

**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:

07/14/2020

Submitted Date:

07/14/2020

Document Number:

699801440

FIELD INSPECTION FORM
 Loc ID 312609 Inspector Name: De Paolo, Corey On-Site Inspection ☐ 2A Doc Num:
Operator Information:

OGCC Operator Number: 53255

Name of Operator: MARALEX RESOURCES INC

Address: P O BOX 338

City: IGNACIO State: CO Zip: 81137

Status Summary:

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

Findings:

8 Number of Comments

5 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 |
|-----------------|-------|----------------------------------|---------|
| , BLM | | jbyers@blm.gov | |
| , Engineering | | dnr_cogccengineering@state.co.us | |
| Jordan, Reid | | maralextechjr@gmail.com | |
| Graves, Jim | | mrinc20@maralexinc.com | |
| Kellerby, Shaun | | shaun.kellerby@state.co.us | |
| Pesicka, Conor | | conor.pesicka@state.co.us | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|------------------------|-------------|
| 222011 | WELL | SI | 05/01/2012 | GW | 077-08613 | SOUTH SHALE RIDGE 7-24 | SI |

General Comment:**COGCC Inspection Report Summary**

On Tuesday 7/14/20 at approximately 14:30 hours, I, Inspector Corey De Paolo, Conducted a follow up inspection at MARALEX RESOURCES INC SOUTH SHALE RIDGE-68S98W /24SWNE, Location #312609 in Mesa County Colorado.

Refer to document #699800918 inspection conducted on 4/15/20. Not all previous corrective actions have been completed.

While there, I observed normal production operations.

During this inspection the following possible compliance issues were observed: No battery sign on location. With a corrective action date of 10/14/20. Tank capacity and contents not legible. See photo #0973 and #1526 with a previous corrective action date of 6/15/20. Multiple places with debris on location. See photo #0974, #1527, #0975 and #1528 with a previous corrective action date of 4/22/20. Unused equipment on location. See photo #0977 and #1529 with a previous corrective action date of 4/30/20. MIT required on well. With a previous corrective action date of 5/15/20.

A follow up on this site inspection needs to be conducted to ensure the Compliance issues have been corrected to comply with COGCC rules.

This is a summary of inspection report.

| Location | | | |
|--|---|--------|------------------|
| Lease Road: | | | |
| Type | Access | | |
| comment: | | | |
| Corrective Action | L | | Date: |
| Overall Good: <input checked="" type="checkbox"/> | | | |
| Signs/Marker: | | | |
| Type | WELLHEAD | | |
| Comment: | | | |
| Corrective Action: | | | Date: |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | Tank capacity and contents not legible. See photo #0973 and #1526 | | |
| Corrective Action: | All tanks with a capacity of ten (10) barrels or greater shall be label with tank capacity and contents. Properly label tank. | | Date: 06/15/2020 |
| Type | BATTERY | | |
| Comment: | No battery sign on location. | | |
| Corrective Action: | Within sixty (60) days after the installation of a battery, a permanent sign shall be located at the battery. Install battery sign. | | Date: 10/14/2020 |
| Emergency Contact Number: | | | |
| Comment: | 970-858-8550 | | |
| Corrective Action: | | | Date: _____ |
| Good Housekeeping: | | | |
| Type | DEBRIS | | |
| Comment: | Multiple places with debris on location. See photo #0974, #1527, #0975 and #1528 | | |
| Corrective Action: | Production facilities, shall be kept free of weeds and rubbish. Remove all debris from location. | | Date: 04/22/2020 |
| Type | UNUSED EQUIPMENT | | |
| Comment: | Unused equipment on location. See photo #0977 and #1529 | | |
| Corrective Action: | production facilities, shall be kept free of equipment and supplies not necessary for use on that lease. Remove unused equipment from location. | | Date: 04/30/2020 |
| Overall Good: <input type="checkbox"/> | | | |
| Spills: | | | |
| Type | Area | Volume | |
| In Containment: No | | | |
| Comment: _____ | | | |
| <input type="checkbox"/> Multiple Spills and Releases? | | | |
| Equipment: | | | |
| Type: Gas Meter Run | # 1 | | corrective date |
| Comment: | | | |
| Corrective Action: | | | Date: |
| Type: Plunger Lift | # 1 | | |
| Comment: | | | |

| | | | |
|--------------------------|-----|-------|--|
| Corrective Action: | | Date: | |
| Type: Pump Jack | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Vertical Separator | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Bird Protectors | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Deadman # & Marked | # 2 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

Tanks and Berms:

| | | | | | | |
|--------------------|------------------------------------|----------|----------------|---------|--------|--|
| Contents | # | Capacity | Type | Tank ID | SE GPS | |
| PRODUCED WATER | 1 | OTHER | FIBERGLASS AST | | , | |
| Comment: | Capacity and contents not labeled. | | | | | |
| Corrective Action: | | | | | Date: | |

Paint

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

Berms

| | | | | | |
|--------------------|----------|---------------------|---------------------|-------------|--|
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance | |
| | | | | | |
| Comment: | | | | | |
| Corrective Action: | | | | Date: | |

Venting:

| | | | |
|--------------------|----|-------|--|
| Yes/No | NO | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

Flaring:

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

Inspected FacilitiesFacility ID: 222011 Type: WELL API Number: 077-08613 Status: SI Insp. Status: SI**Idle Well**Purpose: ☒ Shut In ☐ Temporarily Abandoned

Reminder: _____

Comment: Last produced April 2010. Last MIT preformed on 2/19/15.Corrective Action: A mechanical integrity test shall be performed on each shut-in well on 5 year intervals from the date the initial mechanical integrity test was performed. Preform MIT on well.Date: 05/15/2020

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

| Loc Erosion BMPs | BMP Maintenance | Lease Road Erosion BMPs | Lease BMP Maintenance | Chemical BMPs | Chemical BMP Maintenance | Comment |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| Berms | | | | | | |
| Ditches | | | | | | |
| | | Culverts | | | | |
| | | Ditches | | | | |
| | | Berms | | | | |

Comment: 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 |
|--------------|-----------------------------|---|
| 402444302 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5197116 |
| 699801440 | INSPECTION APPROVED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5210080 |
| 699801441 | Photos for Insp. #699801440 | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5208212 |