



COLORADO
Oil & Gas Conservation
Commission

Department of Natural Resources

1120 Lincoln Street, Suite 801
Denver, CO 80203

February 26, 2019

Maralex Resources, Inc.
Attn: A.M. O'Hare, President
P.O. Box 338
Ignacio, CO 81137

Via Certified Mail (7016 2070 0000 4662 0951) and email to amohare@maralexinc.com

Re: Commission Order 1V-609 - Notification of Demand for Payment

Mr. O'Hare,

On December 12, 2016, the Colorado Oil and Gas Conservation Commission ("Commission") entered Order 1V-609 ("Order"), against Maralex Resources, Inc. ("Maralex") (Operator No. 53255). The Order required that Maralex plug and abandon or successfully perform a mechanical integrity test ("MIT") at sixteen Noncompliant Wells or demonstrate that Maralex spent \$1,305,000 in verified expenses toward plugging and abandoning or successfully MITing Noncompliant Wells in 2018. (Order, pg. 3). In correspondence with COGCC Enforcement Staff, Maralex admitted to spending only \$287,024.60 in compliance expenses, plugging and abandoning just two wells, and MITing only three wells in 2018 - violating Order 1V-609. The Order provided that upon Maralex's failure to fulfill the obligations summarized above, Maralex will pay a \$30,000 penalty for each Noncompliant Well where Maralex failed to complete the obligations summarized above, without further action from the Commission. (Order, pg. 4).

Therefore, pursuant to Order 1V-609, this letter constitutes written demand for payment of \$330,000. The Order provides that Maralex will pay any penalty due within 90 days after service of the Director's demand for payment pursuant to Rule 521. (Order, pg. 4). Should you have any questions, please contact Jeremy Ferrin, COGCC Enforcement Supervisor.

Sincerely,

Jeff Robbins
Acting Director

P 303.894.2100 F 303.894.2109 www.colorado.gov/cogcc

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