

**FORM
INSP**

Rev
05/11

**State of Colorado
Oil and Gas Conservation Commission**

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



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Inspection Date:
01/02/2014

Document Number:
669600095

Overall Inspection:
Satisfactory

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	<input type="checkbox"/>
	<u>221769</u>	<u>312491</u>	<u>KRABACHER, JAY</u>	2A Doc Num:	

Operator Information:

OGCC Operator Number: _____

Name of Operator: MARALEX RESOURCES, INC

Address: P O BOX 338

City: IGNACIO State: CO Zip: 81137

- THIS IS A FOLLOW UP INSPECTION
- FOLLOW UP INSPECTION REQUIRED
- NO FOLLOW UP INSPECTION REQUIRED
- INSPECTOR REQUESTS FORM 42 WHEN CORRECTIVE ACTIONS ARE COMPLETED

Contact Information:

Contact Name	Phone	Email	Comment
		<u>edward_fancher@co.blm.gov</u>	
<u>KRABACHER, JAY</u>		<u>jay.krabacher@state.co.us</u>	
		<u>naomi@maralexinc.com</u>	
<u>BROWNING, CHUCK</u>		<u>chuck.browning@state.co.us</u>	

Compliance Summary:

QtrQtr: NWNE Sec: 20 Twp: 9S Range: 98W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Unsatisfactory	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
12/27/2013	668401883	SI	WK	Satisfactory			No
12/26/2013	668401882	SI	SI	Satisfactory			No
12/24/2013	668401881	SI	SI	Satisfactory			No
12/23/2013	668100288	SI	SI	Satisfactory			No
12/22/2013	668100287	SI	SI	Satisfactory			No
12/20/2013	668100286	SI	SI	Unsatisfactory			No
12/18/2013	669600094	SI	SI	Satisfactory			No
12/17/2013	668100285	SI	SI	Satisfactory			No
12/16/2013	668100284	SI	SI	Unsatisfactory			No
03/25/2013	668401031	SI	SI	Violation	I		Yes

Inspector Comment:

Jan 2, 2014: JK @ loc 9 AM. Ed Fancher, BLM already there. Also Jim Graves, Maralex, and Dusty Daniels (DUCO supervisor) and rig crew. Water trucks on loc hauling off fluid from the pit (and tanks?). Well is flowing intermittently to the pit. Weather cold and clear, no breeze. Temp under 20 (f) and gradually warmed up to low 30's. JG: yesterday they tagged 6863' and since have washed down to 6886. Finally got to 6918'. 10A starting cement plug, intent to have balanced plug in casing ~ 200' w/top 6720' +/- . Mixing 18 sacks (w/4% CaCl), 3.6 bbl (20 cf and 1.12 yield). Done 10:30 AM. WOC until ~ 2 PM. Received copy of 12/27 Casing Inspection (Induction) log from JG, run by DLD. JK gave this to BLM, as COGCC has received electronic copies. Clearly shows casing deterioration below 1600', also clearly shows DV tool @ 2920'. C Browning on loc 10:40 AM. Yes, the well has accessible bradenhead, and BHP has been monitored. 12:30 well flowing-back steadily, but varies some. Very little oil-sheen. BH is "on vac." C Browning and J K inspect drainage area north of pad. Someone (environmental subcontractor ofr BLM?) has placed fabric coils (wattles) at various intervals along the drainage path north of the well. We could see one approx 600 yds down in the valley below. The trench along the north and east sides of the pad appears to be more than adequate in preventing any fluid flow from the pad past the trench. 230PM TOC determined (semi-hard tag) to be ~ 6840'. Plan is to duplicate cement job from this a.m. ? put in another 18 sx @ present TOC. The next plug after this present one is to cover top of NBRR (5846' - 6515') but will probably have to conduct milling operations on the wellbore at the presumed parted (or badly deteriorated) casing just below 1600'. Cement plug will be mixed and placed later today, then WOC until tomorrow a.m. JK leaves loc 3 p.m.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
221769	WELL	SI	10/01/1983		077-08371	USA 1-20 JC	WK	<input checked="" type="checkbox"/>

