

**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:

10/01/2024

Submitted Date:

10/03/2024

Document Number:

700300752

FIELD INSPECTION FORMLoc ID 333566 Inspector Name: LABOWSKIE, STEVE On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**

ECMC 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:**

12 Number of Comments

2 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
Bechtolt, Phoebe		pbechtolt@maralexinc.com	
Longworth, Mike		michael.longworth@state.co.us	
Fischer, Alex		alex.fischer@state.co.us	
Kosola, Jason		jason.kosola@state.co.us	
, O'hare		mollieo@maralexinc.com	San Juan inspections

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
214932	WELL	PA	01/03/2022	GW	067-06537	SHELHAMMER 1	PA
429650	GAS COMPRESSOR STATION	CL	05/01/2023		-	SHELHAMMER COMPRESSOR	CL
477716	TANK BATTERY	AC	08/21/2020		-	Shelhammer CDP 2	AC

General Comment:

On Oct 1, 2024, Steve Labowskie, SW Compliance Supervisor conducted a inspection of Shelhammer 1 well and location. See "spills" and "final reclamation" sections for corrective actions. Well, facility and tank battery have not been adequately investigated, remediated or reclaimed as required by 900, 1000 and 1100 series rules.

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

Type	TANK LABELS/PLACARDS		
Comment:	Tanks appear empty/oos, should be marked/identified as empty		
Corrective Action:		Date:	
Type	OTHER		
Comment:	Well sign for Shelhammer 1 well appears to now be used to mark flowline risers		
Corrective Action:		Date:	

Emergency Contact Number:

Comment:

Corrective Action:

Date: _____

Overall Good: ☐**Spills:**

Type	Area	Volume		
Other	Tank			
Comment:	buried vessel with oily impacted material in area around tank. Tank removal and investigation is required, no observation port.			
Corrective Action:	Comply with Rules 912 and 913.c			Date: 10/04/2024

In Containment: No

Comment:

☐ Multiple Spills and Releases?**Equipment:**

Type: Flow Line	# 4		corrective date
Comment:			
Corrective Action:		Date:	

Tanks and Berms:

Contents	#	Capacity	Type	Tank ID	SE GPS	
OTHER	1	OTHER	Open Top		37.115514,-107.601367	
Comment:	Tank full of fluid which appears to include oily wastes and appears to have over flowed with oily impacted material around tankn (photo 12)					
Corrective Action:					Date:	

Paint

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

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance

Comment:		Buried vessel does not have inspection port to observe integrity between tank and liner						
Corrective Action:							Date:	
Contents	#	Capacity	Type	Tank ID	SE GPS			
PRODUCED WATER	3	400 BBLs	STEEL AST		37.115546,-107.601444			
Comment:		Infrared survey did not indicate a fluid level						
Corrective Action:							Date:	
Paint								
Condition	Inadequate							
Other (Content)								
Other (Capacity)								
Other (Type)								
Berms								
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance				
Earth	Adequate	Walls Sufficient	Base Sufficient	Adequate				
Comment:		Berms full of vegetation						
Corrective Action:							Date:	
Venting:								
Yes/No								
Comment:								
Corrective Action:						Date:		
Flaring:								
Type								
Comment:								
Corrective Action:						Date:		

Reclamation - Storm Water - Pit

Interim Reclamation:

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: _____

Comment: _____

1002 SITE PREPARATION AND STABILIZATION

1002a. FENCING _____

Comment _____

Corrective Action _____ Date _____

1002b. SOIL REMOVAL AND
SEGREGATION _____

Comment _____

Corrective Action _____ Date _____

1002c. PROTECTION OF SOILS _____

Comment _____

Corrective Action _____ Date _____

1002E. SURFACE DISTURBANCE MINIMIZATION _____

Comment _____

Corrective Action _____ Date _____

1003a. Waste and Debris removed? _____

Comment _____

Corrective Action _____ Date _____

Unused or unneeded equipment onsite? _____

Comment _____

Corrective Action _____ Date _____

Pit, cellars, rat holes and other bores closed? _____

Comment _____

Corrective Action _____ Date _____

Guy line anchors marked? _____

Comment _____

Corrective Action _____ Date _____

1003b. Area no longer in use? _____ Production areas stabilized ? _____

1003c. Compacted areas have been cross ripped? _____

1003d. Drilling pit closed? _____ Subsidence over on drill pit? _____

Cuttings management: _____

1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? _____

Production areas have been stabilized? _____ Segregated soils have been replaced? _____

