

**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:

08/17/2023

Submitted Date:

08/22/2023

Document Number:

700300665

FIELD INSPECTION FORM

Loc ID 306805 Inspector Name: LABOWSKIE, STEVE On-Site Inspection 2A Doc Num: _____

Status Summary:

- THIS IS A FOLLOW UP INSPECTION
- FOLLOW UP INSPECTION REQUIRED
- NO FOLLOW UP INSPECTION REQUIRED

Operator Information:

OGCC Operator Number: 53255
Name of Operator: MARALEX RESOURCES INC
Address: P O BOX 338
City: IGNACIO State: CO Zip: 81137

Findings:

- 18 Number of Comments
- 10 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
,	970-563-4000	maralextech@gmail.com	All Inspections
Kosola, Jason		jason.kosola@state.co.us	
Ohare, Mickey	970-563-4000	amohare@maralexinc.com	President
O'hare		mollieo@maralex.com	San Juan inspections

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
267561	WELL	PR	08/05/2003	CBM	067-08800	MOLLIE CORYNNE 33-7-2 2A	TA
440997	WELL	AP	05/16/2022	LO	067-09925	Mollie Corynne 33-7-2 3C	DG

General Comment:

Floor-up inspection to 6/20/23 produicng well inspection in regards to tank labeling, integrity and spill response and bradenhead testing doc# 700300621. This inspection also includes drilling inspection of new wellbore 067-09925. No Form 42 MIRU received for start of drilling operations. Form 42 notice of spud was received on 8/15/23 for spud on 8/16 - 48 hours notice required.

Location was visited on 8/17 and 8/18 2023 while rig was drilling surface hole, no conductor or diverter was observed and fluid was coming out of wellbore and migrating around rig and mud pits and ultimately down county road.

On 8/17 fluid was observed coming off site and traveling down edge of county road.

On 8/18 fluid down road had been stopped. Drilling mud was observed off west edge of oad and going onto adjacent hay field.

On both days vehicle tracking of mud created on location from fluids micing with location material. On 8/18 refined oils/lubricants were observed wixing with other fluids oin pad.

Location

Overall Good:

Signs/Marker:			
Type	DRILLING/RECOMP		
Comment:			
Corrective Action:		Date:	
Type	TANK LABELS/PLACARDS		
Comment:			
Corrective Action:	Comply with Rule 605.h	Date:	07/21/2023
Type	DRILLING/RECOMP		
Comment:			
Corrective Action:		Date:	

Emergency Contact Number:			
Comment:			Date:
Corrective Action:			

Good Housekeeping:			
Type	OTHER		
Comment:	around around wellhead of producing well appears to not have been cleaned up, was given CA of 6/7/23 in previous inspection, no FIRR submitted		
Corrective Action:	Clean up impacted material	Date:	06/07/2023
Type	TRASH		
Comment:	Main trash bins bear reesistent. Smaller trash bins on rig observed overflowing		
Corrective Action:		Date:	
Type	WEEDS		
Comment:	Most of weeds removed as part of preparing location for drilling rig, a few weeds weeds still around pumping unit.		
Corrective Action:		Date:	

Overall Good:

Spills:			
Type	Area	Volume	
Other	Tank		
Comment:	leaking tanks identified in previous inspection still appear to have slow leaks and standing fluid beneath and down gradient from them, accumulations since 6/20/23 now at reportable (> than 1 bbl outside of containment (see photo docs and photos from previous producing well insepction)		
Corrective Action:	Clean up free fluids, stop leaks, File spill report and follow up with SW EPS Jason Kasola		Date: 08/24/2023
Other			
Comment:	Drilling mud/wellbore fluids mixed with non E&P waste on pad and migrating off west edge of pad (see photo docs)		
Corrective Action:	Prevent fluids from migrating off pad, employ spill response/maintnenace for non E&P wastes, file spill report and follow up with SW EPS Jason Kasola		Date: 08/24/2023

In Containment: No

Comment:

Multiple Spills and Releases?