Equipment:

Location Inventory

Special Purpose Pits: _____	Drilling Pits: _____	Wells: _____	Production Pits: _____
Condensate Tanks: _____	Water Tanks: _____	Separators: _____	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: _____	Oil Pipeline: _____	Water Pipeline: _____
Gas Compressors: _____	VOC Combustor: _____	Oil Tanks: _____	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: _____	Flare: _____	Fuel Tanks: _____

Location

Emergency Contact Number: (S/U/V) _____ Corrective Date: _____

Comment: _____

Corrective Action: _____

Spills:

Type	Area	Volume	Corrective action	CA Date
<input type="checkbox"/> Multiple Spills and Releases?				

Venting:

Yes/No	Comment

Flaring:

Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date

Predrill

Location ID: 221769

Site Preparation:

Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____

S/U/V: _____

Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

S/U/V: _____ **Comment:**

CA: **Date:** _____

Wildlife BMPs:

S/U/V: _____ **Comment:**

CA: **Date:** _____

Stormwater:

Comment: _____

Staking:

On Site Inspection (305):

Surface Owner Contact Information:

Name: _____ Address: _____

Phone Number: _____ Cell Phone: _____

Operator Rep. Contact Information:

Landman Name: _____ Phone Number: _____

Date Onsite Request Received: _____ Date of Rule 306 Consultation: _____

Request LGD Attendance: _____

LGD Contact Information:

Name: _____ Phone Number: _____ Agreed to Attend: _____

Summary of Landowner Issues:

Summary of Operator Response to Landowner Issues:

Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:

Facility

Facility ID: 221769 Type: WELL API Number: 077-08371 Status: SI Insp. Status: WK

Cement

Cement Contractor

Contractor Name: Duco

Contractor Phone: _____

Surface Casing

Cement Volume (sx): _____

Circulate to Surface: _____

Cement Fall Back: NO

Top Job, 1" Volume: _____

Intermediate Casing

Cement Volume (sxs): _____

Good Return During Job: _____

Production Casing

Cement Volume (sx): _____

Good Return During Job: _____

Plugging Operations

Depth Plugs(feet range): 6840 - 6918

Cement Volume (sx): 18

Good Return During Job: _____

Cement Type: G, 4% CaCl

Comment: the amount of cement was calculated to fill as much as 200' of casing. It is possible that some cement could have gone into (and plugged) the perms (6956' and lower).

Environmental

Spills/Releases:

Type of Spill: _____ Description: _____ Estimated Spill Volume: _____

Comment:

Corrective Action: _____ Date: _____

Reportable: _____ GPS: Lat _____ Long _____

Proximity to Surface Water: _____ Depth to Ground Water: _____

Water Well:

DWR Receipt Num: _____ Owner Name: _____ GPS: _____ Lat _____ Long _____

Field Parameters:

Sample Location:

Complaint:

Tracking Num	Category	Assigned To	Description	Incident Date
200393038	OTHER	KELLERBY, SHAUN	On 12/14/13 Cogcc staff was notified by E Mail of the presence of bubbling fluid near a well head.	12/16/2013

Emission Control Burner (ECB): _____

Comment: _____

Pilot: _____ Wildlife Protection Devices (fired vessels): _____

Reclamation - Storm Water - Pit

Interim Reclamation:

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

Land Use: _____

Comment:

1003a. Debris removed? _____ CM _____
 CA _____ CA Date _____
 Waste Material Onsite? _____ CM _____
 CA _____ CA Date _____
 Unused or unneeded equipment onsite? _____ CM _____
 CA _____ CA Date _____
 Pit, cellars, rat holes and other bores closed? _____ CM _____
 CA _____ CA Date _____
 Guy line anchors removed? _____ CM _____
 CA _____ CA Date _____
 Guy line anchors marked? _____ CM _____
 CA _____ CA 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 REVEGETATION

Cropland

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

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003 f. Weeds Noxious weeds? _____
 Comment: _____

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 _____

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

S/U/V: _____ Corrective Date: _____
Comment: _____
CA: _____

Pits: NO SURFACE INDICATION OF PIT