

**FORM
INSP**Rev
X/20**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:

05/13/2022

Submitted Date:

05/17/2022

Document Number:

699804508**FIELD INSPECTION FORM**Loc ID 322369 Inspector Name: De Paolo, Corey On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**OGCC Operator Number: 53255Name of Operator: MARALEX RESOURCES INCAddress: P O BOX 338City: IGNACIO State: CO Zip: 81137**Status Summary:**☐ THIS IS A FOLLOW UP INSPECTION☒ FOLLOW UP INSPECTION REQUIRED☐ NO FOLLOW UP INSPECTION REQUIRED**Findings:**20 Number of Comments12 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
Kellerby, Shaun		shaun.kellerby@state.co.us	
Burger, Craig		craig.burger@state.co.us	
Jordan, Reid		maralextechjr@gmail.com	
Graves, Jim		mrinc20@maralexinc.com	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
210371	WELL	TA	07/01/2021	GW	045-06127	RIFLE-BOULTON 1	TA

General Comment:

COGCC Inspection Report Summary

On Friday 5/13/22 at approximately 11:00 hours, I, Inspector Corey De Paolo,
Conducted an on-site inspection at MARALEX RESOURCES INC RIFLE-BOULTON-67S91W /23NWNW.

Location #322369 in Garfield County Colorado.

While there, I observed normal production operations.

During this inspection the following compliance issues were observed:

- 1) Information on battery sign inaccurate with a corrective action date of 6/13/22.
- 2) No wellhead sign located at the well head with a corrective action date of 6/13/22.
- 3) Local emergency contact number not posted with a corrective action date of 6/13/22.
- 4) Multiple trailers parked on location with a corrective action date of 6/13/22.
- 5) Multiple places with undesirable plant species encroaching on equipment with a corrective action date of 5/27/22.
- 6) Gas meter out of calibration with a corrective action date of 6/13/22.
- 7) Flowline improperly abandon with a corrective action date of 6/13/22.
- 8) Vent pipe on tank open ended with a corrective action date of 5/20/22.
- 9) Loadline open ended with a corrective action date of 5/20/22.
- 10) Secondary containment is not sufficiently impervious to contain spilled or released materials with a corrective action date of 6/13/22.
- 11) Last MIT performed 10/9/2014. No form 4 on record.
- 12) Natural gas from the bradenhead is being vented from the top of the tank. with a corrective action date of 5/18/22.

- Location is located in a high priority habitat area. Additionally the location is located approximately 150 yards from East Divide Creek. The nearest residence is approximately 200 yards from location.

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

Overall Good: ☒

Signs/Marker:			
Type	WELLHEAD		
Comment:	No wellhead sign located at the well head.		
Corrective Action:	A permanent sign will be conspicuously located at the wellhead.		Date: 06/13/2022
Type	BATTERY		
Comment:	Information on battery sign inaccurate.		
Corrective Action:	Within 60 days after the installation of a Tank battery, a permanent, conspicuous sign will provide the name of the Operator.		Date: 06/13/2022
Type	TANK LABELS/PLACARDS		
Comment:			
Corrective Action:			Date:

Emergency Contact Number:

Comment:	Local emergency contact number not posted.		
Corrective Action:	A permanent sign will be conspicuously located at the wellhead and will identify telephone number for local emergency services (911 where available).		Date: 06/13/2022

Good Housekeeping:

Type	WEEDS		
Comment:	Multiple places with undesirable plant species encroaching on equipment.		
Corrective Action:	Oil and Gas Locations will be kept free of all Undesirable Plant Species.		Date: 05/27/2022
Type	STORAGE OF SUPL		
Comment:	Multiple trailers parked on location.		
Corrective Action:	The storage, placement, or maintenance of equipment, vehicles, trailers, commercial products, Chemicals, drums, totes, Containers, materials, and all other supplies not necessary for use on an Oil and Gas Locations is prohibited.		Date: 06/13/2022

Overall Good: ☐**Spills:**

Type	Area	Volume		
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In Containment: No

Comment: ☐ Multiple Spills and Releases?**Fencing/:**

Type	TANK BATTERY		
Comment:	Hog panels		
Corrective Action:			Date:
Type	LOCATION		
Comment:	Barbed wire fence around location.		
Corrective Action:			Date:

Equipment:

Type: Other	# 1		corrective date
Comment:	Vent pipe on tank open ended.		

