

**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:
03/11/2015Document Number:
673709897Overall Inspection:
SATISFACTORY**FIELD INSPECTION FORM**

| | | | | | |
|---------------------|-------------|--------|-----------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
| | 440097 | 440099 | Sherman, Susan | <input type="checkbox"/> | |

Operator Information:OGCC Operator Number: 10399Name of Operator: NIGHTHAWK PRODUCTION LLCAddress: 1805 SHEA CENTER DR #290City: HIGHLANDS State: CO Zip: 80129

- ☐ 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 |
|---------------|----------------|---------------------------------|-----------|
| Henkin, Joyce | (303) 407-9609 | joycehenkin@nighthawkenergy.com | |
| Bracken, Greg | (970) 301-8182 | gregbracken@nighthawkenergy.com | |
| Rezendes, Joe | | joerezendes@nighthawk.com | |
| Young, Rob | | rob.young@state.co.us | COGCC EPS |

Compliance Summary:QtrQtr: NWNE Sec: 7 Twp: 7S Range: 54W

| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Action Required | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|-------------------------------|----------|----------------|-----------------|
| 12/12/2014 | 673708545 | XX | DG | SATISFACTORY | | | No |

Inspector Comment:**Related Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status | |
|-------------|------|--------|-------------|------------|-----------|---------------|-------------|-------------------------------------|
| 440097 | WELL | PR | 01/18/2015 | LO | 073-06683 | KEYSTONE 3-7 | PR | <input checked="" type="checkbox"/> |

Equipment:Location Inventory

| | | | |
|---------------------------------------|----------------------------------|-------------------------------|-----------------------------------|
| Special Purpose Pits: <u> </u> | Drilling Pits: <u>1</u> | Wells: <u>1</u> | Production Pits: <u> </u> |
| Condensate Tanks: <u> </u> | Water Tanks: <u>2</u> | Separators: <u>1</u> | Electric Motors: <u> </u> |
| Gas or Diesel Mortors: <u>1</u> | Cavity Pumps: <u> </u> | LACT Unit: <u> </u> | Pump Jacks: <u>1</u> |
| Electric Generators: <u> </u> | Gas Pipeline: <u> </u> | Oil Pipeline: <u> </u> | Water Pipeline: <u> </u> |
| Gas Compressors: <u> </u> | VOC Combustor: <u> </u> | Oil Tanks: <u>4</u> | Dehydrator Units: <u> </u> |
| Multi-Well Pits: <u> </u> | Pigging Station: <u> </u> | Flare: <u> </u> | Fuel Tanks: <u> </u> |

Location

Inspector Name: Sherman, Susan

| Signs/Marker: | | | | |
|----------------------|------------------------------|------------------|-------------------|---------|
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| CONTAINERS | SATISFACTORY | | | |
| OTHER | SATISFACTORY | access road sign | | |
| WELLHEAD | | | | |
| TANK LABELS/PLACARDS | SATISFACTORY | | | |

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

Comment: _____

Corrective Action: _____

| Good Housekeeping: | | | | |
|---------------------------|------------------------------|--------------|-------------------|---------|
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| TRASH | | pickup trash | | |

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

☐ Multiple Spills and Releases?

| Fencing/: | | | | |
|------------------|------------------------------|--------------|-------------------|---------|
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| PUMP JACK | SATISFACTORY | steel panels | | |
| WELLHEAD | SATISFACTORY | steel panels | | |

| Equipment: | | | | | |
|-------------------------|---|------------------------------|---|-------------------|---------|
| Type | # | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| Prime Mover | 1 | SATISFACTORY | propane | | |
| Ancillary equipment | 7 | SATISFACTORY | diesel storage container, solar panel, gas scrubbers, propane tank, 2 chemical containers at wellhead | | |
| Veritcal Heater Treater | 1 | SATISFACTORY | concrete pad, shed, 39.46007, -103.48303 | | |
| Bird Protectors | 3 | SATISFACTORY | VHT and ECDs | | |
| Emission Control Device | 2 | SATISFACTORY | pilots on, 39.45972, -103.48309 | | |

Facilities: ☐ New Tank Tank ID: _____

| Contents | # | Capacity | Type | SE GPS |
|----------|---|----------|------------------|--------|
| GLYCOL | 1 | <50 BBLS | HEATED STEEL AST | , |

S/A/V: _____ Comment: _____

Corrective Action: _____ Corrective Date: _____

Paint

Inspector Name: Sherman, Susan

| | | | | | |
|-------------------|------------|---------------------|---------------------|-----------------|--|
| Condition | | | | | |
| Other (Content) | | | | | |
| Other (Capacity) | | | | | |
| Other (Type) | | | | | |
| <u>Berms</u> | | | | | |
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance | |
| | | | | | |
| Corrective Action | | | | Corrective Date | |
| Comment | in process | | | | |

Facilities: ☒ New Tank Tank ID: _____

| | | | | | |
|--------------------|---|----------|-------------------------------|------------------|--|
| Contents | # | Capacity | Type | SE GPS | |
| PRODUCED WATER | 1 | 400 BBLS | STEEL AST | , | |
| S/A/V: | | Comment: | same berms as crude oil tanks | | |
| Corrective Action: | | | | Corrective Date: | |

Paint

| | | | | | |
|-------------------|----------|---------------------|---------------------|-----------------|--|
| Condition | | | | | |
| Other (Content) | | | | | |
| Other (Capacity) | | | | | |
| Other (Type) | | | | | |
| <u>Berms</u> | | | | | |
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance | |
| | | | | | |
| Corrective Action | | | | Corrective Date | |
| Comment | | | | | |

