

RGU 23-7-297 Well Pad (Frac Operations)
Plan of Development Summary
June 15, 2020

INTRODUCTION

TEP Rocky Mountain LLC (“TEP”) is proposing to reconstruct and expanded the RGU 23-7-297 Pad (COGCC Loc ID 316408) to support well completion operations for the sixteen (16) proposed wells on the RG 41-18-297 Pad (COGCC Loc ID 316591). The RGU 23-7-297 Pad is an existing Oil and Gas Location with one (1) existing well developing Federal Lease COC 057285. The pad is located on Federal surface within Lots 15 and 16 of Section 7, Township 2 South, Range 97 West, 6th P.M.

Existing Well Count: One (1) – Federal Lease COC 057285

Surface Ownership: Federal

Mineral Ownership: Federal

The RGU 23-7-297 pad would be reconstructed and expanded to provide enough working surface for temporary equipment in support of well completion operations on the RG 41-18-297 pad and to support future drilling operations on the location. TEP will pump produced water from existing water management facilities to the RGU 23-7-297 pad for use during well completion operations. Produced water will be pumped via existing water pipelines and one (1) ten-inch (10”) temporary surface poly water pipeline, which would be installed from the RGU 23-7-297 pad to the Love Ranch Centralized Waste Management Facility (“CWMF”) operated by XTO Energy, Inc. TEP would also install five (5) four and one half inch (4.5”) temporary surface frac lines between the RGU 23-7-297 pad and the RG 41-18-297 pad. Temporary surface frac lines would be installed following existing access roads or pipeline corridors.

EXISTING CONDITIONS

The RGU 23-7-297 pad is an existing Oil and Gas Location approximately 3.80-acre in total disturbance, with 1.05-acres in use for long-term production operations. Approximately 2.75-acres of this location has been previously reclaimed. The RGU 23-7-297 pad currently support production operations for one (1) existing well. Production equipment on this location consist of one (1) separator, one (1) two hundred-barrel (200bbl) production water tank, and one (1) two hundred barrel (200bbl) condensate tank. All existing tank are within a secondary containment structure approximately fifty-six feet (56’) by thirty-four feet (34’) providing containment of 110% of the largest tank. The existing production equipment will be relocated during construction of the pad.

SITE ACCESS & CONSTRUCTION

The existing RGU 23-7-297 pad is accessed from Rio Blanco County Road 85. The existing access road is entirely on Federal surface and is approximately 6.1 miles in length. The access road will be evaluated during the construction phase of the RGU 23-7-297 pad and may undergo minor maintenance actions.

The pad would be reconstructed and expanded to provide enough working surface to operate temporary equipment required for well completion operations. The existing well pad would be expanded to a 5.66-acre footprint when combining 1.05 acres of existing disturbance, 2.75 acres of re-disturbance, and 1.86 acres of new disturbance. The pad is being expanded to support remote frac operations as well as future drilling operations on the RGU 23-7-297 pad. The main points of pad expansion will be to the western and eastern ends of the pad to accommodate production facilities and drill cuttings management for future drilling operations. However, the surface area needed for future drilling operations will also be required to support remote frac operations.

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Prior to construction, stormwater controls will be installed around the perimeter of the location to ensure control of stormwater runoff and sediment migration from the site. Topsoil will then be striped to a depth of approximately six-inches (6") and stockpiled/windrowed along the south side of the pad. All areas within the proposed limit of disturbance will be stripped of topsoil to preserve organic materials for pad reclamation. The estimated topsoil volume is 4,950 cubic yards of material. A small amount of excess subsurface material (approximately 1,320 cubic yards) will be generated during pad construction, which will be stockpile along the east end of the pad adjacent to the access road. Topsoil and excess material will be segregated. Perimeter berms, approximately 2.5-feet in height, will be construction along the fill edge of the pad to ensure containment in the event of a release. A drive over berm will also be constructed near the pad entrances.

The existing access road will be rerouted near the eastern end of the pad. The proposed access will be constructed with an approximate road grade of eight percent (8%). The road segment will be constructed with a twenty foot (20') wide driving surface with two- and one-half foot (2.5') bar ditches on either side of the road way. The access road segment will be surfaced with approximate six inches (6") of gravel.

The existing production equipment will be relocated during pad construction to provide working for temporary frac equipment. The existing equipment will be re-installed on the pad in the location required for future drilling and production operations of the fifteen (15) proposed wells. The existing separator will be relocated to the west side of the pad within a thirty-foot (30') by thirty-foot (30') area, and the existing tanks will be relocated along the east side of the pad within a forty-foot (40') by twenty-four-foot (24') lined steel secondary containment structure. The wellhead flowlines and dump lines currently in place for production of the existing well will be remove and replace.