Corrective Action:	Operators will prevent and minimize adverse impacts to wildlife resources.		Date:	05/20/2022
Type: Bradenhead	# 1			
Comment:	The Bradenhead is connected to the tank with a one inch line. There is an in line regulator which has supply gas to it. The bradenhead is being vented to the tank through the line.			
Corrective Action:			Date:	
Type: Plunger Lift	# 1			
Comment:	Well on plunger lift			
Corrective Action:			Date:	
Type: Gas Meter Run	# 1			
Comment:	Gas meter out of calibration.			
Corrective Action:	Meters will be calibrated annually.		Date:	06/13/2022
Type: Flow Line	# 1			
Comment:	Flowline improperly abandon.			
Corrective Action:	Flowline risers will be cut 3' below grade.		Date:	06/13/2022
Type: Bradenhead	# 1			
Comment:				
Corrective Action:			Date:	
Type: Other	# 1			
Comment:	Loadline open ended.			
Corrective Action:	All loadlines will be bullplugged or capped.		Date:	05/20/2022

Tanks and Berms:

Contents	#	Capacity	Type	Tank ID	SE GPS
CONDENSATE	1	300 BBLs	STEEL AST		
Comment:	Due to the stair case appearing to be unstable and the large amount of VOC coming from the top of the tank. The fluid level of the tank had to be approximated using a GFX320 FLIR camera. Based on the difference in two spot temperatures the tank appears to be about 1/3 full of fluid.				
Corrective Action:					Date:

Paint

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

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Metal	Adequate	Walls Insufficient	Base Insufficient	Inadequate
Comment:	Secondary containment is not sufficiently impervious to contain spilled or released materials.			
Corrective Action:	Operators will design, construct, and maintain secondary containment.			Date:

Venting:

Yes/No		
Comment:		

Corrective Action:		Date:	
Flaring:			
Type			
Comment:			
Corrective Action:		Date:	

Inspected FacilitiesFacility ID: 210371 Type: WELL API Number: 045-06127 Status: TA Insp. Status: TA**Idle Well**Purpose: ☐ Shut In ☒ Temporarily Abandoned Reminder: _____Comment: Last MIT performed 10/9/2014. No form 4 on record.Corrective Action: A mechanical integrity test will be performed on each Temporarily Abandoned Well on 5 year intervals from the date of the initial mechanical integrity test was performed. Date: _____

Reclamation - Storm Water - Pit

Storm Water:

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

Comment: Location is over grown with vegetation. Little to no BMP implementation was visible.

Corrective Action:

Date:

Pits: ☒ NO SURFACE INDICATION OF PIT

Optical Gas Imaging SurveySurvey Type: RoutineCurrent Operations: ☒ Production ☐ Workover ☐ Flowback ☐ Referred to APCDGPS(entrance of location): Lat: 39.437740 Long: -107.528630Wind: Light Speed: 5 (mph) Direction From: West Weather: Clear Temperature: 70 (F)Assisting Staff: _____ Camera #: 2☐ Visible Smoke ☐ Referred to CDPHE

Times Surveyed

Equipment Surveyed

Time Survey Start	AM/PM	Time Survey End	AM/PM	Equipment
12:30	PM	13:30	PM	Water Tank(s)

Comment: Natural gas from the bradenhead is being vented from the top of the tank.Corrective Action: Venting of natural gas is prohibited. Submit Form 4 for review and approval to vent or flare.Date: 05/18/2022**COGCC Comments**

Comment	User	Date
<u>Refer to Signs/Markers, Equipment, OGIS and Related Facility for corrective actions.</u>	depaoloc	05/17/2022

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

Document Num	Description	URL
403052866	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5756646
699804509	Photos for Insp. #699804508	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5756642
699804510	OGIS of Location #322369	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5756643