RESTORATION AND REVEGETATIONCropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003e. INTERIM VEGETATION TRANSECT

TRANSECT RESULTS OF DISTURBED AREA% _____

TRANSECT RESULTS OF REFERENCE AREA% _____

TOTAL % OF DESIRABLE VEGETATION COVER _____

VEGETATIVE COVER _____

1003 f. Weeds Noxious weeds? _____

Comment _____

Corrective Action _____ Date _____

Overall Interim Reclamation

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: _____

Reminder: _____

Comment: _____

Well plugged Pass Pit mouse/rat holes, cellars backfilled Pass

Debris removed Fail No disturbance /Location never built _____

Access Roads Regraded _____ Contoured _____ Culverts removed _____

Gravel removed _____

Location and associated production facilities reclaimed Fail Locations, facilities, roads, recontoured _____

Compaction alleviation _____ Dust and erosion control _____

Non cropland: Revegetated 80% _____ Cropland: perennial forage _____

Weeds present Fail Subsidence _____

1004.d. FINAL VEGETATION TRANSECT

TRANSECT RESULTS OF DISTURBED AREA% _____

TRANSECT RESULTS OF REFERENCE AREA% _____

TOTAL % OF DESIRABLE VEGETATION COVER _____

VEGETATIVE COVER _____

Comment:

	<p>Gravel still present in areas around and nrth of monument, remants of gravel road coming in from NE, gravel and soil pile N of monument (photo 6). Vegetation appears to be predominately weeds and undesireable in area adjacent to monument (production area for Shelhammer 1 well).</p> <p>Compressor facilty decommisssioned in 2019. Well plugged 1/3/2022. On location flowline abandoned 2/27/2023.</p> <p>3 AST and 1 bureied vessel associated with compressor station still on location, not in use, not necessary for ongoing operations. Single riser with yellow barricades NE of monument (photo 7) and multiple flowlines and risers near tank battery. Impacted material around buried vessel, also observed within gravel piles in area where compressor was.</p>	
Corrective Action:	<p>Comply with all 900, 1000 and 1100 series rules. Immediately remove fluid from buried vessel and fluid filled spill prevention device. Remove all equipment, tanks, junk, trash and debris. Comply with any existing Form 27 COAs, File new and update existing spill reports and remediation plans. Follow up with environmental and integrity staff. Abandon flowlines. Clean up facility to comply with table 915-1 standards. Reclaim production area of PA well and facility 429650 and tank battery 4777716.</p>	Date _____
Overall Final Reclamation	Fail	Well Release on Active Location <input type="checkbox"/> Multi-Well Location <input type="checkbox"/>

Storm Water:

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
				Spill Response	Fail	
				Self Inspection	Fail	

Comment:	<p>In additon to not reclaiming and remediating location. Operator is not self inspecting or cleaning up area around buried vessel and former compressor station.</p> <p>Acess to facility also used and maintained by other operator producing adjacent wells</p>	
Corrective Action:		Date: _____

Pits: ☒ NO SURFACE INDICATION OF PIT

Optical Gas Imaging SurveySurvey Type: RoutineCurrent Operations: ☐ Production ☐ Workover ☐ Flowback ☐ Referred to APCD

GPS(entrance of location): Lat: _____ Long: _____

Wind: _____ Speed: _____ (mph) Direction From: _____ Weather: _____ Temperature: (F) _____

Assisting Staff: _____ Camera #: _____

☐ Visible Smoke ☐ Referred to CDPHE

Times Surveyed

Equipment Surveyed

Time Survey Start	AM/PM	Time Survey End	AM/PM
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Equipment

Flowline

Water Tank(s)

Comment: Conducted survey of tanks and flowlines with inter,itten breeze aprox. 2-4 mph. Tanks did not indicate a decrenable fluid level and did not appear to have emissions in high sensitivity mode. Flowlines did npt have any gas leak inidcations in high sensitivity mode.

Corrective
Action:

Date:

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

Document Num	Description	URL
403944261	INSPECTION SUBMITTED	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6731594
700300754	INSPECTION PHOTOS	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6731577