

December 16, 2021

Ms. Kelly Alvarez, Environmental Health Specialist
Environmental Health Department
252 South 14th Street
Burlington, CO 80807

RE: Notice to Local Government

Dear Ms. Alvarez,

Thank you for the recent coordination regarding Navex Resources, LLC's proposed North Cheyenne oil and gas development in Kit Carson County. This letter provides additional information pursuant to Colorado Oil & Gas Conservation Commission (COGCC) Rule 302.e. COGCC rules require that Navex notify the local government that it plans to submit an Oil and Gas Development Plan (OGDP) to the COGCC no less than 30 days prior to submitting the OGDP. We anticipate submittal to COGCC during the first quarter 2022. This letter provides the required information under COGCC Rule 303.e.(2) and (3).

The information below is provided pursuant to Rule 303.e.(2).A.

1. Operator Contact Information

Question and comments for Navex Resources, as the operator, may be directed to:

Navex Resources, LLC
1020 E. Levee St., Suite 130
Dallas, TX 75207
Attn: Conrad Mirochna, Chief Operating Officer
(214) 382-3223
conrad@trekresources.com

2. Local Government Contact Information

Kelly Alvarez, Environmental Health Specialist
Environmental Health Department
252 South 14th St.
Burlington, CO 80807
(719) 346-7158, x420
Kelly.Alvarez@kitcarsoncounty.org

3. The Commission's Website Address and Main Telephone Number

<https://cogcc.state.co.us>
(303) 894-2100

4. Location of all Proposed Oil and Gas Locations

The two proposed Oil and Gas Locations are listed below.

Travis 1-10: SE ¼ NE ¼, Section 10, Township 11 South, Range 45 West
Pfaffly 1-12: NW ¼ SW ¼ Section 12, Township 11 South, Range 46 West

5. Anticipated Date that Each Phase of Operations will Commence (Month and Year)

Construction	September 2022
Drilling	September 2022
Completion	September 2022
Interim Reclamation	October 2022
Production	October 2022

The information below is provided pursuant to Rule 303.e.(2).B.

1. Number of Proposed Wells and Locations

Navex proposes to develop one exploratory conventional vertical oil and gas well at each location. The well will be approximately 6,000 feet deep. The surface location will be fee agricultural land leased from a private landowner for production of fee minerals. The location disturbance will be approximately 3.0 acres with a well pad of approximately 2.7 acres. After interim reclamation, the well pad will be downsized to approximately 2.0 acres, and the remaining 1.0 acre of disturbed area will be reclaimed. If the exploratory well is developed for production, oil and condensate will be trucked off site for commercial sale. Produced water will be trucked off site for disposal. Natural gas will be piped underground to tie into the existing Ladder Creek Gathering System operated by Tumbleweed Midstream. Tumbleweed Midstream will pipe natural gas underground from its Ladder Creek Helium Plant in Cheyenne Wells, Colorado, to the Colorado Interstate Gas Company's midstream pipeline and will process the natural gas liquids, inert gases, and helium for end users.

2. Proposed Construction Schedule by Quarter and Year

Preparation of the well pad for drilling operations is anticipated to require approximately 2 days during the 3rd quarter 2022.

3. Description of each Operational Phase of Development and What to Expect***Construction***

Approximately 2 days will be required to prepare the location. A bulldozer will be used to clear vegetation for the well pad and access road. An bulldozer will be used to compact the pad surface.

Drilling

A closed-loop drilling system will be used with water-based drilling mud. Well drilling and completion is expected to require approximately 7 to 14 days. Drill cuttings will be tested and buried on site in a drill cuttings trench and covered with an anticipated 3 feet of soil.

Completion

Well completion is expected to require approximately 6 days. Flowback from the wells will be placed in an enclosed tank. The well will be cased with 5.5-inch steel casing. A reinforced polyethylene flowline will be buried in a trench within the access road and will tie into the Ladder Creek Gathering System operated by Tumbleweed Midstream.

