

**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:

699801438

FIELD INSPECTION FORM

Loc ID Inspector Name: On-Site Inspection ☐
 312601 De Paolo, Corey 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

4 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 | |
| Kellerby, Shaun | | shaun.kellerby@state.co.us | |
| Graves, Jim | | mrinc20@maralexinc.com | |
| Pesicka, Conor | | conor.pesicka@state.co.us | |
| Jordan, Reid | | maralextechjr@gmail.com | |
| , Engineering | | dnr_cogccengineering@state.co.us | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|------------------------|-------------|
| 221999 | WELL | SI | 05/01/2010 | GW | 077-08601 | SOUTH SHALE RIDGE 4-13 | SI |

General Comment:**COGCC Inspection Report Summary**

On Tuesday 7/14/20 at approximately 13:30 hours, I, Inspector Corey De Paolo, Conducted a follow up inspection at MARALEX RESOURCES INC SOUTH SHALE RIDGE-68S98W /13NWNW, Location #312601 in Mesa County Colorado.

Refer to document #699800920 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 not labeled. See photo #0979 and #1522 with a previous corrective action date of 6/15/20. Multiple places with debris on location. See photo #0980, #1524, #0981 and #1523 with a previous corrective action date of 4/22/20. 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 not labeled. See photo #0979 and #1522 | | |
| Corrective Action: | All tanks with a capacity of ten (10) barrels or greater shall be label with tank capacity. 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: | 911 | | |
| Corrective Action: | | | Date: _____ |
| Good Housekeeping: | | | |
| Type | UNUSED EQUIPMENT | | |
| Comment: | Location is being used for a storage facility. BLM Storage ROW SERIAL NUMBER COC-64694 is on record. | | |
| Corrective Action: | | | Date: |
| Type | DEBRIS | | |
| Comment: | Multiple places with debris on location. See photo #0980, #1524, #0981 and #1523. | | |
| Corrective Action: | Production facilities, shall be kept free of weeds and rubbish. Remove all debris from location. | | Date: 04/22/2020 |
| 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 | # 2 | | corrective date |
| Comment: | | | |
| Corrective Action: | | | Date: |
| Type: Other | # | | |
| Comment: | Stored sucker rod and various piles of stored pipe. | | |

| | | | |
|-----------------------------------|-----|-------|--|
| Corrective Action: | | Date: | |
| Type: Pump Jack | # 5 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Plunger Lift | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Deadman # & Marked | # 3 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Vertical Separator | # 2 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Horizontal Heated Separator | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

Tanks and Berms:

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

Paint

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

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|--------------------|----------|---------------------|---------------------|-------------|
| Earth | Adequate | Walls Sufficent | Base Sufficent | Adequate |
| Comment: | | | | |
| Corrective Action: | | | Date: | |

Venting:

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

Flaring:

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

Inspected FacilitiesFacility ID: 221999 Type: WELL API Number: 077-08601 Status: SI Insp. Status: SI**Idle Well**Purpose: ☒ Shut In ☐ Temporarily Abandoned

Reminder: _____

Comment: Well last produced April 2010. Last MIT preformed on 2/16/15.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: 07/15/2020

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 | | | | | | |
| | | Berms | | | | |
| Ditches | | | | | | |
| | | Culverts | | | | |
| Waddles | | | | | | |
| | | Ditches | | | | |

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 |
|--------------|-----------------------------|---|
| 402444301 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5197115 |
| 699801438 | INSPECTION APPROVED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5210076 |
| 699801439 | Photos for Insp. #699801438 | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5208204 |