

FORM INSP Rev 05/11	State of Colorado Oil and Gas Conservation Commission 1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109		DE ET OE ES
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Inspection Date: 01/26/2012

Document Number: 664000331

Overall Inspection: Unsatisfactory

FIELD INSPECTION FORM

Location Identifier	Facility ID <u>416957</u>	Loc ID <u>416953</u>	Tracking Type	Inspector Name: <u>LEONARD, MIKE</u>
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Operator Information:

OGCC Operator Number: 10221 Name of Operator: RUNNING FOXES PETROLEUM INC

Address: 6855 S. HAVANA ST #400

City: CENTENNIAL State: CO Zip: 80112

Contact Information:

Contact Name	Phone	Email	Comment
Keppel, Kent	(720) 889-0510	kkeppel@atoka.com	COUA
Wilson, Chuck	(720) 344-5155	chuckwilson@nighthawkenergy.com	COO

Compliance Summary:

QtrQtr: SWNE Sec: 2 Twp: 10S Range: 56W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Unsatisfactory	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
10/05/2010	200283206	ID	TA	U			Y

Inspector Comment:

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	
416957	WELL	TA	04/30/2010		073-06413	JOHN CRAIG 7-2	<input checked="" type="checkbox"/>

Equipment: Location Inventory

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

Location

Lease Road:

Type	Satisfactory/Unsatisfactory	comment	Corrective Action	Date
Main	Unsatisfactory	ROAD NEEDS TO BE MAINTAINED TO ALLOW VEHICLES TO STAY ON ROAD	MAINTAIN ROAD	03/30/2012

Signs/Marker:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
WELLHEAD	Unsatisfactory	NO SIGN AT WELLHEAD	Install sign to comply with rule 210.b.	03/30/2012
TANK LABELS/PLACARDS	Unsatisfactory	NO LABELS ON TREATER	Install sign to comply with rule 210.b.	03/30/2012
BATTERY	Unsatisfactory	DOES NOT REFLECT CURRENT OPERATOR	Install sign to comply with rule 210.b.	03/30/2012

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

Comment: _____

Corrective Action: _____

Good Housekeeping:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
STORAGE OF SUPL	Unsatisfactory	PORTABLE TANKS ON WELLPAD NOT IN USE	REMOVE TANKS	03/30/2012

Spills:				
Type	Area	Volume	Corrective action	CA Date
Crude Oil	WELLHEAD	<= 5 bbls	REMOVE OILY SOIL AT WELLPAD AROUND PORTABLE TANKS	03/30/2012

Multiple Spills and Releases?

Fencing/:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
TANK BATTERY	Satisfactory			

Equipment:					
Type	#	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
Ancillary equipment	1	Satisfactory	PROPANE TANK AT WELLHEAD		
Prime Mover	1	Satisfactory	GAS ENGINE		
Veritcal Heater Treater	1	Satisfactory			
Pump Jack	1	Satisfactory	STANDARD		
Deadman # & Marked	4	Satisfactory			

Tanks/Berms:		<input type="checkbox"/> New Tank	Tank ID: _____	
Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	400 BBLS	FIBERGLASS AST	,
S/U/V:	Comment:		SAME BERMS AS OIL TANKS	
Corrective Action:			Corrective Date:	
<u>Paint</u>				
Condition				
Other (Content)	_____			
Other (Capacity)	_____			
Other (Type)	_____			
<u>Berms</u>				
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Corrective Action			Corrective Date	
Comment				

Tanks/Berms:		<input type="checkbox"/> New Tank	Tank ID: _____	
Contents	#	Capacity	Type	SE GPS
CRUDE OIL	2	400 BBLS	STEEL AST	39.208770, -103.631330
S/U/V:	Satisfactory	Comment:		
Corrective Action:			Corrective Date:	
<u>Paint</u>				
Condition	Adequate			
Other (Content)	_____			
Other (Capacity)	_____			
Other (Type)	_____			
<u>Berms</u>				
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Inadequate	Walls Sufficient	Base Sufficient	Adequate
Corrective Action	REPAIR BERMS TO CONTAIN VOLUME OF LARGEST TANK AND ISOLATE HEATED TREATER			Corrective Date 03/30/2012
Comment				

