

**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:

09/11/2016

Submitted Date:

09/18/2016

Document Number:

675000011

**FIELD INSPECTION FORM**Loc ID 312484 Inspector Name: ANDREWS, DAVE 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:**

9 Number of Comments

2 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
Kellerby, Shaun		shaun.kellerby@state.co.us	COGCC Field Inspection Supervisor
Conklin, Curtis		curtis.conklin@state.co.us	COGCC Field Inspector
O'Hare, Mickey	(970) 563-4000/ (719) 429-3529	amohare@maralexinc.com	All Inspections
Tahmahkera, Kerry		MaralexTech@gmail.com	Production Technician

**Inspected Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
221752	WELL	SI	11/24/1982	GW	077-08354	KNOX 19-1	TA

**General Comment:**

Engineering Complaint Response related to well operations: Received a call from an offset landowner the evening of 9/9/2016, concerned about an on-going workover operation in preparation for an MIT. Landowner indicated that an MIT had failed. Advised landowner that MIT had been delayed and that approval is not required for some workovers. Advised landowner that cement operations or casing repairs require prior COGCC approval. COGCC mineral owner map showed well as Federal. Called landowner on 9/10/2016 to update progress of COGCC file review. Called BLM on 9/11/2016 for confirmation of mineral ownership. BLM indicated that well is in a Federal unit but has Fee minerals. Received a call from the offset landowner on 9/11/2016, indicating that casing was being hauled to the location. COGCC visited location on 9/11/2016 to observe operations. Dave Andrews met with Jim Graves on location. Mr Graves indicated that the upper +/- 800 feet of production casing was being replaced and that a new cement bond log had been run. Mr Andrews informed Mr Graves that prior COGCC Engineering staff approval is required for casing repairs and cement operations. Mr Andrews requested copies of the daily reports for this operation and the cement bond log (emailed by Maralex staff later in the week with an update on 9/15/2016). This field inspection report entered on 9/18/2016 with no additional updates since 9/15/2016.

**Location**Overall Good: ☐

Emergency Contact Number:

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

Type	Area	Volume			

In Containment: No

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

Yes/No			
Comment:			
Corrective Action:		Date:	

**Flaring:**

Type		
Comment:		
Corrective Action:		Date:

**Location Construction**

Location ID: 221752

Lease Road Adeq.: \_\_\_\_\_ Pads: \_\_\_\_\_ Soil Stockpile: \_\_\_\_\_ CDP: \_\_\_\_\_

Comment: \_\_\_\_\_

Corrective Action: \_\_\_\_\_ Date: \_\_\_\_\_

**Form 2A COAs:**

**Comment:** \_\_\_\_\_

Corrective Action: \_\_\_\_\_ **Date:** \_\_\_\_\_

**Wildlife BMPs:**

**Comment:** \_\_\_\_\_

Corrective Action: \_\_\_\_\_ **Date:** \_\_\_\_\_

**Comment:** \_\_\_\_\_

**Corrective Action:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**On Site Inspection (305):**

Surface Owner Contact Information:

Name: \_\_\_\_\_ Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Cell Phone: \_\_\_\_\_

Operator Rep. Contact Information:

Landman Name: \_\_\_\_\_ Phone Number: \_\_\_\_\_

Date Onsite Request Received: \_\_\_\_\_ Date of Rule 306 Consultation: \_\_\_\_\_

Request LGD Attendance: \_\_\_\_\_

LGD Contact Information:

Name: \_\_\_\_\_ Phone Number: \_\_\_\_\_ Agreed to Attend: \_\_\_\_\_

Summary of Landowner Issues:

\_\_\_\_\_

Summary of Operator Response to Landowner Issues:

\_\_\_\_\_

Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:

\_\_\_\_\_

**Inspected Facilities**Facility ID: 221752 Type: WELL API Number: 077-08354 Status: SI Insp. Status: TA**Complaint**

Comment: Concern from offset landowner regarding operations (access through the offset landowner's property is required to get to the pad). No formal complaint filed, but landowner concerned with casing integrity and on-going operations that commenced earlier in the month.

