

**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:

05/21/2020

Submitted Date:

05/21/2020

Document Number:

699801146

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:

11 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 | |
| , BLM | | jbyers@blm.gov | |
| Jordan, Reid | | maralextechjr@gmail.com | |
| Pesicka, Conor | | conor.pesicka@state.co.us | |
| , Engineering | | dnr_cogccengineering@state.co.us | |
| Kellerby, Shaun | | shaun.kellerby@state.co.us | |

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 Thursday 5/21/20 at approximately 13:00 hours, I, Inspector Corey De Paolo, Conducted a follow up inspection at MARALEX RESOURCES INC FEDERAL-68S98W /35SENW, Location #312511 in Mesa County Colorado.

Refer to document #699800907 inspection conducted on 4/14/20. 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: Debris inside both pits. See photo #0962, #1243, #0963 and #1244 with a corrective action date of 4/21/20. Multiple flow line risers not LO/TO. See photo #0964, #1245, #0965, and #1246 with a corrective action date of 4/15/20. Unused meter run. See photo #1247 with a corrective action date of 8/21/20. 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.

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 | BATTERY | | |
| Comment: | No tank battery on location | | |
| Corrective Action: | | Date: | |
| Type | WELLHEAD | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Emergency Contact Number: | | | |
| Comment: | 911 | | |
| Corrective Action: | | Date: | |
| Good Housekeeping: | | | |
| Type | STORAGE OF SUPL | | |
| Comment: | Unused meter run. See photo #1247 | | |
| Corrective Action: | Production facilities, shall be kept free of equipment and supplies not necessary for use on that lease. Remove unused meter run from location. | Date: | 08/21/2020 |
| Type | DEBRIS | | |
| Comment: | Debris inside both pits. See photo #0962, #1243, #0963, and #1244 | | |
| Corrective Action: | Production facilities, shall be kept free of weeds and rubbish. Remove debris from location. | Date: | 04/21/2020 |
| Type | UNUSED EQUIPMENT | | |
| Comment: | Multiple flowline risers not LO/TO. See photo #0964, #1245, #0965 and #1246 | | |
| 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 |
| Overall Good: <input type="checkbox"/> | | | |
| Spills: | | | |
| Type | Area | Volume | |
| In Containment: No | | | |
| Comment: | | | |
| <input type="checkbox"/> Multiple Spills and Releases? | | | |
| Fencing/: | | | |
| Type | WELLHEAD | | |
| Comment: | Pipe rail fence | | |
| Corrective Action: | | Date: | |
| Type | PIT | | |
| Comment: | Hogg panels | | |

| | | | |
|---------------------|-----|-----------------|-------|
| Corrective Action: | | Date: | |
| Equipment: | | corrective date | |
| Type: Plunger Lift | # 1 | | |
| Comment: | | | |
| Corrective Action: | | | Date: |
| Type: Gas Meter Run | # 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: 05/15/2020

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

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

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: Corrective Action: Date: Anchor Trench Present: NOOil Accumulation: NO2+ feet Freeboard: YESComment: Corrective Action: Date: **COGCC Comments**

| Comment | User | Date |
|--|----------|------------|
| <u>Tank battery has been removed from location</u> | depaoloc | 05/21/2020 |

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

| Document Num | Description | URL |
|--------------|----------------------|---|
| 402404648 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5157394 |

| | | |
|-----------|--------------------------------|---|
| 699801147 | Photos for Insp. #699801146 | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5157388 |
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