Interim Reclamation

After well drilling and completion, the well pad will be reduced to approximately 2 acres to support production. The remaining 1 acre will be reclaimed and seeded according to the surface owner's specifications.

Production

During production, the well pad will contain a pump jack; three 300-bbl oil tanks and one 300-bbl produced water tank inside of secondary containment; a 75-bbl separator; an enclosed

combustor; transfer lines between equipment; a gas sales meter; and the buried off-location flowline.

4. Proposed Haul Routes and Traffic Volume for Each Phase of Operations

The route for materials and equipment to reach the locations is generally considered to be south from Burlington, Colorado, or north from Cheyenne Wells, Colorado, on US 385. Access continues on County Roads D or G to County Road 40 for Travis 1-10 and to County Road 35 for Pfaffly 1-12. Table 1 lists estimated vehicle trips for each phase of operations.

Table 1. Proposed Traffic Volume for each Phase of Operations

Phase	Vehicle Trips ¹
Construction	8
Drilling	56
Completion	24
Interim Reclamation	4
Production (per day)	2

¹A vehicle trip is considered one way. Entering and exiting the site is equivalent to two vehicle trips.

5. Description of any Variances Requested pursuant to Rule 502

Navex is not requesting any variances under Rule 502.

Pursuant to Rule 303.e.(2).C, D, E, G, and H, the attachments to this letter describe the process for learning more details about the OGD. If you have questions regarding this letter, please contact me at conrad@trekresources.com or (214) 382-3223

Thank you,



Conrad Mirochna, Chief Operating Officer
Navex Resources, LLC

Attachments: Attachment 1 – Information Sheet: Procedural Steps for the Review of OGDs
Attachment 2 – Information Sheet: Public Comments
Attachment 3 – Information Sheet: OGD Status Information
Attachment 4 – Public Information: How to Find Documents for Commission Hearing Applications



INFORMATION SHEET: PROCEDURAL STEPS FOR THE REVIEW OF OGDPS

(As required by COGCC Rule 303.e.(2).C)

Why am I receiving this information sheet?

Oil and gas operating companies (“Operators”) are required to obtain approval of an Oil and Gas Development Plan (“OGDP”) from the Colorado Oil and Gas Conservation Commission (“COGCC”) prior to undertaking any new operations such as drilling oil and gas wells or building oil and gas locations. When an Operator submits an OGDP application to the COGCC for consideration, and the application has been received and is deemed complete, COGCC staff begins a formal technical review of the application materials, and a public comment period starts.

COGCC has prepared this information sheet to inform the public of the procedural steps involved with the Director’s and Commission’s review of an OGDP, so that the public is informed and may participate in the review process if they choose. As part of the process, Operators must provide this information sheet to certain recipients, like yourself, that include mineral owners within the area of proposed development and all landowners, homeowners, commercial property owners, tenants, and other entities within 2,000 feet of an oil and gas location proposed by a pending OGDP application.

What is an Oil and Gas Development Plan (OGDP)?

An OGDP is an Operator’s plan to develop oil or gas resources (“minerals”) from one or more surface locations. Operators prepare an OGDP and associated application materials, consistent with the requirements of COGCC Rule 303, and submit the plan for approval through the Commission’s Hearings process. The application materials include a hearing application; one or more Form 2A, Oil and Gas Location Assessments; a Form 2B, Cumulative Impacts Data Identification; and a Form 2C, OGDP Certification. The application may also include a request for the establishment

of one or more Drilling and Spacing Units (“DSUs”). The OGDP, along with its associated supporting documents, will be heard at a public hearing where the Commission will make a final determination to approve or deny the OGDP application.

What are the procedural steps involved with the Director’s and Commission’s review of Oil and Gas Development Plans?

1. **OGDP application is submitted:** Operator/ Applicant submits a complete OGDP application with all supporting documents. The written portion of the application is submitted to the COGCC hearings unit via the eFilings system, and Forms 2A, 2B, and 2C are submitted to technical staff via the eForms system. (See Rules 303 & 304)
2. **OGDP application is received:** The COGCC hearings unit reviews the written hearing application, assigns a docket number for the OGDP, and provides public notice for the hearing. (See Rules 303 & 504)
3. **Completeness determination:** The COGCC technical staff and Director review the application materials for completeness. When deemed complete:
 - a. the OGDP application materials are posted on COGCC’s website;
 - b. the Operator provides notice (including this information sheet) to relevant persons;
 - c. the public comment period begins;
 - d. the formal consultation period commences as applicable (including relevant/ proximate local governments and other agencies such as Colorado Parks and Wildlife (“CPW”) or Colorado Department of Public Health and Environment (“CDPHE”)); and
 - e. COGCC staff begin their technical review of the OGDP components. (See Rule 303).

4. **Director's review of application (technical review):** COGCC technical staff conducts the technical review of all application materials to ensure compliance with COGCC Rules, ensure the protection of public health, safety, welfare, the environment, and wildlife resources, and to evaluate potential Cumulative Impacts. The technical review includes analysis and assessment of:
- DSUs and protection of mineral owner's correlative rights;
 - proposed surface locations and alternative locations;
 - downhole and engineering considerations;
 - best management practices;
 - public comments and recommendations provided by consulting agencies;
 - financial assurance; and
 - the need for conditions of approval. (See Rule 306)

Director's recommendation: Once the Director has reviewed the application materials, the Director provides a written recommendation to the Commission in support of the approval or denial of the OGD application. The Director will post the recommendation on COGCC's website, notify relevant parties¹, and submit it to the COGCC hearings unit in preparation for hearing. (See Rule 306.c)

5. **Commission's consideration and final action (public hearing):** The Commission receives the Director's recommendation of the OGD and begins review of the OGD with support from the COGCC hearings unit. The review includes all supporting documents, written testimony, public comments, consulting agency recommendations, and Director's recommendation. The Commission considers the OGD at a public hearing, which may include oral testimony provided during the hearing. The Commission makes a final determination and presents its findings in a written order based on the evidence in the record; the Commission's order to approve or deny the OGD application is final. (See Rule 307)

Where can I get additional information?

For more information about the COGCC administrative hearing process and OGDs, please refer to the COGCC website at <http://cogcc.state.co.us>. You may also contact the COGCC at dnr.ogcc@state.co.us or 303-894-2100. Please note, COGCC staff are not available to provide legal advice. COGCC recommends that you engage an attorney with knowledge of oil and gas matters to assist you with reviewing any offers you receive from an oil and gas operator or other person.

¹ Parties who receive this information sheet will not necessarily be included in the notice of the Director's recommendation. Parties who make a public comment on the Form 2A and include their email address will receive the notice of the Director's recommendation.



INFORMATION SHEET: PUBLIC COMMENTS

(As required by COGCC Rule 303.e.(2).D)

Purpose

This information sheet provides details on how to make public comments on an Oil and Gas Development Plan submitted to the Colorado Oil and Gas Conservation Commission via the Form 2A, Oil and Gas Location Assessment permit application.

Why am I receiving this Information Sheet?

You have received this Colorado Oil and Gas Conservation Commission (“COGCC”) information sheet because an oil and gas operator (“the Operator”) has submitted an application for an Oil and Gas Development Plan (“OGDP”), and that application is under review by the COGCC. Per COGCC Rule 303.e.(1), the Operator is required to provide this information to you within seven days of the application materials being posted on the COGCC website.

COGCC Rule 303.d requires the COGCC to open a formal “public comment period” upon posting the OGDP application to our website. This public comment period allows the public to review OGDP applications and their components (i.e., proposed Oil and Gas Locations), and provide comments on those pending permit applications.

How can I provide comments on pending permits in an OGDP?

Members of the public can access OGDP applications through the COGCC website to review permit information and provide comments. Public comments may be made directly on Form 2A, Oil and Gas Location Assessment permit applications (“Form 2A”) through the COGCC website.