Corrective Action: Required Daily Reports for this operation (submitted by operator through 9/15/2016 as of 9/16/2015).

Date: 09/16/2016

**Workover**

Comment: Mr. Graves indicated that operator was replacing +/- 800 feet of production casing.

After COGCC Engineering review of Daily Reports: MIRU 9/1/2016; Set RBP at 5814' and "determined that well has bad casing from 830' to 450'" on 9/7/2016; Ran CBL and tested casing with packer to determine "casing tests good from surface to 450', casing fails from 450' to 510', casing tests good from 510' to 683', casing fails from 683' to 796' and casing tests good from 796' to RBP at 5814'" on 9/8/2016; Spotted 20' sand on top of RBP and cut production casing at 806' on 9/9/2016; Casing free on 9/10/2016 after working casing; Pulled 806' casing then tagged fill at 504' on 9/11/2016 (date of this COGCC Engineering field inspection); and working back in hole with new casing 9/12/2016 through 9/15/2016.

Estimated logger top of cement at 1230' (9/8/2016 log) - in Wasatch Formation.

Corrective Action: Required Daily Reports and cement bond log for this operation (submitted by operator through 9/15/2016 as of 9/16/2015).

Date: \_\_\_\_\_

**Environmental****Spills/Releases:**

Type of Spill:	_____	Estimated Spill Volume:	_____
Comment:	_____		
Corrective Action:	_____		Date: _____
Reportable:	_____	GPS: Lat _____	Long _____
Proximity to Surface Water:	_____	Depth to Ground Water:	_____

**Water Well:**

		Lat	Long
DWR Receipt Num:	_____	Owner Name:	_____
		GPS :	_____

**Field Parameters:**

\_\_\_\_\_

Sample Location:	_____	Comment:	_____
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**Spill/Remediation:**

Comment:	_____		
Corrective Action:	_____	Date:	_____

Emission Control Burner (ECB):	_____
Comment:	_____
Pilot:	_____
Wildlife Protection Devices (fired vessels):	_____

**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 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

Comment:

Corrective Action:

Date:

**Pits:** ☐ NO SURFACE INDICATION OF PIT

**COGCC Comments**

Comment	User	Date
<p>Follow-up inspection required when ready for MIT after replacing upper 806 feet of production casing. Two other COGCC field inspections entered for field inspections on 9/12/2016 (#675203274) and 9/15/2016 (#675203275) after this field inspection report was generated. This engineering field inspection on 9/11/2016 was to contact operator and observe workover operations only. No other inspection activities performed.</p> <p>Summary of Operator Contacts with COGCC Field Inspector prior to this engineering field inspection:</p> <p>Original MIT Form 42 received 8/8/16 for 8/19/16 test. COGCC Field Inspector sent MIT response form that COGCC would witness.</p> <p>8/15/16 received e-mail from production tech that Form 42 Update had been submitted to change MIT to 8/29/16. COGCC Field Inspector responded that he would not be able to witness that test on 8/29/16.</p> <p>9/1/16 COGCC Field Inspector received Text and Voicemail from Jim Graves saying they were moving onto location.</p> <p>9/2/16 COGCC Field Inspector received text from Jim Graves that operations had been suspended till after Labor Day holiday.</p> <p>9/6/16 COGCC Field Inspector received e-mail about moving MIT to 9/8/16. COGCC Field Inspector responded that he would be there to witness.</p> <p>9/7/16 COGCC Field Inspector received text from Jim Graves that they had discovered a casing leak.</p> <p>9/8/16 COGCC Field Inspector spoke with Jim Graves on the phone at 5:04 pm to see if repairs had been made. He said he was working with his engineers to come up with solution, and postponed the MIT scheduled for 9/8/16 until repairs could be made.</p>	andrewd	09/18/2016

**Attached Documents**

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

Document Num	Description	URL
675000011	INSPECTION APPROVED	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3953957">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3953957</a>