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|-------------------------------|--|--|-------------|
| 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 |  | DE ET OE ES |
|-------------------------------|--|--|-------------|

Inspection Date:
07/16/2013

Document Number:
668601077

Overall Inspection:
Satisfactory

FIELD INSPECTION FORM

| | | | | | |
|---------------------|------------------------------|-------------------------|--|---|-------------------|
| Location Identifier | Facility ID <u>295041</u> | Loc ID <u>309619</u> | Inspector Name: <u>QUINT, CRAIG</u> | On-Site Inspection <input type="checkbox"/> | 2A Doc Num: _____ |
|---------------------|------------------------------|-------------------------|--|---|-------------------|

Operator Information:

OGCC Operator Number: 10399 Name of Operator: NIGHTHAWK PRODUCTION LLC

Address: 1805 SHEA CENTER DR #290

City: HIGHLANDS State: CO Zip: 80129

Contact Information:

| Contact Name | Phone | Email | Comment |
|-----------------|--------------|-------------------------------------|--------------------|
| Mayland, Harold | 303-407-9604 | haroldmayland@nighthawkenenergy.com | operations manager |
| Wilson, Chuck | 720-344-5155 | chuckwilson@nighthawkenenergy.com | CEO |

Compliance Summary:

QtrQtr: SENE Sec: 1 Twp: 14S Range: 55W

| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Unsatisfactory | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|------------------------------|----------|----------------|-----------------|
| 07/17/2012 | 663901351 | PR | SI | U | I | | N |
| 01/26/2012 | 664000323 | SI | SI | U | F | | N |
| 07/19/2011 | 200315782 | PR | PR | U | | | N |
| 05/10/2011 | 200310399 | PR | PR | U | | | Y |
| 01/05/2011 | 200291339 | PR | TA | U | | | Y |
| 11/16/2010 | 200284510 | PR | TA | U | | | Y |
| 02/22/2010 | 200232116 | PR | SI | S | | | N |
| 12/03/2009 | 200223524 | PR | SI | S | | | N |
| 12/22/2008 | 200201277 | PR | PR | U | | | Y |
| 08/01/2008 | 200193483 | PR | WO | S | | | N |

Inspector Comment:

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | |
|-------------|------|--------|-------------|------------|-----------|---------------|-------------------------------------|
| 295041 | WELL | SI | 04/19/2012 | OW | 073-06320 | CRAIG 8-1 | <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

Lease Road:

| Type | Satisfactory/Unsatisfactory | comment | Corrective Action | Date |
|--------|-----------------------------|--|-------------------|------|
| Access | Satisfactory | ELEVATED SAND & GRAVEL ROAD W/CATTLE GUARD AND 2-CULVERTS THROUGH PASTURE. | | |

Signs/Marker:

| Type | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
|----------------------|-----------------------------|--|-------------------|---------|
| WELLHEAD | Satisfactory | LEASE SIGN MOUNTED ON GATE. | | |
| BATTERY | Satisfactory | LEASE SIGN MOUNTED ON STEEL CONTAINMENT. | | |
| TANK LABELS/PLACARDS | Satisfactory | STENCILS AND STICKERS ON TANKS. | | |

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

Comment: _____

Corrective Action: _____

Good Housekeeping:

| Type | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
|-------|-----------------------------|--|-------------------|---------|
| WEEDS | Satisfactory | WEEDS HAVE BEEN SPRAYED, SOME WEEDS GROWING AROUND LOCATION. | | |

Spills:

| Type | Area | Volume | Corrective action | CA Date |
|------|------|--------|-------------------|---------|
|------|------|--------|-------------------|---------|

Multiple Spills and Releases?

Fencing/:

| Type | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
|----------|-----------------------------|---|-------------------|---------|
| WELLHEAD | Satisfactory | STEEL PANELS AROUND ALL WELLHEAD EQUIPMENT. | | |

| Equipment: | | | | | |
|-------------------------|---|-----------------------------|---------------------------------------|-------------------|---------|
| Type | # | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
| Veritcal Heater Treater | 1 | Satisfactory | | | |
| Prime Mover | 1 | Satisfactory | MULTI CYLINDER ARROW GAS ENGINE | | |
| Deadman # & Marked | 4 | Satisfactory | | | |
| Pump Jack | 1 | Satisfactory | 320 DAQUIG | | |
| Ancillary equipment | 1 | Satisfactory | GAS SCRUBBER | | |

Facilities: New Tank Tank ID: _____

| Contents | # | Capacity | Type | SE GPS |
|-----------|---|----------|------------------|-----------------------|
| CRUDE OIL | 2 | 200 BBLS | HEATED STEEL AST | 38.858933,-103.500240 |

S/U/V: Satisfactory Comment: _____

Corrective Action: _____ Corrective Date: _____

Paint

| | |
|-----------|----------|
| Condition | Adequate |
|-----------|----------|

Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|-------|----------|---------------------|---------------------|-------------|
| Metal | Adequate | Walls Sufficent | Base Sufficient | Adequate |

Corrective Action _____ Corrective Date _____

Comment ISSUES HAVE BEEN CORRECTED SINCE LAST INSPECTION.

Facilities: New Tank Tank ID: _____

| Contents | # | Capacity | Type | SE GPS |
|----------------|---|----------|----------------|-----------------------|
| PRODUCED WATER | 3 | 200 BBLS | FIBERGLASS AST | 38.858933,-103.500240 |

S/U/V: Satisfactory Comment: SHARED BERM

Corrective Action _____ Corrective Date _____

Paint

| | |
|-----------|----------|
| Condition | Adequate |
|-----------|----------|

Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|------|----------|---------------------|---------------------|-------------|
| | | | | |

Corrective Action _____ Corrective Date _____

Comment _____

| | |
|-----------------|---------|
| Venting: | |
| Yes/No | Comment |
| NO | |

| | | | | |
|-----------------|-----------------------------|---------|-------------------|---------|
| Flaring: | | | | |
| Type | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
| | | | | |

Predrill

Location ID: 309619

Site Preparation:

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

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

Form 2A COAs:

Comment: _____

CA: _____ **Date:** _____

Wildlife BMPs:

Comment: _____

CA: _____ **Date:** _____

Stormwater:

| | | | |
|--------------|---------|------------|---------|
| Erosion BMPs | Present | Other BMPs | Present |
| | | | |

Corrective Action: _____ Date: _____

Comments: Erosion BMPs: _____

Other BMPs: _____

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: 295041 Type: WELL API Number: 073-06320 Status: SI Insp. Status: SI

Idle Well

Purpose: Shut In Temporarily Abandoned Reminder: _____
 S/V: Satisfactory CA Date: _____
 CA: _____
 Comment: WELL IS SHUT IN, LAST PRODUCTION MAY 2012.

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: _____

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

CA _____ CA Date _____

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

1003c. Compacted areas have been cross ripped? _____

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

Cuttings management: _____

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

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

RESTORATION AND REVEGETATION

Cropland

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

Non-Cropland

Top soil replaced Pass Recontoured Pass 80% Revegetation In

1003 f. Weeds Noxious weeds? P

Comment: UNUSED AREAS OF THE LOCATION ARE UNDER INTERIM RECLAMATION, VEGETATION GROWTH IS EVIDENT.

Overall Interim Reclamation In Process

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 Multi-Well Location

Storm Water:

| Loc Erosion BMPs | BMP Maintenance | Lease Road Erosion BMPs | Lease BMP Maintenance | Chemical BMPs | Chemical BMP Maintenance | Comment |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| Seeding | Pass | Ditches | Pass | | | |

S/U/V: Satisfactory Corrective Date: _____

Comment:

CA: