



October 1, 2018

Director Murphy
Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

RE: Confluence DJ LLC Rule 502.b.(1) Variance Request to Rule 805.b.(3), Rule 912.a, and Request to Flare Pursuant to Rule 912.b (“Variance Request”)

Dear Director Murphy;

Outrigger Energy II LLC (“Outrigger”) is a Denver based midstream company with extensive experience in the DJ Basin and throughout the Rocky Mountain region, West Texas and the Mid-Continent. Our services include gas gathering, compression, processing and treating, NGL fractionation, crude oil and water gathering, and comprehensive marketing services. We are aware of Confluence DJ LLC’s (“Confluence”) Variance Request and wish to provide the following information to assist in the evaluation of this request.

Outrigger is currently constructing gas gathering and processing facilities in Weld County, Colorado. Our gas processing facility will be located in Section 25, T8N R62W. The gas facilities include field level gathering and compression and a 60 MMcfd cryogenic UOP Russel gas plant which will process hydrocarbon rich gas and deliver residue gas to the Cheyenne Plains pipeline system and NGL products to the P66 pipeline system (“Plant”). We commenced construction of the Plant August 22, 2018, via an early release approval from the Weld County Commission (“WCC”) and we received our final approved USR permit from the WCC on September 19, 2018. The Plant has been purchased and all major equipment has been ordered and is scheduled for delivery this fall. We anticipate the Plant to be in-service March, 2019.

Confluence and Outrigger are in contract negotiations to execute a definitive agreement to gather and process Confluence’s gas from its planned well in the SE 1/4 of Section 7, T7N R64W (“Pickaroon DSU”) as well as acreage in T8N R64W and T7N R65W (“Development Area”). The proposed contract would require dedication of all Confluence DSUs in the Development Area. We are initiating right of way acquisition from the Plant to Confluence’s planned Pickaroon DSU. Outrigger is planning a low pressure gathering system with field compression to provide 75 psig wellhead services, with this low pressure system connecting to a 10” high pressure gathering line which includes capacity for Confluence’s gas and gas from other third parties which include dedicated acreage in T7N R63W. We are confident that we will execute a



definitive agreement with Confluence and should be ready to gather gas from Confluence and other producers in the area within the 2nd Quarter of 2019.

If necessary, Outrigger would be pleased to provide additional information. Please feel free to contact me at contact me at 720 361-2550 or email at awoodruff@outriggerenergy.com.

Sincerely,

Alex Woodruff
SVP – Business Development
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