1. Go to the COGCC website <https://cogcc.state.co.us>
2. On the green menu bar, click on the “Permits” page. This will take you to the “Drilling and Location Permits Search” tool for Pending Permits.



3. Under “Pending Permits”, find “Oil and Gas Location Assessment Permits (Form 2A)”. Select the county of interest from the dropdown menu and click “Go!”

Pending Permits (Filed ON or AFTER January 15th, 2021)

Oil & Gas Location Assessment Permits (Form 2A):

4. This will generate a table of pending applications and will indicate the status of the public comment period for each permit within the COGCC review process.
5. Scroll through the list of pending permits to find the one you would like to review. You may wish to use “ctrl + f” to search for a specific document number, operator name, or location name.
6. To view the submitted Form 2A and its associated attached documents, click the “Location Name” link for the permit application you wish to view.

Pending Location Permits - All Counties

Doc Number (Public Comment Link)	Final day of Public Comment Period (Closes at Midnight)	Received	Location Name (Documents Link)	Status	Status Date
402165141	03/11/2021	01/26/2021	Brian Test 4	IN PROCESS	01/26/2021

7. To make a public comment on a specific permit application, click the “Doc Number” link of the permit on which you wish to comment. This will take you to the Public Comment portal.

Pending Location Permits - All Counties

Doc Number (Public Comment Link)	Final day of Public Comment Period (Closes at Midnight)	Received	Location Name (Documents Link)	Status	Status Date
402165141	03/11/2021	01/26/2021	Brian Test 4	IN PROCESS	01/26/2021

8. In the Public Comment portal, you may review the Form 2A application including the PDF and all attachments.

Selected Well / Location:

Document Number	Form Type	
402165141	02A	COL

9. To make a public comment, click the “Make Comment” button. A Form will open for you to provide your name, contact information, and your comment. Only the text in the Comment box will be made public; your contact information will be kept confidential by COGCC.

Please fill out the fields below in full to submit your comment.

Name: Email:

Address: Phone Number:

City: State: Zip:

Subject:

Comment:

10. Click the “Submit Comment” button when you are ready to submit your comment.
11. You may also view other public comments and read yours after it is posted by scrolling down on this page (see below about a delay in displaying comments).

How long do I have to submit a comment on a permit?

The Public Comment Period begins once the COGCC Director determines the OGDG application is complete and has been successfully submitted by the operator. The Director will approve the Form 2C, OGDG Certification form, and post the OGDG application on the website for public review.

In order to be considered by the Director and Commission during the review of the OGDG, public comments must be received as follows:

1. Within 30 days from the date that the Director posts the OGDG on the website, OR
2. Within 45 days if the OGDG includes any proposed Oil and Gas Locations within 2,000 feet of a Residential Building Unit, High Occupancy Building Unit, or School Facility within a Disproportionately Impacted Community.

The final day for public comments can be found in the list of all pending permits:

Pending Location Permits - All Counties					
Back		Export to Excel			
Doc Number (Public Comment Link)	Final day of Public Comment Period (Closes at Midnight)	Received	Location Name (Documents Link)	Status	Status Date
402165141	03/11/2021	01/26/2021	Brian Test 4	IN PROCESS	01/26/2021

When the Public Comment Period closes, the date will revert to read “Comments Closed”. The link to the public comment portal will remain active, but comments will no longer be accepted. You will still be able to view any public comments submitted for pending permits.

The Director may extend or reopen the public comment period per Rule 303.g, for up to an additional 30 days for a proposed OGDG if the Director determines an extension or reopening is reasonable in order to obtain public input.

What happens to my comment?

Your comment will become part of the public record of the application and will be reviewed by the applicant,

COGCC staff, Director, and the Commission. COGCC staff may recommend permit conditions in response to comments. But, Staff does not routinely respond individually to comments; instead, COGCC staff will work directly with the applicant to address the site-specific concerns expressed.

