posted at entrance or at tank battery. See photos 2,3 and 4 | | |
| Corrective Action: | Install sign to comply with Rule 210.b | Date: | 09/02/2019 |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

| | | | |
|----------------------------------|-----|--|-------------|
| Emergency Contact Number: | | | |
| Comment: | 911 | | |
| Corrective Action: | | | Date: _____ |

| | | | |
|---------------------------|---|-------|------------|
| Good Housekeeping: | | | |
| Type | OTHER | | |
| Comment: | Stained soil by Pump Jack See photos 10 and 11 | | |
| Corrective Action: | Comply with Rule 603.f . | Date: | 09/02/2019 |
| Type | DEBRIS | | |
| Comment: | Debris on and around location. See photos 2 and 3 | | |
| Corrective Action: | Comply with Rule 603.f . | Date: | 08/10/2019 |
| Type | TRASH | | |
| Comment: | Trash on and around location location. See photos 6,7,8 and 9 | | |
| Corrective Action: | Comply with Rule 603.f . | Date: | 08/10/2019 |

Overall Good:

| | | | |
|----------------|------|--------|--|
| Spills: | | | |
| Type | Area | Volume | |

In Containment: No _____
 Comment: _____
 Multiple Spills and Releases?

| | | | |
|------------------|-----------|--|--|
| Fencing/: | | | |
| Type | PUMP JACK | | |

| | | |
|--------------------|--|-------|
| Comment: | | |
| Corrective Action: | | Date: |

| Equipment: | | corrective date |
|-----------------------------------|--|-----------------|
| Type: Other | # 1 | |
| Comment: | white un-marked tank (looks like a Propane tank) | |
| Corrective Action: | | Date: |
| Type: Bird Protectors | # 1 | |
| Comment: | | |
| Corrective Action: | | Date: |
| Type: Bradenhead | # 0 | |
| Comment: | | |
| Corrective Action: | | Date: |
| Type: Deadman # & Marked | # 4 | |
| Comment: | | |
| Corrective Action: | | Date: |
| Type: Gas Meter Run | # 1 | |
| Comment: | | |
| Corrective Action: | | Date: |
| Type: Horizontal Heated Separator | # 1 | |
| Comment: | | |
| Corrective Action: | | Date: |

Tanks and Berms:

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--------------------|---|----------|-----------|---------|--------|
| PRODUCED WATER | 1 | 300 BBLs | STEEL AST | | , |
| Comment: | | | | | |
| Corrective Action: | | | | | Date: |

Paint

| | |
|------------------|----------|
| Condition | Adequate |
| Other (Content) | |
| Other (Capacity) | |
| Other (Type) | |

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|--------------------|----------|---------------------|---------------------|-------------|
| Earth | Adequate | Walls Sufficient | Base Sufficient | Adequate |
| Comment: | | | | |
| Corrective Action: | | | | Date: |

Venting:

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

| | | | |
|--------------------|--|-------|--|
| Corrective Action: | | Date: | |
|--------------------|--|-------|--|

Flaring:

| | | | |
|--------------------|--|-------|--|
| Type | | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

Inspected Facilities

Facility ID: 222107 Type: WELL API Number: 077-08709 Status: SI Insp. Status: SI

Idle Well

Purpose: Shut In Temporarily Abandoned Reminder: _____

Comment:

Corrective Action:

Date: _____

Reclamation - Storm Water - Pit

Storm Water:

| Loc Erosion BMPs | BMP Maintenance | Lease Road Erosion BMPs | Lease BMP Maintenance | Chemical BMPs | Chemical BMP Maintenance | Comment |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| | | | | | | |

Comment: Stormwater erosion not being controlled on the location at this time. BMP's need repaired or are not being maintained. Erosion is evident along un-stabilized slope on all sides of location. Sediment is moving off location and choking out vegetation. See photos 12 through 19 Erosion channel formed due to erosion on the North and East sides of location. No BMP's in place to slow movent and capture sediment. See photos 20,21 and 22

Corrective Action: Install or repair required BMPs per Rule 1002.f.

Date: 09/02/2019

Pits: NO SURFACE INDICATION OF PIT

COGCC Comments

| Comment | User | Date |
|---|----------|------------|
| <p>On (Thursday) (8/1/19) at approximately (1405), I, Inspector Dougo Wentzel, conducted a (Routine FIU General Field Re-Inspection) at (Maralex) (Sulfer Gulch), (API #077-08709) in (Mesa) Colorado. While there, I observed (A Production Operation only.) During this inspection compliance issues were observed: No Battery sign at tank battery or at entrance. See photos 1,2,3 and 4 Weeds and Debris are on and around location. See photos 1 and 2 Trash on location . See photos 6,7,8 and 9 Stained soil on location. See photos 10 and 11. Stormwater issues were observed: Erosion channels and rilling on the North and East sides of location. No BMP's in place to slow water and catch sediment. See Photos 20,21 and 22 Erosion is evident along un-stabilized slopes on all sides of location. See photos 12 through 19 Access road has deep ruts and sediment is running off location down road. See photos 23,24,25 and 26. (Refer to Corrective Action Matrix for comments, corrective actions, and corrective action date). Refer to photograph of observed. compliance issue. A follow up on this site inspection will be conducted to ensure the compliance issues have been corrected to comply with COGCC Rules. (if correction actions are identified) This is a summary of inspection report.</p> | wentzeld | 08/01/2019 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|-----------------------------|---|
| 696600431 | Inspection 696600429 photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4898756 |