Berms

| | | | | | |
|-------------------|----------|---------------------|---------------------|-----------------|--|
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance | |
| | | | | | |
| Corrective Action | | | | Corrective Date | |
| Comment | | | | | |

Facilities: ☒ New Tank Tank ID: _____

| | | | | | |
|--------------------|--------------|----------|------------------|-----------------------|--|
| Contents | # | Capacity | Type | SE GPS | |
| CRUDE OIL | 5 | 400 BBLS | HEATED STEEL AST | 39.460280,-103.482930 | |
| S/A/V: | SATISFACTORY | Comment: | | | |
| Corrective Action: | | | | Corrective Date: | |

Paint

| | | | | | |
|-------------------|----------|---------------------|---------------------|-----------------|--|
| Condition | Adequate | | | | |
| Other (Content) | | | | | |
| Other (Capacity) | | | | | |
| Other (Type) | | | | | |
| <u>Berms</u> | | | | | |
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance | |
| Metal | Adequate | Walls Sufficent | Base Sufficient | Adequate | |
| Corrective Action | | | | Corrective Date | |
| Comment | | | | | |

Berms

| | | | | | |
|-------------------|----------|---------------------|---------------------|-----------------|--|
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance | |
| Metal | Adequate | Walls Sufficent | Base Sufficient | Adequate | |
| Corrective Action | | | | Corrective Date | |
| Comment | | | | | |

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

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

Predrill

Location ID: 440097

Site Preparation:

Lease Road Adeq.: SATISFACTORY

Pads: _____

Soil Stockpile: SATISFACTORY

S/A/V: SATISFACT

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

Form 2A COAs:

| Group | User | Comment | Date |
|-------|---------|---|------------|
| OGLA | HouseyM | Operator shall provide notice to COGCC 48 hours prior to commencing construction of this Oil and Gas Location via Form 42. | 11/19/2014 |
| OGLA | HouseyM | Operator shall use tertiary containment along the western and southern perimeters of the Location to minimize impact to the nearby drainage from stormwater runoff. | 11/19/2014 |

S/A/V: ACTION**Comment:** Two erosion rills on south side of location (see attached photos).**CA:** See Stormwater BMPs for CA.**Date:** 05/01/2015**Wildlife BMPs:**

| BMP Type | Comment |
|--------------|--|
| Construction | <p>Certificate to Discharge Under CDPHE General Permit No. COR-030000 Stormwater Discharges Associated with Construction Certification No. COR031825 Prior to construction, perimeter controls will be installed utilizing cuttings from the clearing operations. Once the well pad has been constructed a variety of BMP's shall be utilized for the site specific conditions. BMP's to be utilized may include, but are not limited to:</p> <ul style="list-style-type: none"> -Dirt Ditch/Berm -Erosion Control Blankets -Straw Bale Barrier -Straw Wattles -Seeding -Imported Hard Armor -Check Dams -Culvert/Culvter Protection -Crimped Straw -Silt Fence -Surface Roughening/Surface Rip <p>During construction, each site will be inspected every 14 days and 24-72 hours after any precipitation event causing erosion depending on the current site activities. These inspections will be recorded and maintained at Nighthawk's office. Repairs shall be completed as soon as possible after an inspection reporting BMP repairs are required. Any site specific modifications will be revised on the site plan when implemented at the site. A field wide Stormwater Management Plan (SWMP) for the Project Area is located at Nighthawk's office. Spill Protection Control and Counter Measures (SPCC) plans for the Project Area are stored on file at Nighthawk's office. The field wide SWMP addresses SPCC during construction operations.</p> |

S/A/V: _____**Comment:** _____**CA:** _____**Date:** _____

Inspector Name: Sherman, Susan

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: 440097 Type: WELL API Number: 073-06683 Status: PR Insp. Status: PR

Producing Well

Comment: No data.

Workover

Comment: Acetic acid treatment. ProStim and Extreme Heat from Cheyenne Wells and Eastern Colorado Well Service, Rig 31.

Environmental

Spills/Releases:

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

Comment: Inspector requests drilling pit sampling analytical results be sent to COGCC EPS.

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: DRY LAND

Comment: crop planted, drainage to the south of location

1003a. Debris removed? In CM _____ CA _____ CA Date _____

Waste Material Onsite? In CM _____ CA _____ CA Date _____

Unused or unneeded equipment onsite? In 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? Pass CM _____ CA _____ CA Date _____

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

1003c. Compacted areas have been cross ripped? _____

1003d. Drilling pit closed? In Subsidence over on drill pit? _____Cuttings management: fresh water pit closed, drilling pit open (see attached photos).

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 _____

1003 f. Weeds Noxious weeds? _____

Comment: _____

Overall Interim Reclamation _____

Final Reclamation/ Abandoned Location:

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

Final Land Use: DRY LAND

Reminder: _____

Comment: _____

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

Debris removed _____ No disturbance /Location never built _____

Access Roads _____ Regraded _____ Contoured _____ Culverts removed _____

Inspector Name: Sherman, Susan

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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| Slope Roughening | Pass | | | | | |
| | | Culverts | Pass | | | |
| Gravel | | Gravel | Pass | | | |
| Berms | Pass | Ditches | Pass | | | |
| Compaction | | Compaction | Pass | MHSP | Pass | |

S/A/V: **ACTION REQUIRED** Corrective Date: **05/01/2015**

Comment: **Two erosion rills south of location into crop field (see attached photos). Rill forming near ECDs-in process construction.**

CA: **Install stormwater BMPs to prevent offsite sediment transport.**

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 |
|--------------|-------------------------|---|
| 673709947 | Nighthawk, Keystone 3-7 | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3572565 |