

# Operations Safety Management Program

North Cheyenne  
Oil and Gas Development

**Travis 1-10**  
**Pfaffly 1-12**

This Operations Safety Management Program has been prepared by Navex Resources, LLC (Navex) for its North Cheyenne oil and gas development in Kit Carson County, Colorado. Navex proposes to develop two exploratory oil and gas wells for production of oil and condensate, natural gas, natural gas liquids, and inert gases, including helium. The Plan addresses the Colorado Oil & Gas Conservation Commission (COGCC) requirement at Rule 304.c.(7) to prepare an Operations Safety Management Program consistent with Rule 602.d and guidance issued by COGCC (February 16, 2021). The proposed wells will be in the following locations:

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

## 1.0 Change Management

The conventional vertical well locations will each contain a pump jack, three 300-bbl oil tanks, one 300-bbl produced water tank, a heated separator, a combustor, a gas meter, a buried off-location gas flowline, and supporting equipment. The Change Management Program for the operation is described below and in the attached checklist. The purpose of the Change Management Program is to provide for proper planning, execution, and documentation of changes to the Oil and Gas Location. It is an organized process to guide changes to operations and equipment that will reduce risks, overlooked considerations, and unintended consequences.

**Table 1. Change Management Program**

Activity	Procedure
Procedure for Change Documentation	Changes to technology, equipment and procedures will be documented using (1) a change management review meeting between subject matter experts and the Chief Operating Officer, and (2) a Change Management Checklist (attached).
Records Storage Location	Navex will maintain records related to change management in its Dallas, Texas office.
Records Storage Duration	Navex will maintain change management records for a minimum of 5 years.
Record Availability	Navex will make records available for inspection within 14 days of a request for review.
Record Updates	Navex will review records at a minimum of annually to ensure that information is up to date. Records will be added when necessary, such as parts replacement.
Basis and Purpose for Change	The Change Management Checklist will document the basis and purpose for a change.

Activity	Procedure
Identifying Potential Impacts	The Change Management Checklist will be used to record potential impacts to public health, safety, welfare, and the environment resulting from the change, including beneficial impacts and impacts that may occur from not implementing the change.
Approval for Changes	The operator is expected to be the primary source for recommended parts or configuration changes to well operations. Changes more significant than basic maintenance will be approved by the Navex Chief Operating Officer.
Permanent v. Temporary Change	Changes will be identified on the Change Management Checklist as permanent or temporary.
Duration for Temporary Changes	The duration for temporary changes will be identified on the Change Management Checklist for follow up.
Training	If a change results in new procedures, Navex will train the site Operator on the procedures. Training records will be maintained with the Change Management Checklist.

## 2.0 Pre-start Up Safety Review (PSSR)

The Pre-Start Up Safety Review is described here and in the attached checklist. The site Operator and Production Manager will review the list as part of facility readiness for well production. Review will include features that may represent a risk to the Operator, public health, safety, or the environment. Findings will become part of the Operator's records.

For pre-start up, the wellhead, tanks, valves, meter, and flowlines will be visually and manually inspected. The system components will be calibrated, function tested, and pressure tested to maximum manufacturer operating pressure for the specified duration.

## 3.0 Best Management Practices

The following best management practices will help to implement change management and the PSSR program:

**Table 2. Best Management Practices**

Best Management Practice
<ul style="list-style-type: none"> <li>The Operator will receive an orientation and training for operation, monitoring, and maintenance specific to the location.</li> </ul>
<ul style="list-style-type: none"> <li>Prior to operation, the Navex Production Manager will review site readiness with the Operator. Review will include equipment, well pad maintenance, access roads, flowlines, and site security. Potential for risk to public health, safety, welfare, or the environment will be discussed at that time. Discussion will identify whether adjustment is needed for resources, materials, or practices to minimize potential risks. Significant changes will be documented as part of change management for the location.</li> </ul>

Best Management Practice
<ul style="list-style-type: none"> <li>Contractors and vendors working on the location will be supervised by the Operator when it is necessary to do so to maintain safe operations.</li> </ul>
<ul style="list-style-type: none"> <li>The Operator will be responsible for recommendations to improve operation of the site to avoid impacts to public health, safety, welfare, and the environment. Significant changes will require approval from the Navex Chief Operating Officer.</li> </ul>
<ul style="list-style-type: none"> <li>Vendor sheets and invoices will be attached to the Change Management Checklist where needed to describe changes at the location.</li> </ul>
<ul style="list-style-type: none"> <li>Navex's standard health and safety practices will be used to supplement the information provided in this Plan.</li> </ul>

### Attachments

Change Management Checklist  
Pre-Start Up Safety Review Checklist

## CHANGE MANAGEMENT CHECKLIST

<b>LOCATION NAME:</b>
<b>COGCC LOCATION ID:</b>
<b>DATE CHANGE OCCURRED:</b>

<b>DESCRIPTION OF CHANGE (Technology, Equipment, Procedures):</b>
<b>BASIS AND PURPOSE OF CHANGE:</b>
<b>POTENTIAL IMPACTS</b> (To public health, safety, welfare, the environment. Include beneficial impacts. Include impacts that may occur if the change is not implemented. Continue on the reverse, if necessary):

**Check All That Apply**

- ☐ The change is temporary. Specify duration: \_\_\_\_\_
- ☐ Updates are needed for training or inspection procedures. Specify: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
- ☐ The change is documented. Specify documentation and location: \_\_\_\_\_  
 \_\_\_\_\_

Employee Name / Title: \_\_\_\_\_

Employee Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Approver Name / Title: \_\_\_\_\_

Approver Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## PRE-START UP SAFETY REVIEW CHECKLIST

<b>LOCATION NAME:</b>
<b>COGCC LOCATION ID:</b>
<b>DATE OF PRE-START UP SAFETY REVIEW:</b>

<b>START UP IS (Circle One):</b>	
New Operation	Modification To Existing

**EQUIPMENT CHECK** (Check All That Apply, Review Method, and Findings)

Visual
Function/Pressure Test
Valves
Calibration

- ☐ Wellhead:
- ☐ Wellhead Valve:
- ☐ Pump Jack:
- ☐ Meter:
- ☐ Tanks:
- ☐ Heated Separator:
- ☐ Combustor:
- ☐ Secondary Containment:
- ☐ Flowline Polyweld to Steel Fitting:
- ☐ Flowline Above-ground:
- ☐ Flowline Below-ground:
- ☐ Signage Entrance:
- ☐ Signage Wellhead:
- ☐ Material Storage:
- ☐ Spill Response Equipment:
- ☐ Stormwater Controls:

Employee Name / Title: \_\_\_\_\_

Employee Signature: \_\_\_\_\_

Date: \_\_\_\_\_