

**TEP Rocky Mountain LLC**  
**Proposed Waste Management Plan**  
**for the Federal RG 41-18-297 Pad**  
**May 12, 2020**

INTRODUCTION

TEP Rocky Mountain LLC (“TEP”) is proposing to drill, complete, and operate sixteen (16) new wells from the existing RG 41-18-297 pad located on BLM surface in Rio Blanco County Colorado. The RG 41-18-297 pad is an existing well pad with one (1) producing well located on resource / range land in the in the NW¼NE¼ of Section 18, Township 2 South, Range 97 West, 6th P.M. Of the sixteen (16) proposed well, seven (7) would be directionally drilled into Federal Lease COC 003453, seven (7) would be directionally drilled into Federal Lease COC 057285, and two (2) would be directionally drilled into Federal Lease COC 070220. Development of the RG 41-18-297 pad is planned to begin in Fall 2020. The following describes TEP’s Waste Management Plan for the potential wastes generated during construction, drilling, completion, and production operations associated with the development of the proposed wells on the RG 41-18-297 pad.

DRILL FLUIDS MANAGEMENT

A closed loop drilling system will be utilized to separate liquid and solids during drilling operations on the RG 41-18-297 pad. Drilling fluids will be re-used throughout the drilling process. Once drilling operations are complete drilling fluids will be stored in tanks and recycled on the next drill pad.

DRILL CUTTINGS MANAGEMENT

Drill cuttings will be managed in a drilling pit along the north side of the pad. The drilling pit would be constructed with a capacity of seven thousand two hundred cubic yard (7,200cy) supporting storage / disposal of ninety percent (90%) of the estimated drill cuttings volume. The drilling pit will be contained within a two- and one-half foot (2.5’) high earthen perimeter berm. A drill cuttings management area approximately one hundred thirty feet (130’) in length by forty feet (40’) in width will be utilized for storage of the remaining eight hundred cubic yard (800cy) of drill cuttings. The proposed cuttings management area will be constructed with two- and one-half feet (2.5’) high earthen berms surrounding the management area. Drilling cuttings volume is estimated at five hundred cubic yard (500cy) per well, which totals approximately eight thousand cubic yards (8,000cy). Any excess drill cuttings not manageable within the proposed drilling pit or cuttings management area would be hauled to an approved third-party commercial disposal facility.

The general protocol for managing drill cuttings at this locations is as follows: As drill cuttings are brought to the surface, they will be temporarily placed into a designated storage cell that is close to the rig shaker assembly. Once the temporary storage cell becomes full, a loader will be used to move the cuttings from the temporary storage cell to the drilling pit. The moisture content of the drill cuttings will be kept as low as practicable to prevent accumulation of liquids. Once all drill cuttings are placed into the drilling pit, samples will be taken to determine if the cuttings meet COGCC 910-1 standards. Additional treatment or amendment of the cuttings may be needed to ensure that COGCC 910-1 standards are met prior to reclamation. If needed, clean fill material may be mixed with the cuttings to ensure that cleanup standards are met. Confirmation samples of the blended material will be collected and submitted to an approved analytical laboratory and analyzed for the full COGCC 910-1 list of organic, inorganic, and metal compounds (in soils) to ensure that these materials comply with COGCC cleanup standards. After all drill cuttings have been received and tested for compliance with COGCC 910-1 cleanup standards, the drill cuttings will be covered with approximately three feet (3’) of clean fill material during pad reclamation.

## FLOWBACK

Returned stimulation fluids generated during flowback operations will be processed through four (4) phase separators to separate gas, water, condensate, and sand. Water will be reused during future well completion operations on the RG 41-18-297 pad or transported via pipelines as described in the Produced Water section below. Spent filter socks generated during the completions / flowback process are collected and stored separately from garbage / trash. The filters have been sampled and profiled for disposal at an approved third-party commercial disposal facility that is permitted and authorized to accept waste filter socks for disposal.

## SEWAGE

Chemical toilets will be used during construction, drilling, and completions operations on the RG 41-18-297 pad. Contents will be hauled to and disposed at an approved commercial disposal facility. Disposal of sewage will occur approximately once per week.

## GARBAGE

All garbage and trash will be stored in enclosed bear proof trash containers. Disposal of garbage and trash will occur approximately once per week during drilling and completions operations. All garbage and trash will be transported to a permitted and controlled landfill within one (1) week following completion of drilling or completions operations. Garbage or trash will not be disposed of on location. The well site and access road will be kept free of trash and debris at all time during long-term production operations.

## PRODUCED WATER

Produced water, water produced from the wells after the wells are turned over to production, will be transported through existing water infrastructure and the proposed six-inch (6") water pipeline to the existing RGU 23-6-297 pad for temporary storage. Produced water will then be pumped through TEP's existing pipeline infrastructure to the one of TEP existing water management facilities for treatment, reuse, or disposal. Produced water will be treated with biocide at the water management facility. Produced water will also be treated with biocide prior to disposal if necessary.

Produced water is disposed of through: (1) natural evaporation at the evaporation ponds, (2) delivered and injected in to one of the approved TEP operated UIC facilities, (3) re-used in hydraulic fracturing operations, or (4) hauled to an approved third party, commercial disposal facility including: Owl SWD Operating LLC, Harley Dome #1 SWD, Greenleaf Environmental Services, White River Dome, or PBR Disposal.