Tanks and Berms:					
Contents	#	Capacity	Type	Tank ID	SE GPS
OTHER	5	400 BBLs	STEEL AST		,
Comment:					
Corrective Action: inspect, repair, maintain and paint tanks and valves per Rule 609, 608.e and 608.g and 1002.f. Provide written spill contingency plan required by 608.g as FIRR Submitt FIRR per Rule 210.b					Date: <u>07/21/2023</u>
Paint					
Condition	Inadequate				
Other (Content)					
Other (Capacity)					
Other (Type)					
Berms					
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Comment: No secondary containment					
Corrective Action: Install secondary containment 608.o					Date: <u>08/21/2023</u>
Venting:					
Yes/No	NO				
Comment:					
Corrective Action:					Date:
Flaring:					
Type					
Comment:					
Corrective Action:					Date:

Inspected Facilities

Facility ID: 267561 Type: WELL API Number: 067-08800 Status: PR Insp. Status: TA

Well Drilling

Rig: Rig Name: _____ Pusher/Rig Manager: _____
 Permit Posted: SATISFACTORY Access Sign: _____

Well Control Equipment:

Pipe Ram: _____ Blind Ram: _____ Hydril Type: _____
 Pressure Test BOP: _____ Test Pressure PSI: _____ Safety Plan: _____

Drill Fluids Management:

Lined Pit: _____ Unlined Pit: _____ Closed Loop: _____ Semi-Closed Loop: _____
 Multi-Well: _____ Disposal Location: _____

Comment: Drilling surface hole, no fluid management/controls or resonance observed, no diverter, no conductor observed, drill fluid coming to surface, mixing with other fluids from mud tanks and rig and flowing across location and onto hay field to west and down side of county road. (See photo doc 1 slides 7 thru 17)

Corrective Action: Immediately employ fluid controls of drilling fluid such as berming, diverting, suction hose, do not allow releases from wellbore to location. Clean up free fluids that have migrated across location and onto road and field. Date: 08/19/2023

Idle Well

Purpose: Shut In Temporarily Abandoned Reminder: _____

Comment: Separation equipment moved off to edge of location, 06767-08800 well is now in state of TA (can not readily be returned to production), MIYT required within 30 days if not brought back to production.

Corrective Action: Return to production or perform MIT per Rule 417.c Date: 09/22/2023

BradenHead

Date of Last Brhd Test: 07/22/2022 Annual Brhd Completed? No

Last Brhd Test Results Initial Surf Csg Pressure: 0 Fluid Type: NONE
 End Surf Csg Pressure: 0

Comment: more than year since last Form 17 Date: 08/21/2023

Corrective Action: perform and submit annual bradenhead test per Rules 419 and 420 Date: _____

Facility ID: 440997 Type: WELL API Number: 067-09925 Status: AP Insp. Status: DG

Well Drilling

Rig: Rig Name: _____ Pusher/Rig Manager: _____
 Permit Posted: SATISFACTORY Access Sign: _____

Well Control Equipment:

Pipe Ram: _____ Blind Ram: _____ Hydril Type: _____
 Pressure Test BOP: _____ Test Pressure PSI: _____ Safety Plan: _____

Drill Fluids Management:

Lined Pit: _____ Unlined Pit: _____ Closed Loop: _____ Semi-Closed Loop: _____
 Multi-Well: _____ Disposal Location: _____

Comment: Surface being drilled with no conductor, BOP or diverter. Fluids flowing from wellbore area, around rig and tanks and materials and down onto county road. Fluids observed mixing with lubricating oils or hydraulic fluid. Fluids creating mud which is then being tracked off site.

Corrective Action:

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
				Vehicle Tracking	Fail	mud tracked onto county road, no BMPs
				Self Inspection	Fail	
				Spill Response	Fail	

Comment: No perimeter berms, vehicle tracking pad/BMPs or spill response observed.(see photo doc 2 slides 4 thru 9)

Lubricants or hydraulic fluid observed in trenches and outside trenches without deployment of spill materials (see photo doc 2 slides 17 and 18)

No containment or spill prevention measures on bulk diesel fuel storage tank. (see photo doc 1 slide 7)

No spill prevention observed on portable toilets. (see photo doc 2 slide 20)

Corrective Action: Install vehicle tracking pad or equivalent BMPs and stop tracking onto county road.

Train crews and employ spill response measures to prevent any fluids migrating off site and chemical and material handling BMPs to prevent mixing of chemicals, materials and refined wastes such as motor oil, glycol and hydraulic fluid or impacting surface materials per Rule 1002.f

Install BMPs on portable toilets (staking down units and having adequate spill response on site is acceptable)

Date: _____

Pits: NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
Operators are required to submit Form FIRR in response to corrective actions issued on Commission inspections	labowsks	08/22/2023
No Form 42 in well file for MIRU.	labowsks	08/22/2023
Additional corrective action: retroactively submit electronic Form 42 for MIRU for day rig began moving in and rigging up per Rule 405.e		

Attached Documents

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

Document Num	Description	URL
700300666	PHOTO DOC 1 8/17/23 PICTURES	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6227729
700300667	PHOTO DOC 2 8/18/23 PICTURES	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6227730