

**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:

08/29/2023

Submitted Date:

09/05/2023

Document Number:

700300669

FIELD INSPECTION FORMLoc ID 306805 Inspector Name: LABOWSKIE, STEVE 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:

15 Number of Comments

8 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
O'Hare, Mickey	(970) 563-4000/ (719) 429-3529	amohare@maralexinc.com	All Inspections
, O'hare		mollieo@maralexinc.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:

Follow-up inspection to previous FIR doc # 70030665 on 8/29 & 30/2023. Fluids no longer going onto road and roadside ditch or adjacent field. Produced water tanks are labeled. Tanks still appear to have leaks and bare spots with visible corrosion, standing water below valves and around bases.

Coirrective action to install secondary containment not performed.

Corrective action to submit written spill contingency plan not performed.

Corrective action to install vehicle tracking BMPs not performed.

Corrective actio to train employees and contractors in spill response and prevention, maintenance and clean up and employ not perofrmed.

Corrective action to respond to corrective actions via FIRR Form not performed.

LocationOverall Good: ☐**Signs/Marker:**

Type	TANK LABELS/PLACARDS		
Comment:	tanks now labeled and palcard as "produced water", corrective action from previous inspection doc# 700300665 completed.		
Corrective Action:		Date:	
Type	WELLHEAD		
Comment:	producing well		
Corrective Action:		Date:	
Type	DRILLING/RECOMP		
Comment:			
Corrective Action:		Date:	

Emergency Contact Number:

Comment:	Called 970-563-4000 afternoon 8/30/23, phone was answered by receptionist. Message was taken from Compliance Supervisor who wasked to speak to someone with operational authority over the drilling operations about issues that had been observed recently. No call was returned was returned on 8/30 or thereafter.		
Corrective Action:	Fully comply with Rule 605.a by having calls returned by somone with knowledge of operations and operational authority.	Date:	

Good Housekeeping:

Type	OTHER		
Comment:	Impacted material still present at wellhead of 067-08800		
Corrective Action:	clean up impacted material at wellhead of 067-08800	Date:	06/07/2023

Overall Good: ☐**Spills:**

Type	Area	Volume		
Produced Water	Tank			
Comment:	All tanks now labeled as produced water, there is still standing free fluids in area immediately around north and west side of tanks, an earthen pile/berm has been placed on north side of tanks, no secondarey containment.			
Corrective Action:	Stop leaks, clean up free fluids, file spill report			Date: 08/24/2023
Other				
Comment:				
Corrective Action:	File spill report			Date: 08/24/2023

In Containment: No

Comment: See previous FIR doc #s, SW EPS stated that operator has contacted him by phone and as of 9/5/23 no Form 19s have been submitted.

☐ Multiple Spills and Releases?**Tanks and Berms:**

Contents	#	Capacity	Type	Tank ID	SE GPS	
PRODUCED WATER	5	400 BBLS	STEEL AST		,	
Comment:	No operator reply by FIRR, tank conditions appear similar as in other inspections.					

Corrective Action:	nspect, repair, maintain and paint (for condition, not visual impact) tanks and valves per Rule 609, 608.e and 608.g and 1002.f. Provide written spill contingency plan required by 608.g for all tanks including temporary tanks as FIRR Submitt FIRR per Rule 210.b	Date:	07/21/2023
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Paint

Condition	Inadequate	
Other (Content)		
Other (Capacity)		
Other (Type)		

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Comment:	tanks only partially bermed with loose, noit compacted earthen material			
Corrective Action:	Install secondary containment			Date:

Venting:

Yes/No	NO		
Comment:			
Corrective Action:		Date:	

Flaring:

Type		
Comment:		
Corrective Action:		Date:

Inspected FacilitiesFacility ID: 267561 Type: WELL API Number: 067-08800 Status: PR Insp. Status: TA**Idle Well**Purpose: ☐ Shut In ☒ Temporarily Abandoned Reminder: _____

Comment: _____

Corrective Action: _____ Date: _____

BradenHeadDate of Last Brhd Test: 07/22/2022 Annual Brhd Completed? NoLast Brhd Test Results Initial Surf Csg Pressure: 0 Fluid Type: NONEEnd Surf Csg Pressure: 0

Comment: _____

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: YES Blind Ram: YES Hydril Type: YES

Pressure Test BOP: _____ Test Pressure PSI: _____ Safety Plan: _____

Drill Fluids Management:Lined Pit: _____ Unlined Pit: _____ Closed Loop: YES Semi-Closed Loop: _____

Multi-Well: _____ Disposal Location: _____

Comment: _____

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	corrective action not completed, still no pad/bmps
Gravel	Pass			Self Inspection	Fail	
				Spill Response	Fail	no materials observed in areas with spilled oils
Compaction	Pass			Material Handling And Spill Prevention	Fail	drilling materials spilled onto ground

Comment: Refined oils (hydraulic fluid, motor oil) observed leaking from equipment such as fork lift and loader while in use, spreading streams of oil and creating puddles when stopped, also observed oil on county road (see photos 6, 7, 8). BMPs such as maintaining equipment to prevent leaks or cleaning up spills not observed, conditions observed on 8/29 still present on 8/30. Previous inspection required actions regarding spill response and training crews in self inspection, spill response and clean up.

Broken sacks of drilling materials observed with materials observed on ground. Some pallets shrink wrap broken with no spill prevention, chemical totes observed without spill prevention (see photos 3, 12, 14).

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

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
700300670	20230829 INSPECTION PHOTOS	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6241409