

Knight Pad Siting Rationale

After Cub Creek Energy, LLC (CCE) evaluated all possible locations for a pad, it was determined that the Knight property was the best option. Alternative properties to the east, south, and west were all considered and evaluated for use and CCE made multiple attempts over the past year to work with the respective property owners of these potential sites. However, the feedback from these surface owners resulted in the Knight location being the only viable option for use. CCE and the surface owner of the proposed Knight pad worked closely together to position the site as far as possible from all surrounding building units. Given the size and shape of the Knight property, the current pad layout maximizes the distances to nearby building units, in particular those building units to the west of the proposed pad, while also meeting COGCC regulatory setback for cultural items and safety.

In the process of evaluating these sites, CCE considered all setback distances, access routes, and pipeline proximity, with the full intent to limit impacts on the surrounding area. Although, the Knight pad was situated on the property to maximize the distance to neighboring homes, the Knight pad does have building units within with the 1000' Buffer Zone setback, one of which includes the surface owner. However, none of the building units fall within the 500' Exception Zone setback. In addition to maximizing the setback distance available, the Knight pad also provides the best and least impactful access to existing oil, gas and water lines. The proximity of the proposed pad to these existing midstream lines along Highway 66 also increases the likelihood of transporting oil, gas, and water by pipeline during the production phase of the project thereby significantly decreasing truck traffic and long-term vehicle disturbance. CCE intends to utilize an existing direct access off Highway 66, which will limit the disturbance to neighbors.

In addition to considering the surface impact of this project, CCE also evaluated the drilling feasibility of the Knight pad as well as all potential alternatives. The Knight pad will allow CCE to consolidate the surface disturbance to one pad instead of utilizing two pads. Doing so will decrease overall surface impacts and overall disturbance to the area. The Knight pad also allows CCE to extend the spacing unit boundaries thereby reducing the potential for stranding acreage in the south ½ of the north ½ of Section 30 3N 68W.

The owners of all building units within the COGCC buffer zone have been notified. CCE will continue to work closely with nearby building unit owners and address any concerns as they arise.