Venting:	
Yes/No	Comment

Flaring:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date

Predrill				
Location ID: 416953				
Site Preparation:				
Lease Road Adeq.: _____		Pads: _____		Soil Stockpile: _____

Form 2A COAs:

Group	User	Comment	Date
Agency	kertr	Issued early for exigent circumstances because of change in geologic interpretation and rig schedule. Waivers and request attached to drilling permit.	04/30/2010

Wildlife BMPs:

BMP Type	Comment
PROPOSED BMPs	<p>RUNNING FOXES PETROLEUM INC.</p> <p>Reference COGCC Final Rome Amendment (December 17, 2008)</p> <p>1002. SITE PREPARATION:f. Stormwater Management A. thru F.</p> <p>RUNNING FOXES PETROLEUM, INC. (RFP) will implement the following procedures and practices to remove /reduce the possibility of discharged materials that may pollute water runoff from their field facilities, operations and well site locations. These procedures and practices, will minimize the potential of any discharge or spill that could potentially pollute surface water and any stormwater runoff.</p> <p>A Covering materials and activities:</p> <p>RFP will cover with tarps all containers /items that have the potential for material leakage. These items, whenever possible, will be kept in a central location within the operational area.</p> <p>B. Material handling. and spill prevention:</p> <p>RFP will use secondary containment methods, tarps, splash pans, or appropriate prevention items when transferring, pouring, or handling items that have the potential for spills. If items are on location for a period of time they will be on pallets off the ground.</p> <p>C.Erosion controls:</p> <p>RFP maintains and constructs well pads to minimize surface grade elevations. As season and weather changes; improvements to these well pads are adjusted accordingly. Roads, culverts, stream crossings and cut/fill slopes are prepared for runoff to be controlled and directed to desired locations.</p> <p>These controls will be constructed with the cooperation of the landowner to facilitate their use of the land. Interim Reclamation on well pads is accomplished as soon as possible to minimize the effects of erosion. Topsoil will be returned and reseeding will be completed.</p>

D. Seff inspection, maintenance, and good housekeeping:

RFP has a pumper on location almost everyday to identify these factors. Site improvement and inspection is a constant factor and monitored with the anticipation of the season and the weather. As potential contaminants are no longer needed at a set location they are removed and disposed of or stored in a more central secured monitored area. All vehicle washing is done off site.

E. SpHo response procedures:

RFP has a first response the standard dirt and shovel work; if the procedures described in B above don't initially contain the spill. This soil is removed from any surface water condition.

F. Vehide tracking control procedures:

RFP attempts to design and maintain all roads to minimize any rutting. All operational and access roads are on non -paved roads with low potential of sediment contributing to stormwater contamination.

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Stormwater:

Erosion BMPs	Present	Other BMPs	Present
	No		

Corrective Action: INSTALL BMP'S ADS REQUIRED Date: 03/30/2012

Comments: Erosion BMPs: NO BMP'S INSTALLED. EVIDENCE OF EROSION ON WELLPAD AND BATTERY LOCATION

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:

Well

Facility ID: 416957 API Number: 073-06413 Status: TA Insp. Status: SI

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: RANGELAND

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? Fail Production areas stabilized ? Fail

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? Fail

Production areas have been stabilized? Fail 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 Fail

1003 f. Weeds Noxious weeds? F

Comment: LARGE BARE AREAS AND WEEDS HAVE STARTED TO GROW AT WELLPAD. EVIDENCE OF WIND EROSION AT WELLPAD AND BATTERY SITE

Overall Interim Reclamation

Final Reclamation/ Abandoned Location:

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

Final Land Use: RANGELAND

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

Storm Water:

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
Compaction	Fail	Compaction	Fail			

Inspector Name: LEONARD, MIKE

S/U/V: Unsatisfactory

Corrective Date: 03/30/2012

Comment:

CA: INSTALL BMP'S AND REPAIR ROAD AND LOCATION TO ADDRESS STORMWATER ISSUES