

**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:

04/14/2020

Submitted Date:

04/14/2020

Document Number:

699800907

FIELD INSPECTION FORMLoc ID 312511 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:**

12 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
Graves, Jim		mrinc20@maralexinc.com	
Kellerby, Shaun		shaun.kellerby@state.co.us	
Pesicka, Conor		conor.pesicka@state.co.us	
, Engineering		dnr_cogccengineering@state.co.us	
Jordan, Reid	970-563-4000	maralextechjr@gmail.com	Ignacio

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
221818	WELL	SI	09/01/1989	GW	077-08420	FEDERAL 35-2	TA

General Comment:**COGCC Inspection Report Summary**

On Tuesday 4/14/20 at approximately 11:30 hours, I, Inspector Corey De Paolo, Conducted an on-site inspection at MARALEX RESOURCES INC FEDERAL-68S98W /35SENW, Location #312511 in Mesa County Colorado.

While there, I observed normal production operations.

During this inspection the following possible compliance issues were observed: Debris inside both pits. See photo #0962 and #0963 with a corrective action date of 4/21/20. Multiple flowline risers not LO/TO. See photo #0964 and #0965 with a corrective action date of 4/15/20. MIT required on well. With a corrective action date of 5/14/20. No pit permit on record for both pits. With a corrective action date of 4/29/20. No netting on pits. See photo #0962 and #0963 with a corrective action date of 4/24/20.

While there I spoke with Jim Graves from Maralex resources. Jim was hooking up a test separator to test the well to see if it was capable of production.

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:
Emergency Contact Number:			
Comment:	911		
Corrective Action:			Date: _____
Good Housekeeping:			
Type	UNUSED EQUIPMENT		
Comment:	Multiple flowline risers not LO/TO. See photo #0964 and #0965		
Corrective Action:	Flow line risers not LO/TO or marked are considered unused equipment. Properly lock out tag out or plug flow line risers.		Date: 04/15/2020
Type	DEBRIS		
Comment:	Debris inside both pits. See photo #0962 and #0963		
Corrective Action:	Production facilities, shall be kept free of weeds and rubbish. Remove debris from location.		Date: 04/21/2020
Overall Good: <input checked="" type="checkbox"/>			
Spills:			
Type	Area	Volume	
In Containment: No _____			
Comment: _____			
<input type="checkbox"/> Multiple Spills and Releases?			
Fencing/:			
Type	PIT		
Comment:	Hog panels		
Corrective Action:			Date:
Type	WELLHEAD		
Comment:	Pipe rail fence		
Corrective Action:			Date:
Equipment:			
Type: Gas Meter Run	# 1		corrective date
Comment:			
Corrective Action:			Date:
Type: Ancillary equipment	# 1		

Comment: Test separator mounted on trailer.			
Corrective Action:		Date:	
Type: Plunger Lift	# 1		
Comment:			
Corrective Action:		Date:	

Venting:

Yes/No	NO		
Comment:			
Corrective Action:		Date:	

Flaring:

Type		
Comment:		
Corrective Action:		Date:

Inspected FacilitiesFacility ID: 221818 Type: WELL API Number: 077-08420 Status: SI Insp. Status: TA**Idle Well**Purpose: ☐ Shut In ☒ Temporarily Abandoned Reminder: _____Comment: Well last produced prior to 1999. No MIT on record.Corrective Action: All temporarily abandoned wells shall pass a mechanical integrity test. Preform MIT on well.Date: 05/14/2020

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

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
		Culverts				
		Compaction				
		Gravel				
		Ditches				
Ditches						
Berms						
Compaction						
Gravel						

Comment: Corrective Action: Date: **Pits:** ☐ NO SURFACE INDICATION OF PITType: BlowdownLined: NOPit ID: Lat: Long: Reference Point: Other: Length: Width: **Lining:**Liner Type: Liner Condition: Comment: No pit permit on record for both pits.Corrective Action: Submit an eForm 15 Pit Report to update COGCC records with current information.Date: 04/29/2020**Fencing:**Fencing Type: LivestockFencing Condition: AdequateComment: Corrective Action: Date: **Netting:**Netting Type: Netting Condition: Comment: No netting on pits. See photo #0962 and #0963Corrective Action: The operator shall take precautions to prevent significant adverse impacts to environment and wildlife resources. Add netting to pits.Date: 04/24/2020Anchor Trench Present: Oil Accumulation: NO2+ feet Freeboard: YESComment: Corrective Action: Date: **COGCC Comments**

Comment	User	Date
<u>No tank battery on location.</u>	depaoloc	04/14/2020

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

Document Num	Description	URL
402371027	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5124131
699800909	Photos for Insp. #699800907	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5124127