Fugitive dust control measures will be employed as needed during construction activities, which would include application of fresh water. Fresh water may also be used on the existing access roads as needed to mitigate dust pollution from vehicle traffic. All proposed construction activities will be contained within the previously disturbed areas of the well pad location, access road, or pipeline corridors. Please see the Construction Layout for additional details.

TEMPORARY EQUIPMENT AND SURFACE PIPELINES

During well completion operations for the sixteen (16) proposed wells on the RG 41-18-297 pad, temporary equipment will be placed on the RGU 23-7-297 pad. Temporary equipment may include approximately fifty (50) five hundred-barrel (500bbl) frac tanks, diesel frac pumps (12), blending equipment, and flowback equipment (3-4 phase separators). Additional equipment may be placed on site as needed during well stimulation activities. All temporary equipment will be removed from the site following completion of well flowback operations.

To support remote frac operations, five (5) four and one-half inch (4.5") steel temporary surface frac lines ($\pm 6,387'$) would be installed between the RG 23-7-297 pad and the RG 41-18-297 pad following the existing access roads and pipeline corridors. Water will be supplied to the RGU 23-7-297 pad via existing water infrastructure and one (1) ten-inch (10") temporary surface poly water pipeline ($\pm 18,311'$). The temporary surface poly water pipelines would be installed between the Love Ranch CWMF and the RGU 23-7-297 pad following existing roads and pipeline corridors.

One (1) temporary diesel transfer pump, one (1) temporary diesel charge pump, and two (2) five hundred-barrel (500bbl) frac tanks would be staged at the Love Ranch CWMF to support transportation of

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produced water to the RGU 23-7-297 pad. Additionally, one (1) temporary diesel booster pump and two (2) five hundred barrel (500bbl) frac tanks would be staged at the PC 8-1 pad (COGCC Loc ID 316201) within a sixty foot (60') by sixty foot (60') area supporting transfer of water to the RGU 23-6-297 pad.

One (1) twelve-foot (12') diameter valve can would be installed on the existing water pipeline located near the southwest corner of the RGU 23-7-297 pad to receive water from TEP existing facilities. Temporary flowback equipment, including four (4) phase separators, will be placed on the RGU 23-7-297 pad during flowback operations.

