

**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:

03/02/2022

Submitted Date:

03/04/2022

Document Number:

696203461

FIELD INSPECTION FORMLoc ID 312658 Inspector Name: Trujillo, Aaron 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:

8 Number of Comments

6 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 |
|-----------------|-------|----------------------------------|--------------------------|
| | | amo@maralexinc.com | |
| , | | anna.omalley@state.co.us | |
| | | mrinc20@maralexinc.com | |
| Byers, Jim | | jbyers@blm.gov | Mesa, Garfield, Gunnison |
| , | | dnr_cogccenforcement@state.co.us | |
| Longworth, Mike | | michael.longworth@state.co.us | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|----------|--------|-------------|------------|-----------|----------------------------------|-------------|
| 222099 | WELL | PR | 09/09/1997 | GW | 077-08701 | SULFUR GULCH 9-98-1 1 | RI |
| 312658 | LOCATION | AC | | | - | SULFUR GULCH 9-98-1-69S98W 1SWNE | RI |

General Comment:

On 3/2/2022, Reclamation Specialist Trujillo inspected Maralex Resources Inc's SULFUR GULCH 9-98-1 #1 location in Mesa County, Colorado

It was observed in this inspection that the following corrective actions required per inspection Nos. 701101775 and 699802242 have not been addressed and remain applicable:

- Tank signage missing
- Sign at wellhead illegible
- Weeds on Location and around equipment
- Stormwater (tracking, erosion).

New compliance issues observed during this inspection:

- Surface disturbance minimization
- Good housekeeping / trash debris
- Inadequate secondary containment

Refer to the "Location", "Reclamation" and "Stormwater" sections of this inspection report for additional details.

Refer to the photo-documentation of the observed compliance issues attached to this report.

Any corrective action(s) from previous inspections that have not been addressed are still applicable.

A follow up inspection on this site will be conducted to ensure the compliance issues have been corrected to comply with COGCC rules.

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

| | | | |
|--------------------|---|-------|------------|
| Type | WELLHEAD | | |
| Comment: | Inspection #701101775 observed that the well sign is illegible. Inspection required Operator to install sign to comply with Rule 605.d. It was observed in this inspection that the well sign remains inadequate. CA has not been addressed and remains applicable. | | |
| Corrective Action: | Install sign to comply with Rule 605.d. | Date: | 11/04/2021 |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | Inspection #701101775 observed that the capacity label on the tank is blank. Inspection required Operator to Install sign to comply with Rule 605.h. It was observed in this inspection that the capacity label on the tank remains blank. CA has not been addressed and remains applicable. | | |
| Corrective Action: | Install sign to comply with Rule 605.h. | Date: | 11/04/2021 |

Emergency Contact Number:

Comment:

Corrective Action: Date:

Good Housekeeping:

| | | | |
|--------------------|--|-------|------------|
| Type | WEEDS | | |
| Comment: | Inspection #701101775 observed weeds on the Location and around equipment. Inspection required Operator to comply with Rule 606. It was observed in this inspection that weeds remain on the Location (well, tank battery, equipment); noxious weeds (Halogeton) evident; weed management inadequate. CA has not been addressed and remains applicable. | | |
| Corrective Action: | Comply with Rule 606 | Date: | 08/20/2021 |
| Type | TRASH | | |
| Comment: | Trash observed dumped on the south end of the Location. | | |
| Corrective Action: | Comply with Rule 606. | Date: | 03/11/2022 |

Overall Good: ☐**Spills:**

| | | | | |
|------|------|--------|--|--|
| Type | Area | Volume | | |
|------|------|--------|--|--|

In Containment: No

Comment: ☐ Multiple Spills and Releases?**Venting:**

| | | | |
|--------------------|--|-------|--|
| Yes/No | | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

Flaring:

| | | |
|----------|--|--|
| Type | | |
| Comment: | | |

| | | | |
|--------------------|--|-------|--|
| Corrective Action: | | Date: | |
|--------------------|--|-------|--|

| Inspected Facilities | | | | | | | | | |
|----------------------|--------|-------|----------|-------------|-----------|---------|----|---------------|----|
| Facility ID: | 222099 | Type: | WELL | API Number: | 077-08701 | Status: | PR | Insp. Status: | RI |
| | | | | | | | | | |
| Facility ID: | 312658 | Type: | LOCATION | API Number: | - | Status: | AC | Insp. Status: | RI |
| | | | | | | | | | |

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? _____ F _____

Comment Vehicle tracks observed traveling off site from the northwestern end of the pad, traveling north to V 2/10 Road. Operator has failed to minimize surface disturbances and restrict vehicle traffic only to their Location and access road.

Corrective Action Comply with 1002.e and restrict travel to the production areas and designated access roads. Conduct reclamation on off-location areas impacted due to vehicle travel from the Location.

Date **05/30/2022**

Overall Interim Reclamation**Final Reclamation/ Abandoned Location:**

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

Final Land Use: _____

Reminder: _____

Comment:

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

Debris removed _____ No disturbance /Location never built _____

Access Roads Regraded _____ Contoured _____ Culverts removed _____

Gravel removed _____

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

Compaction alleviation _____ Dust and erosion control _____

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

Weeds present _____ Subsidence _____

1004.d. FINAL VEGETATION TRANSECT

TRANSECT RESULTS OF DISTURBED AREA% _____

TRANSECT RESULTS OF REFERENCE AREA% _____

TOTAL % OF DESIRABLE VEGETATION COVER _____

VEGETATIVE COVER _____

Comment:

Corrective Action:

Date _____

Overall Final Reclamation ☐ Well Release on Active Location ☐ Multi-Well Location ☐

Storm Water:

| Loc Erosion BMPs | BMP Maintenance | Lease Road Erosion BMPs | Lease BMP Maintenance | Chemical BMPs | Chemical BMP Maintenance | Comment |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| | | | | | | |

Comment: Inspection #701101775 observed erosion degradation on the Location, and off-site sediment transport. Inspection required Operator to comply with 1002.f.

It was observed in this inspection that control measures to minimize erosion degradation and manage runoff remain missing or insufficient.

It was also observed that control measures to stabilize the production areas, and minimize/mitigate tracking and offsite sediment transport are missing or insufficient. Additionally the secondary containment BMP at the tank battery is inadequate; containment BMP appears insufficient in size to contain spill from tank; berm at the containment is no longer consolidated and in proper functioning condition.

Corrective Action: Original CA and date has not been addressed and remains applicable.

Date: 12/20/2020

Comply with Rule 1002.f: Oil and gas operators shall implement and maintain Best Management Practices (BMPs) at all oil and gas locations.

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 |
|--------------|----------------------|---|
| 402974192 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5682403 |
| 696203462 | Inspection Photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5682398 |