Submitted comments may not be immediately visible; it may be a few days before you see your comments posted. This delay allows COGCC supervisory staff to screen for offensive language prior to publication.

What if I want to make my comment to the Commission?

COGCC Staff and the Director review every comment received on a Form 2A permit application. They review the site specific concerns against the totality of the application materials, including the alternative location analysis, cumulative impacts evaluation, and best management practices proposed by the applicant. When the Director makes a recommendation to the Commission to either approve or deny an OGDG, that recommendation will include the consideration of the public comments received.

In their review of an OGDG for a final determination at the administrative hearing, the Commission will have access to the entire record, including your public comment.

Can I remain anonymous?

Yes. Only the “Comment” portion of your submitted comment will be made publicly viewable. Your name and contact information will be kept confidential, and will only be used by COGCC staff to contact you if necessary in the course of permit application review. If you choose to include your name and contact information in the body of your comment text, it will be part of the public record.

Where can I get additional information?

The following links provide guidance and additional information on providing Public Comments.

COGCC Permits Page:

<https://cogcc.state.co.us/permits.html#/permits>

Numerous helpful guidance documents can be found at the link on the COGCC Permits Page:

<https://cogcc.state.co.us/permits2.html#/permitshelp>

Daily Activity Dashboard (DAD) is another useful tool and can be used to access the public comment portal as well: <https://cogcc.state.co.us/dashboard.html>



INFORMATION SHEET: OGDP STATUS INFORMATION

(As required by COGCC Rule 303.e.(2).G)

Why am I receiving this information sheet?

The Colorado Oil and Gas Conservation Commission (“COGCC”) prepared this information sheet to inform the public in the vicinity of a proposed Oil and Gas Development Plan (“OGDP”) how to access documents and view the status of proposed OGDPs through the COGCC’s website, eForms, and eFiling system. A review of public property records indicates that you may have an interest in lands that an oil and gas operator wishes to develop as part of an OGDP. Pursuant to Commission Rule 303.e.(2).G, operators are required to provide this information sheet to certain recipients near their development plans.

What is an Oil and Gas Development Plan?

An OGDP is an operator’s plan to develop subsurface oil and gas resources (“minerals”) from one or more surface locations. An OGDP consists of a hearing application and associated permit materials that provide technical information. The Director (i.e. COGCC Staff) reviews the technical information and makes a recommendation to the Commission for the hearings application; the Commission has the ultimate authority on approval or denial of the OGDP.

How do I view the status of the pending OGDP hearing application?

Members of the public may view the status of proposed OGDP applications through the COGCC eFiling System by creating an account in the Applications and Docket Portal, available on the “Hearings Page.”

1. Go to www.COGCC.state.co.us and click on the green “Commission Hearings” button:



2. On the right-hand side of the Hearings page, in the Operator Tools box header, click on “Application and Docket Portal”:



3. Create a user account by clicking “Request Access to Site,” and completing the required registration information. There may be a delay for processing following your request before

you are granted access. Check your email for access approval.

4. Once registration is complete, access the Application and Docket Portal by entering your user name and password.
5. At the bottom left of the page, find the panel labeled “Find Hearing Application by Docket Number” and enter the 9-digit docket number provided by the operator in their cover letter in the field named “Docket Number”:



6. The general status of the docket is listed in the first column on the left, titled “Docket Status.”
7. Double click the docket search result to load the docket’s main page, which will show additional information, including the application type, status, assigned Hearing Officer, and applicant information.

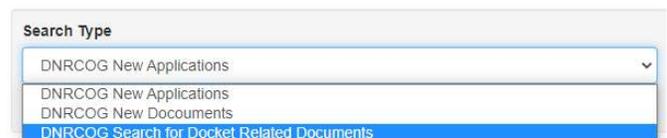
Do I have to create an account to view documents?

No. You may view documents through the “Document Search” described below without creating an eFiling System account, but you will not be able to view the “status” of the docket through this method.

