

BEFORE THE OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

IN THE MATTER OF ALLEGED VIOLATIONS OF THE RULES AND ) CAUSE NO. 1V  
REGULATIONS OF THE COLORADO OIL AND GAS )  
CONSERVATION COMMISSION BY **MARALEX RESOURCES, INC.** ) DOCKET NO. 1309-OV-21  
IN MESA AND GARFELD COUNTIES, COLORADO )  
)

NOTICE OF ORDER FINDING VIOLATION HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

Pursuant to Rule 522.c., the Colorado Oil and Gas Conservation Commission ("Commission" or "COGCC") Staff will apply to the Commission at its September 16-17, 2013, hearing for an Order Finding Violation ("OFV") against Maralex Resources, Inc., ("Maralex") (Operator No. 53255).

Maralex is the operator of record for the wells identified in Table 1 below.

All Table 1 wells except the Baldy Creek Unit 1-17 Well have never produced. The Baldy Creek Unit 1-17 Well last produced in September, 2009. None of the Table 1 wells have ever had mechanical integrity tests ("MIT's").

Rule 319 specifies requirements for temporarily abandoning wells. Wells may be temporarily abandoned for more than six months, only with approval of the Director, after application by the operator stating the reason for temporarily abandoning the well and stating future plans for the well. Wells not receiving approval for temporary abandonment, must be plugged and abandoned six months after last production.

Rule 326 requires shut-in wells to tested for mechanical integrity within two years of the initial shut-in date and every five years after the initial mechanical integrity test ("MIT").

COGCC Staff has issued Notices of Alleged Violations ("NOAV's") to Maralex as identified in Table 1.

TABLE 1

Well Name	API #	NOAV #	NOAV Date	Rule 319	Rule 326
Dome Albertson 1-32	05-077-08386	200382489	7/2/2013		X
Spears 2-36DF	05-045-06310	200382487	7/2/2013		X
Pavlakis 1-5 RR	05-077-08334	200382486	7/2/2013		X
Calf Canyon 23-4A	05-045-06336	200382157	7/2/2013	X	X
Calf Canyon 23-4	05-045-06134	200382156	7/2/2013		X
Calf Canyon 14-1	05-045-06011	200382155	7/2/2013		X
Knox #19-1	05-077-08354	200113570	6/26/2007		X
Bear Gulch 26-2	05-045-06286	200314127	6/29/2011	X	X
Baldy Creek Unit 1-17	05-045-06175	200382488	10/1/2011		X

Rule 523. specifies a base fine of One Thousand dollars (\$1,000) for each day of violation of Rules 319. and Rule 326.b. Rule 523.a.(3) specifies that the maximum penalty for any single violation shall not exceed \$10,000 regardless of the number of days of such violation, unless the violation results in significant waste of oil and gas resources, damage to correlative rights, or a significant adverse impact on public health, safety or

welfare or the environment. Staff does not allege these factors. Staff has calculated a base fine of \$ 110,000 for alleged violations identified in the NOAV's

NOTICE IS HEREBY GIVEN, pursuant to: 1) the general jurisdiction granted to the Oil and Gas Conservation Commission of the State of Colorado (Commission) under § 34-60-105 C.R.S.; 2) specific powers granted pursuant to § 34-60-106 C.R.S.; 3) the Colorado Administrative Procedures Act at § 24-4-105 C.R.S.; and 4) the Commission's Series 500 Rules at 2CCR 404-1, that the Commission has scheduled the above-entitled matter for hearing on:

Date: Monday, September 16, 2013  
Tuesday, September 17, 2013

Time: 9:00 a.m.

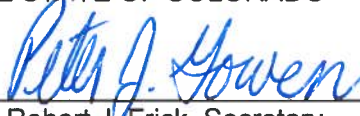
Place: Colorado Oil and Gas Conservation Commission  
1120 Lincoln Street, Suite 801  
Denver, Colorado 80203

In accordance with the Americans with Disabilities Act, if any party requires special accommodations as a result of a disability for this hearing, please contact Margaret Humecki at (303) 894-2100 ext. 5139, prior to the hearing and arrangements will be made.

Pursuant to said hearing in the above-entitled matter at the time and place aforesaid, or at any adjourned meeting, the Commission will enter such orders as it deems appropriate to protect the health, safety and welfare of the public and to prevent the waste of oil and gas, either or both, in the operations of said field, and to carry out the purposes of the statute.

In accordance with Rule 509., any interested party desiring to protest the granting of the application or to intervene on the application should file with the Commission a written protest or intervention no later than August 30, 2013, briefly stating the basis of the protest or intervention. An original and two copies shall be filed with the Commission along with an electronic version. Anyone who files a protest or intervention must be able to participate in a prehearing conference during the week of September 3, 2013. Pursuant to Rule 503.g., if a party who has received notice under Rule 503.b. wishes to receive further pleadings in the above-referenced matter, that party must file a protest or intervention in accordance with these rules.

OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

By   
for Robert J. Frick, Secretary

Dated: August 9, 2013

Colorado Oil and Gas Conservation Commission  
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