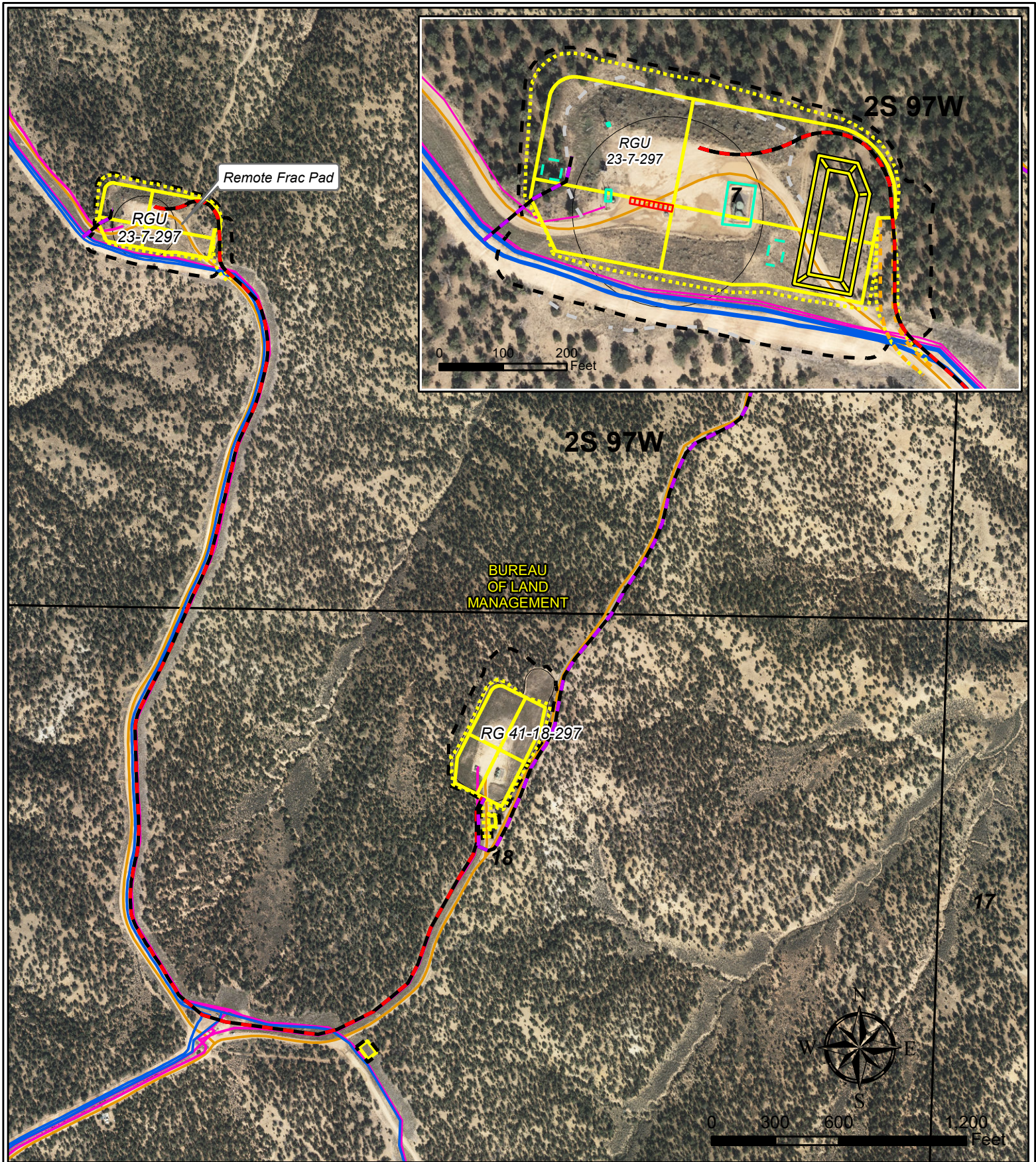
INTERIM RECLAMATION

Interim reclamation activities will typically begin within six (6) months following completions of the proposed activities on the RGU 23-7-297 pad, or during the next growing season. However, TEP plans to begin drilling operation on the RGU 23-297 pad within twelve (12) months following completing remote well completion operations associated with the RG 41-18-297 pad.

The RGU 23-7-297 pad will be reclaimed based on the attached interim reclamation plat. The production pad, the area needed for long-term production operations, would be approximately 1.91 acres. Prior to commencement of interim reclamation activities, the location and the surrounding area will be cleared of all remaining equipment, debris, materials, and trash not required for long-term production operations of the wells on the RGU 23-7-297 pad. The proposed temporary surface steel frac lines will be removed and hauled to a TEP operated storage facilities for reuse. All temporary equipment, if no longer needed for production operations, will be removed from the pad location.

All areas of the pad location not required for long-term production operations will be reclaimed and reseeded. A working area (production pad) must be maintained around each wellhead and the production equipment as they must remain accessible. The fill slope of the pad will be excavated and placed back along the cut slope of the pad leaving only the production pad remaining for long-term operations. The site will be re-contoured to blend as nearly as possible with the natural topography and graded to prevent erosion and encourage establishment of desirable vegetation.

Prior to seeding, the stockpiled topsoil located along the south side of the pad will be spread to a uniform depth that will allow the establishment of desirable vegetation. Soil sampling may be taken, if necessary, to determine if soil amendments may be needed. All compacted portion of the pad not required for long-term production operations will be ripped to a depth of eighteen-inches (18") when surface conditions permit. If the seed bed has begun to crust over or seal, the seed bed will be prepared by disking or some other mechanical means sufficient to allow penetration of the seed into the soil. In addition, broadcast seed should be covered by using a harrow, drag bar, or chain. Generally, slopes steeper than 2:1 will be hydroseeded and slope shallower than 2:1 will be drill seeded. Seeding will occur during the appropriate time of year to promote good seed germination. A seed mix approved by the landowner will be used on all disturbed areas except within the footprint of the production pad, which will be stabilized with gravel for long-term production operations.



Legend

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| Proposed Cellar | Surface Frac Lines |
| Proposed Pad Edge | Surface Water Supply Line |
| Proposed Drilling Pit | Existing Water Pipeline |
| Proposed Daylight Line | Existing Williams Pipeline |
| Proposed Limit of Disturbance | Existing Road |
| Existing Limit of Disturbance | Existing Pad |
| Proposed Production Equipment | |
| Existing Production Equipment | |
| Proposed Road | |

TEP Rocky Mountain LLC

RGU 23-7-297 Pad (Remote Frac)
Plan of Development Map
T2S R97W, Section 17

June 12, 2020