1. On the right-hand side of the Hearings page, in the Public Tools box, click on the “Document Search” link:



2. From the “Search Type” dropdown menu, select “DNRCOG Search for Docket Related Documents”:



- Input the docket number provided by the operator.

DNRCOG Docket Number

- If you don't have a docket number, or to view any OGD, scroll down to the "DNRCOG Application Type" dropdown menu and select "OIL & GAS DEVELOPMENT PLAN":

DNRCOG Application Type

- ADDITIONAL WELLS
- COMPREHENSIVE AREA PLAN
- ENFORCEMENT
- EXCEPTION LOCATION
- GENERAL ADMINISTRATIVE
- OIL & GAS DEVELOPMENT PLAN**
- OTHER

- Scroll down and click the "Search" button.
- A table of all related documents will appear. Click on any item to view its contents or download to your computer.

How do I view general forms, permits, and data regarding permits and OGDs?

Use the Daily Activity Dashboard (DAD) to access frequently requested oil and gas data at the county and state levels. The DAD link is located in the right-hand corner of the COGCC homepage:



It allows you to generate statistical charts, graphs, tables, and maps for information including pending permits, well status, production, well inspections, Notices of Alleged Violation, active notifications, and spills. The COGCC also provides access to pending and approved permits through its "Permits Search" and interactive map on the COGCC website.

To view the status of pending Form 2As (Oil and Gas Location Assessment Permits) through the "Permit Search" function, follow the steps outlined below:

- Click "Permits" in the green menu bar on the COGCC homepage. This will take you to the "Drilling and Location Permits Search" page.
- Under Pending Permits, find "Oil & Gas Location Assessment Permits (Form 2A)". Select "All Counties" or a specific county using the drop down menu and click "Go!":

Pending Permits (Filed ON or AFTER January 15th, 2021)

Oil & Gas Location Assessment Permits (Form 2A):

- A table will show all pending Form 2As currently under review by the COGCC.

Pending Location Permits - All Counties

Doc Number (Public Comment Link)	Final day of Public Comment Period (Closes at Midnight)	Received	Location Name (Documents Link)	Status	Status Date	Related 1B Doc Number	Related 2C Doc Number	Type of Permit	Op Or	Section	Township	Range	County
402102141	03/11/2021	01/06/2021	Docs_Tab_4	IN PROCESS	01/06/2021			New Location	SENY	3	4S	50W	DENVER
402102129	03/11/2021	01/06/2021	Submittal Tab_Fault_4	IN PROCESS	01/06/2021			New Location	SENE	3	4S	50W	DENVER
402102028	03/11/2021	01/06/2021	Docs_Tab_3	IN PROCESS	01/06/2021			New Location	NENE	3	4S	50W	DENVER

- Clicking a "Doc Number" link will take you to the Public Comments portal for that pending permit.
- Clicking a "Location Name" link will take you to a list of documents related to that permit, including the Form 2A (as submitted by the operator) and supporting documents that are attached to the pending permit application.

Can I view pending applications on the COGCC Map?

Yes. You may access the COGCC GIS Online Interactive Map by clicking "Maps" in the green banner on the COGCC homepage, then click "Click HERE to access interactive map". You may use the "address search" option to zoom to your address to see oil and gas activity near you. With the map zoomed to your area of interest, you may specify pending permits by checking the appropriate boxes on the left-hand menu:



To select and view a pending application, use the arrow tool to double-click on the pending icons to display the Application.

Where can I get additional information?

COGCC Homepage:

<https://cogcc.state.co.us/#/home>

Hearings Page:

<https://cogcc.state.co.us/reg.html#/hearings>

eFiling system help:

http://cogcc/documents/reg/Hearings/External_E_filing_System_Users_Guidebook_20201109.pdf

COGCC GIS Online Interactive Map help:

<http://cogcc/documents/about/Help/Search%20pending%20permits%20on%20the%20COGCC%20map.pdf>



PUBLIC INFORMATION

How to Find Documents for Commission Hearing Applications

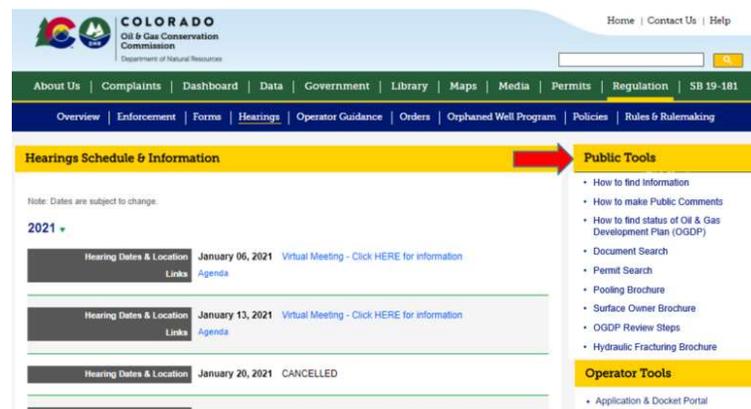
Document Change Log

Change Date	Description of Changes
3/19/2021	Document created

From the COGCC home page (<https://cogcc.state.co.us>), click on "Commission Hearings":



On the Commission Hearings page, there are two primary tool boxes; one for the general public and one for operators and their agents. This document focuses only on the Public Tools box:



Docket Number

Each application or matter is assigned a Docket Number. Docket numbers have nine digits where the first four digits are the two digit year and two digit month that the application was filed, or the matter was initiated; the last five digits are the sequential number of the matter for the given year. For example, 210200013 is the thirteenth docket created for the year 2021 and was created in February of that year.

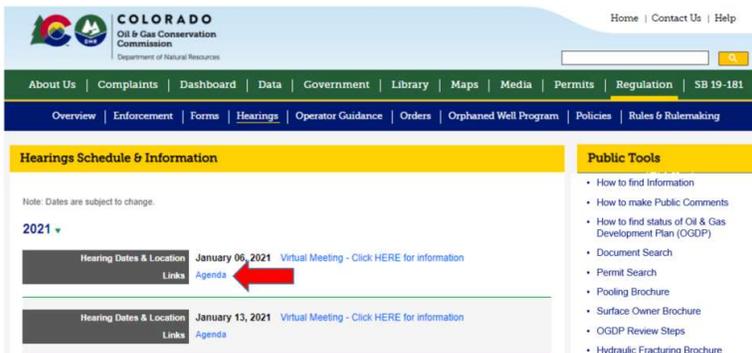
The Docket Number is used to identify that application, or matter, before the Commission. It is also used to file and organize all the documents for that application.

Docket Number in Agenda

Hearing agendas include the docket number of the matter before the Commission. Hearing agendas may be found in the Upcoming Events panel on the COGCC home page:



Commission agendas may also be found in the Hearings Schedule & Information panel on the Commission Hearings page:

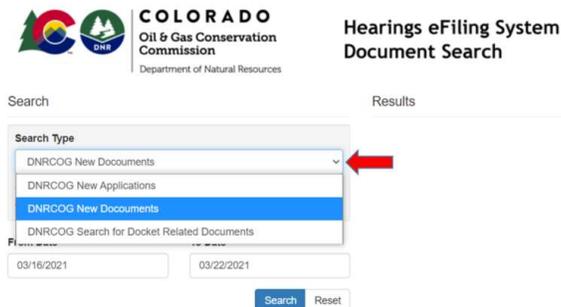


Document Search Tool

To find the documents related to any matter before the Commission, click on the Document Search link in the Public Tools box:



The Document Search link will take you to the Hearings eFiling System Document Search user interface:



Click on the Search Type dropdown to access three different ways to search for information:

- For "DNRCOG New Applications" search type, enter the date range and click "Search". This search will show just the new matters initiated during the specified date range.
- For "DNRCOG New Documents", enter the date range and click "Search". This search will return all documents filed during the specified period.
- The most robust search type is "DNRCOG Search for Docket Related Documents" as a number of fields can be used to customize the search:

