



EMERGENCY PREPAREDNESS PLAN

NueVida Resources, LLC

for the

Ardourel (33081718 #3HL & #4HU) Site
Oil and Gas Facility
LaPlata County, CO

October 2022

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EMERGENCY PREPAREDNESS PLAN (ERP)
TABLE OF CONTENTS

A. Introduction.....	3
B. Project Description.....	4
C. ERP Information	
1. Local Response Agency and Contact.....	5
2. LaPlata County Review and Approval.....	5
3. Location Directions.....	5
4. Ingress & Egress to Location.....	5
5. Legal Description.....	5
6. Operator Emergency Contact Information.....	6
7. Mutual Aid Agencies.....	6
8. Local and Mutual Agency Staffing.....	6-7
9. Site Setting.....	7
10. Location Layout.....	7
11. Equipment and Stored Material.....	7-8
12. Sensitive Areas.....	8
13. Potential Impacts, Prevention and Mitigation.....	8-9
14. Response Equipment.....	9
15. Health and Safety Action Levels.....	10
16. Training Coordination with Local Responders.....	10

TABLES

Table 1. Emergency Call List.....	11
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FIGURES

Figure 1. Ardourel Site - Topographic Plat	
Figure 2. Ardourel Site - Facilities Diagram Plat	
Figure 3. Ardourel Site Pictures (Pre-Construction)	
Figure 4. Industrial Sites, Existing Wells and Residential Housing Plat	
Figure 5. Ardourel Site – Drilling Pad & TUA Tank Pad Plat	

MAPS

Map 1. Road Map from Ardourel Site to Emergency Facilities	
Map 2. Fire Station Locations near Ardourel Site	
Map 3. General Map View - Ardourel Site	

A Introduction and Purpose

NueVida Resources, LLC (NueVida) is providing this Emergency Response Plan (ERP)-Ardourel Site to the Colorado Oil and Gas Conservation Commission (COGCC), La Plata County Planning Department and La Plata County Office of Emergency Management Office in compliance with requirements under COGCC Rule 304.c.(8). NueVida Resources, LLC currently does not have any Oil and Gas Operations in LaPlata County, Colorado. NueVida anticipates starting operations during the third quarter 2022, having initiated the process of permitting several wells under the COGCC, OGDG process and LaPlata County Series 90 Rules.

NueVida proposes to develop the Ardourel 33081718 #3HL & #4HU (Project), a natural gas extraction, and transportation system within 34.51 acres of total disturbance. NueVida plans to initially drill two (2) test wells into the Mancos Formation utilizing horizontal drilling technologies on its leasehold within La Plata County, Colorado. Based on results of the initial wells, an additional six (6) wells may be drilled on the well pad for a total of eight (8) wells. To accommodate these wells, NueVida is proposing a multi-well gas location (well pad), access roads, pipeline, tank pad Temporary Use Area (TUA), and temporary pump pad on private land owned by the Ardourel Trust. The purpose of the wells will be to extract, separate, dehydrate, and transport natural gas from the wells to an above ground header system where three different gathering companies in the area have the ability to transport the gas for additional offsite treatment and processing for gas sales. The Project will also include a tank pad TUA and a temporary pump pad for pre-productions operations. When fully operational, the well pad location will include eight-inch inlet and outlet pipelines, two (2) 400-barrel steel water tanks, two (2) 2-phase vertical indirect heated vessels, one (1) small vertical fuel gas separator, one (1) dehydrator skid, and one enclosed combustor. The tank pad TUA would have approximately fifteen (15) 40,000-barrel tanks and four (4) 20,000 barrel tanks. Access to the Project would be from County Road 318 to an existing graveled access road that is currently utilized by a different operator. From the existing graveled access road, two separate access roads will connect with the tank pad TUA, and two separate access roads will connect to the well pad from the existing access road to accommodate for pass through traffic on both pads. Construction of the well pad and tank pad TUA and installation of the water storage tanks will take approximately 58 days to complete. Drilling operations will take approximately 40 days to complete for the two wells. The drilling rig will then be removed, and a two-week period will begin for preparation to complete the wells. Completion operations for both wells will take approximately 30 days to complete. After completion, the tanks on the tank pad TUA will be removed, however, the produced water pad would remain in place while testing of the wells occurs to determine if additional wells may be drilled in subsequent years. The tanks pad TUA will be seeded with use of tackifiers and/or erosion blankets after removal of the tanks to stabilize the soils for potential erosion.

The location for this proposed Project has been selected to meet a variety of technical and logistical needs. Key among these is an acceptable location between the field from which the gas is coming and the plant to which it is being delivered. This Project would be located near Ignacio, Colorado on Parcel Number 595318300056 and will be accessed from County Road 318, Ignacio, CO. The legal location for the project is the W/2 SW/4 of Section 18, Township 33 North, Range 8 West, N.M.P.M. This proposed location is currently occupied by sagebrush vegetation with sparse pinion pine and juniper trees scattered throughout. It is zoned for agricultural use. The location abuts other private properties on all sides and County Road 318 on the southern border.

B Project Description

The 34.51 acres of disturbance is comprised of 29.61 acres of area of disturbance, 4.31 acres of pipeline ROW, and 0.59 acre of existing graveled and two-track roads. The 29.61-acre area of disturbance would include a 6.54-acre level pad area for the well facilities and an additional 14.34-acre leveled pad for the tank pad TUA, 0.09 acre of new access roads, 0.42-acre temporary pump pad, 2.73 acres for TUA topsoil storage, and 5.09 acres of area that could be utilized for storm water management areas. The total 4.41 acres of pipelines will be both within the area of disturbance (0.10 acre) and on 4.31 acres of right-of-way (ROW) outside of the area of disturbance. The associated cut and fill slopes, additional room to implement necessary mitigations and Best Management Practices (BMP), soil storage, and a tank pad TUA are included in the overall surface disturbance. There is an existing graveled and two-track access road that totals 0.59 acre of disturbance. The well pad and all access roads will be graveled and maintained for the pre-production phases of the Project. After drilling and completion phases are finalized, the tank pad TUA, its associated access roads, and a portion of the well pad will be fully reclaimed (approximately 25.31 acres) for the production phase of the Project. Approximately 2.90 acres of the well pad will be leveled and reseeded only, leaving a total of 1.40 acres of long-term disturbance to remain as a graveled surface on the well pad and its associated access roads. The existing access road does provide access to an existing well pad location and will continue to be utilized by both NueVida and the existing well pad operator for the life of both wells.

Wildlife species, especially mule deer, do have High Priority Habitat (HPH) within the disturbance area of the Project. This HPH is considered Mule Deer Severe Winter Range and typically operators are requested to restrict new construction or development activities during the winter closure period of December 1 through April 30. NueVida would not perform any pre-production construction or drilling operations during the closure period.

C ERP Information

1-Local Response Agency and Contacts

LaPlata County Office of Emergency Management (LPCOEM)
Shawna A. Legarza, PsyD - Director
Office: 970-382-6275, Mobile: 970-749-6344

Rob Farino – Coordinator
Office: 970-382-7552
Emergency: 911

2-LaPlata County Review and Approval

This Emergency Response Plan was submitted to the LPCOEM (Shawna Legarza, PsyD – Director) on March 10, 2022, via e-mail. Exhibit 1 is the acknowledgement of approval from the LPCOEM.

3-Location Directions

Beginning in Ignacio, CO (nearest town), from the intersection of Hwy 172 and County Road 318 (CR-318), travel west on CR-318 for 7.1 miles. Turn right (north) onto the existing graveled lease road to the site access road. Follow the access road northeast 150 feet to the southeast corner of the Ardourel Site (refer to Map 1).

4-Ingress and Egress to Location

The proposed access to the Ardourel Site will be from County Road 318 to an existing graveled access road that is currently utilized by a different operator. From the existing graveled access road, two separate access roads will connect with the production pad and tank pad TUA. The two separate access roads will connect to the well pad from the existing access road to accommodate for pass through traffic on both pads (refer to Figures 1 & 2).

5-Legal Description

The Ardourel Sites legal description is as follows:

NWSW Section 18, Township 33N – Range 8W, N.M.P.M.
Lat: 37.101193 Long: 107.767596, NAD 83
LaPlata County, CO

6-Operator Emergency Contact Information

- **First Call**

Dick Pate (NueVida Resources, COO - Durango, CO).....Mobile*: 303-550-4880
Home: 970-403-3188
Jim Bob Byrd (NueVida Resources, VP Land -Farmington, NM).....Mobile*: 303-204-1258
Office: 505-327-4892, x122

- **Additional Company Contacts**

John Thompson (Walsh Engineering- Pres. -Farmington, NM).....Home: 505-327-1868
Mobile*: 505-320-1748
West Hahn (Walsh Engineering, VP-Farmington, NM).....Home: 505-325-2255
Mobile*: 505-320-5120

**- Primary Contact Phone Number
Emergency - 911*

7-Mutual Aid Agencies

PRIMARY

- Los Pinos Fire Protection District.....970-563-9501
Contact: Tony Harwig, Chief
- Los Pinos Fire Protection District Station 3.....970-563-3118
2929 CR-318 (1-mile from Ardourel Site, 24-hour manned station)

SECONDARY

- Durango Fire Protection District.....970-382-6000
Contact: Hal Dougherty, Chief
- Durango Fire and Rescue Station #1.....970-382-6000
142 Shepard, Durango (15-miles from Ardourel Site, 24-hour manned station)
- *Emergency – 911*
- *Refer to Table 1 for Detailed Emergency Call List*
- *Refer to Map 1 (Emergency Facilities) and Map 2 (Fire District Stations)*

8-Local and Mutual Agency Staffing

- The Los Pinos Fire and Rescue has six (6) fire stations serving the Ignacio Fire District. It employs twenty-six (26) full time, six (6) volunteer and over fifteen (15) seasonal Wildland Fire Fighting personnel.

- The Durango Fire Protection District has sixteen (16) fire stations serving the Durango Fire District. It employs ninety-six (96) full time, sixty-seven (67) volunteer/part-time and over eighteen (18) seasonal Wildland Fire Fighting personnel.

9-Site Setting

The proposed Ardourel Site is currently occupied by sagebrush vegetation with sparse pinion pine and juniper trees scattered throughout. It is zoned for agricultural use (refer to Figure 3).

The proposed Ardourel Site is located in the vicinity of existing oil and gas well sites and infrastructure. There are seven (7) active Oil and Gas locations and two (2) large compressor stations within one (1) mile of the Ardourel Site. There are no schools, day care centers or business buildings within one (1) mile of the Site. The location abuts other private properties on all sides and County Road 318 on the southern border. There are fifteen (15) residences that are within one (1) mile of the Ardourel Site (10 to the northeast and 5 to the southwest), with only two (2) residences (both owned by the same people) to the southwest that are within less than 2000 feet of the Ardourel TUA tank farm (refer to Figure 4).

10-Location Layout

The Ardourel Site consists of a Production pad, a Temporary use pad (TUA) for water storage (used for completion/frac services) and pipeline access ROW (refer to Figure 5).

The 34.51 acres of disturbance is comprised of 29.61 acres of permitted pad areas, 4.31 acres of pipeline ROW, and 0.59 acre of existing graveled and two-track roads. The 29.61-acre area of disturbance would include a 6.54-acre level pad area for the well facilities and an additional 14.34-acre leveled pad for the tank pad TUA, 0.09 acre of new access roads, 0.42-acre temporary pump pad, 2.73 acres for TUA topsoil storage, and 5.09 acres of area that could be utilized for storm water management areas.

11-Equipment and Stored Material

The Ardourel Site is a proposed Oil and Gas Development and there is no existing equipment or stored material at the Site. The following is a description of the proposed production equipment:

When fully operational, the well pad location will include a surface header system (eight-inch inlet and outlet pipeline), two (2) 400-barrel API standard steel water tanks, two (2) 2-phase hi-pressure, vertical indirect heated separators, one (1) small vertical fuel gas separator, one (1) dehydrator skid, and one enclosed combustor (refer to Figure 2).

The production from the wells is dry gas (methane: CH₄ – 97% and carbon dioxide: CO₂ - 3%). There will be no condensate or oil production (i.e. no VOC's). The only fluid production will be formation water, which will be stored in the 2–400-barrel steel API tanks and then transferred via pipeline to a water disposal facility.

The Dehydrator uses Triethylene glycol (TEG) fluid to absorb the water vapor from the gas stream so that the gas will be accepted by the gatherer (to be sold @ pipeline spec of 7 lbs water per MMCF). The Dehydrator equipment will have a maximum of 1471 gallons (44.5 barrels) TEG within the vessels and piping. The MSDS identification shows that TEG is not a regulated hazardous material. It has a relatively

high flash point of 329 degrees F. It is an irritant to the skin, eyes and respiratory system. The Dehydrator skid will be installed inside a berm area that will, at minimum, contain 150% of the Dehydrator fluids.

12-Sensitive Areas

The Ardourel Site is located within High Priority Habitat (HPH) Mule Deer Severe Winter Range as designated by the Colorado Parks and Wildlife (CPW). NueVida has collaborated with the CPW representatives in this area and have determined specific mitigation plans for the Ardourel Site (refer to Wildlife Mitigation Plan for details). A key item within the mitigation plan is that NueVida will restrict new construction or development activities during the winter closure period of December 1 through April 30. NueVida will not perform any pre-production construction or drilling operations during the closure period.

As previously noted, the production from the well(s) is dry gas and formation water with no liquid hydrocarbons (i.e. oil or condensate). Any potential spills will be contained on the production pad. The primary source for a spill (formation water) is located at the production equipment (separators, dehydration unit and tanks). Each of these pieces of equipment will have adequate berms constructed with 150% of vessel volume. In addition, the produced water will be transferred via a pipeline to a WDW site, thereby eliminating truck traffic and a potential spill point. The berms, potential spill points and production equipment will be monitored routinely as described in NueVida's Fluid Detection Leak Plan (FDLP), SWMP and SPCC Plans.

There are no GUDI wells (Groundwater under the direct influence of surface water) or COGCC Rule 411 buffer zones within 0.5 miles of the proposed Site. The drainages in the area are ephemeral and are generally dry most of the year.

13-Potential Impacts, Prevention and Mitigation

The potential of a spill or leak at the Ardourel Facility would either be a natural gas leak or formation water leak and/or spill. There are no other hydrocarbon liquids (i.e. oil or condensate) in the fluid stream from the well(s). A gas leak or a water spill/leak could potentially initiate from the wellhead, gathering lines or production equipment. The impacts to surrounding residences would be minimal (if anything) due to the distance from the structures. A spill from the tanks/production lines from the formation water would be contained onsite and within the berm area. A leak of natural gas could possibly create an explosion/fire which would be contained onsite, with the damage mainly on the equipment. Personnel onsite could also potentially be exposed to the explosion/fire.

NueVida has two programs in place to mitigate either a formation water spill/leak or a gas leak within its equipment and gathering lines. The Operations Safety Management Program (OSMP) and Fluid Leak Detection Program (FLDP) that both address/mitigate the potential for these problems to occur. Both the OSMP and FLDP processes are designed to prevent potential threats to public health, safety of workers and welfare of the environment and wildlife.

The OSMP has two key elements: 1. PSSR (Pre-Startup Safety Review) and Change Management Program (CMP). The PSSR is a detailed process to ensure that a safety and technical review is coordinated prior the installation and startup of new and/or used equipment or operational change. The CMP is a detailed process for reviewing any equipment changes and/or operational procedures to ensure

that any changes are safe, and the proper equipment is being installed for the intended operations. The OSMF is to comply with COGCC Rules 304.c.(7). And 602.d.

The FLDP is designed to monitor/manage operations activities/processes (i.e. drilling, completion and production) on a daily, weekly and monthly basis for leak/spill detection. The FLDP is to comply with COGCC Rule 304.c.(13).

NueVida will use the following key site-specific BMPs at the Ardourel Oil and Gas (O&G) Facilities, that are included in the FDLF, to evaluate and/or determine that all above ground onsite (and offsite) fluid handling, storage, transmission and transportation equipment have integrity and comply with the applicable standards as cited in the COGCC rules.

1. **Audio, Visual and Olfactory (AVO) inspections.** AVO inspections will be conducted monthly at the Ardourel O&G Facilities during the life of the facility. Inspections will be made by either the lease operator or field supervisor.
2. **Routine Inspections.** All production equipment, wellheads, valves, etc. will be inspected on a monthly basis by the lease operator or field supervisor. Routine monthly inspections will be done by the lease operator or field supervisor for SPCC and SWMP compliance and documented. Third party inspections/audits of the lease will be done yearly for compliance with the FLDP plan, SPCC and SWMP.
3. **Training.** Spill prevention and response is addressed in the training of employees and/or contract lease operators on a minimum of one year. Contract personnel are required by either their company or NueVida to have the proper training courses required each year.
4. **SCADA (Supervisory Control and Data Acquisition).** Remote monitoring of fluid production rates and pressures and produced water storage.
5. **Berm Construction.** All berms will be constructed from the native soils combined with gravel. The berms will be constructed with dimensions (length, width height) to contain 150% of the capacity of the largest tank and/or production vessel (tanks, separators, dehydrators). All containment berms will be designed to prevent leakage and resist degradation from erosion or routine operation. Where applicable, synthetic liners may be installed within the perimeter of each berm. NueVida's SPCC Plan details.
6. Flowlines will be integrity-tested per the COGCC 1100 series rules.
7. Production equipment, flowlines, secondary containment structures, etc. are inspected and documented routinely as outlined in the FLDP.

Any leak or loss of fluid will be reported, and contaminated soils and any repairs completed under the guidelines of NueVida's Emergency Response-Area Wide Program and SPCC guidelines

14-Response Equipment

NueVida's evaluation for a site-specific Emergency Spill Response Plan with respect to spill absorption materials, specific equipment for cleanup, etc. has been determined that it is not necessary for the Ardourel Site. The reason is that NueVida has implemented an Emergency Response-Area Wide General Plan that includes details for any spill clean-up and regulatory reporting. In addition, the lease operators and field supervisors are required to have shovels, gloves, fire extinguishers and PPE equipment in their vehicles while onsite.

15-Health and Safety Action Levels

The ERP reflects NueVida's HS&E policies and procedures. If the site/facility is involved in an emergency event, personnel (company and/or contract) shall take the appropriate action to safeguard human life, protect the public, environment, wildlife and surrounding property.

Field personnel must immediately communicate about any emergency event to their supervisor. The supervisor will immediately initiate appropriate notification procedures as outlined in NueVida's Area Wide ERP. Field personnel will initiate the necessary notifications if they are unable to contact their supervisor.

The ERP describes the actions necessary to mitigate an emergency. The ERP specifically describes details on the following actions:

1. Establish methodology for fire reporting and other emergency events to necessary government agencies.
2. Identify medical and rescue responsibilities for training employees.
3. Establish evacuation routes and meeting areas.
4. Isolation of area/facility for safety of personnel and surrounding area.
5. Identify emergency shutdown procedures for equipment.
6. Proper handling of hazardous materials.
7. Classification of an incident impact.

NueVida has a tiered classification for incidents as follows:

1. Near miss (does not require use of ERP notifications)
2. Minor Event
3. Significant Event
4. Serious Event
5. Major Event

16-Training Coordination with Local Responders

NueVida currently does not have any Operations within LaPlata County (LPC). To that extent, there has been no training coordination to date. NueVida will contact the local Los Pinos Fire Protection District two (2) months prior to any activities at the Ardourel Site for planning and any pertinent training with NueVida and Los Pinos Fire District personnel that is deemed necessary (refer to NueVida's General Area ERP for details on Fire Prevention Measures).

Contact information for the various Emergency Services in the Area is shown in Table 1 (Fire Departments, LPC Sheriff, Durango Police, Hospital, Ambulance).

Table 1

NueVida Resources, LLC

Emergency Call List

All Emergencies Dial 911
Air Care One: 1.800.452.9990
(San Juan Regional Medical Center)

Name: NueVida Resources, LLC
Office: 505-327-4892
Address: 332 CR-3100
Farmington. NM 87410

First Call

Dick Pate (NueVida Resources).....Durango, CO..... Mobile*: 303-550-4880
Home: 970-403-3188
Jim Bob Byrd (NueVida Resources)...Farmington, NM.....Mobile*: 303-204-1258
Office: 505-327-4892, x122

*- Primary Contact Phone Number

Additional Company Contacts

John Thompson (Walsh Engineering-Farmington, NM).....Home: 505-327-1868
Mobile: 505-320-1748
West Hahn (Walsh Engineering-Farmington, NM).....Home: 505-325-2255
Mobile: 505-320-5120

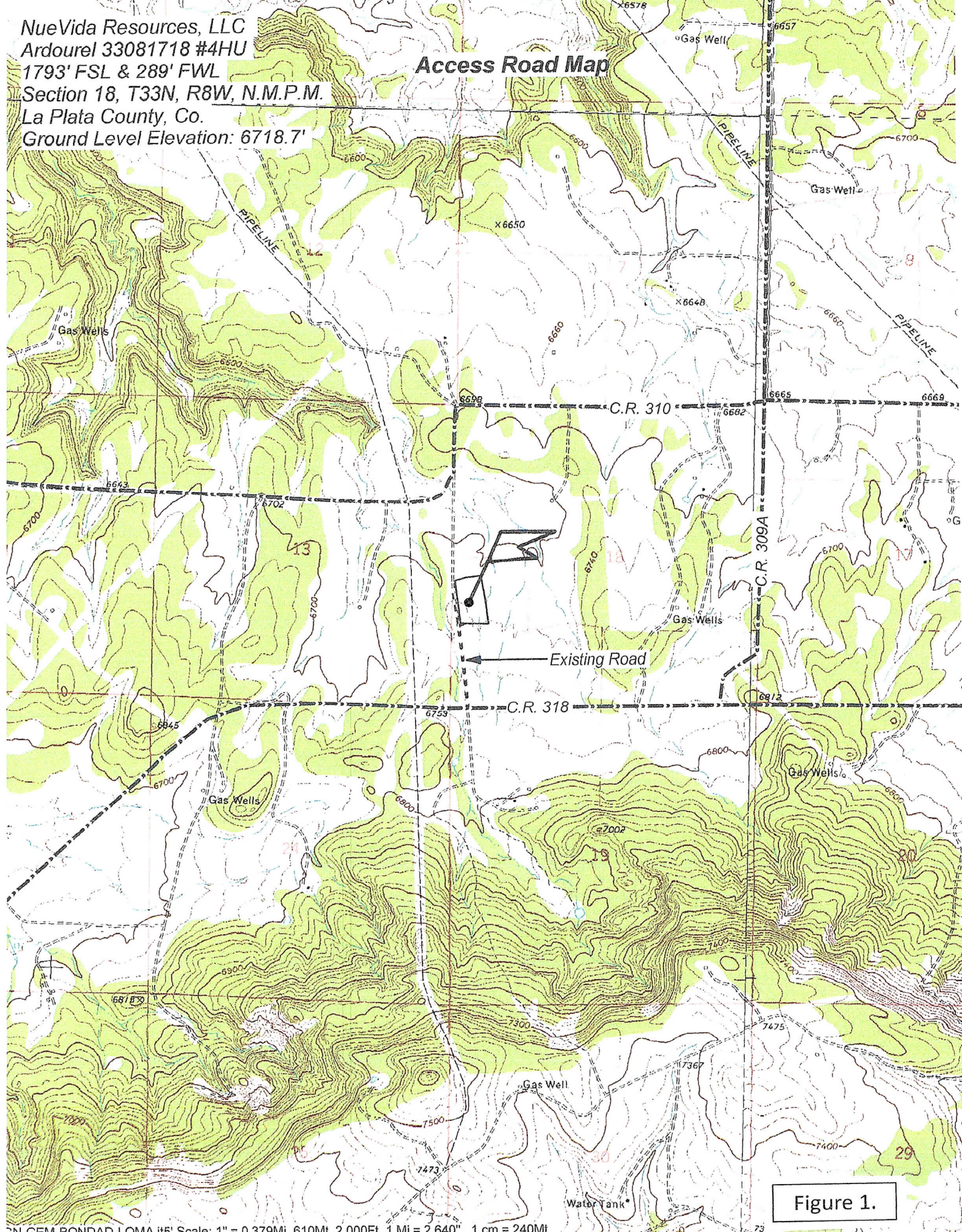
Colorado Emergency Numbers

Hospital (Mercy Medical Center).....Durango, CO.....970-247-4311
Fire Department.....Durango, CO970-382-6000
Fire Department.....Ignacio, CO970-563-9501
Fire Station (Pinos) #3.....CR-318 (Ignacio).....970-563-3118
Fire Department (SUIT).....Ignacio, CO970-563-4402
Police Department..... Durango, CO970-375-4700
Dispatch: 970-385-2900
Police Department..... Ignacio, CO970-563-4206
Ambulance.....Durango, CO.....970-563-6000
Ambulance (Fire Dept)..... Ignacio, CO.....970-563-9501
La Plata County Sheriff.....Durango, CO.....970-563-1157
Dispatch: 970-385-2900
CO State Patrol Dispatch.....Durango, CO970-249-4392
S. Ute Tribe Emergency Service.....Ignacio, CO.....970-563-0246
Archuleta County Emergency Service.....Pagosa Springs, CO.....970-264-8430
La Plata County Emergency Service.....Durango, CO.....970-385-2900

FIGURES

NueVida Resources, LLC
Ardourel 33081718 #4HU
1793' FSL & 289' FWL
Section 18, T33N, R8W, N.M.P.M.
La Plata County, Co.
Ground Level Elevation: 6718.7'

Access Road Map



NUEVIDA RESOURCES, LLC: ARDOUREL 33081718 #4HU
 1793' FSL & 289' FWL, SECTION 18, T-33-N, R-8-W, N.M.P.M.,
 LA PLATA COUNTY, CO. ELEVATION: 6718.7'
 LAT: 37.101247, LONG: 107.767606 NAD 83 DATUM
 FACILITY LAYOUT

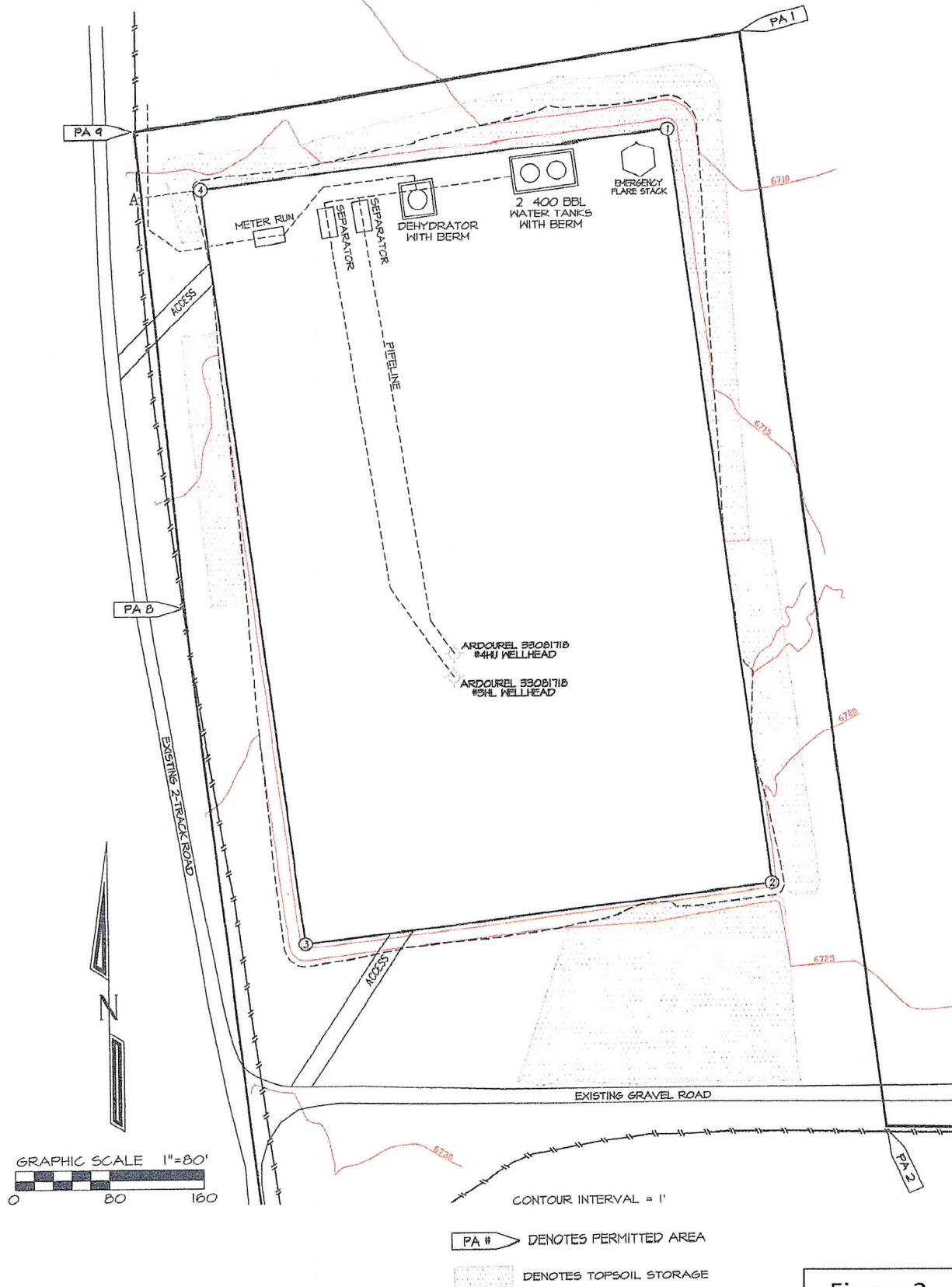


Figure 2.

NOTE
 FOR CORRECT SCALE TO BE DISPLAYED
 DRAWING MUST BE PRINTED ON 11" X 17" PAGE

NueVida Resources, LLC
Ardourel 33081718 #4HU
1793' FSL, 289' FWL, Section 18, T33N, R8W, La Plata County, Co.



Looking North



Looking East



Looking South



Looking West

All photos taken on 12/22/2020

Figure 3.

La Plata County, CO

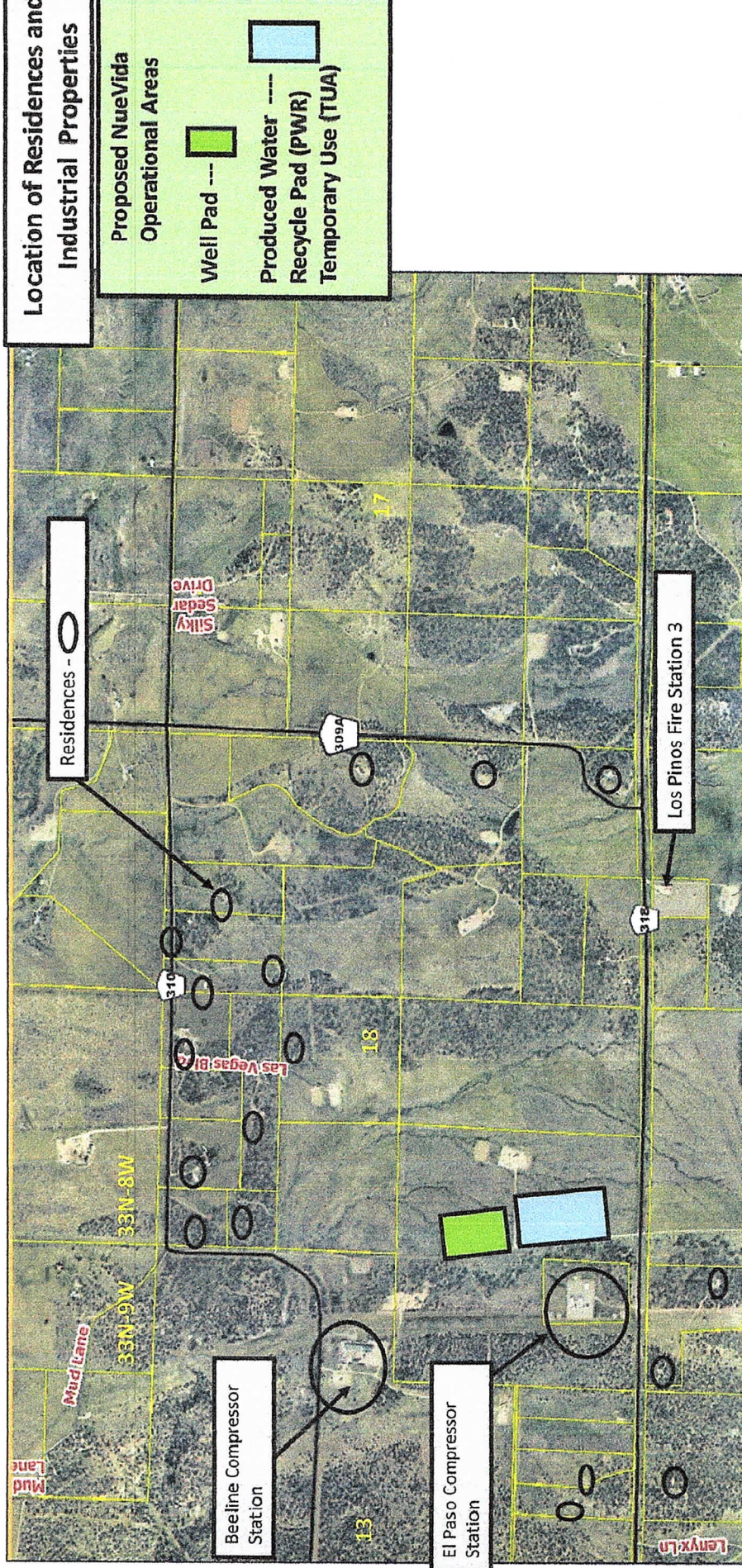
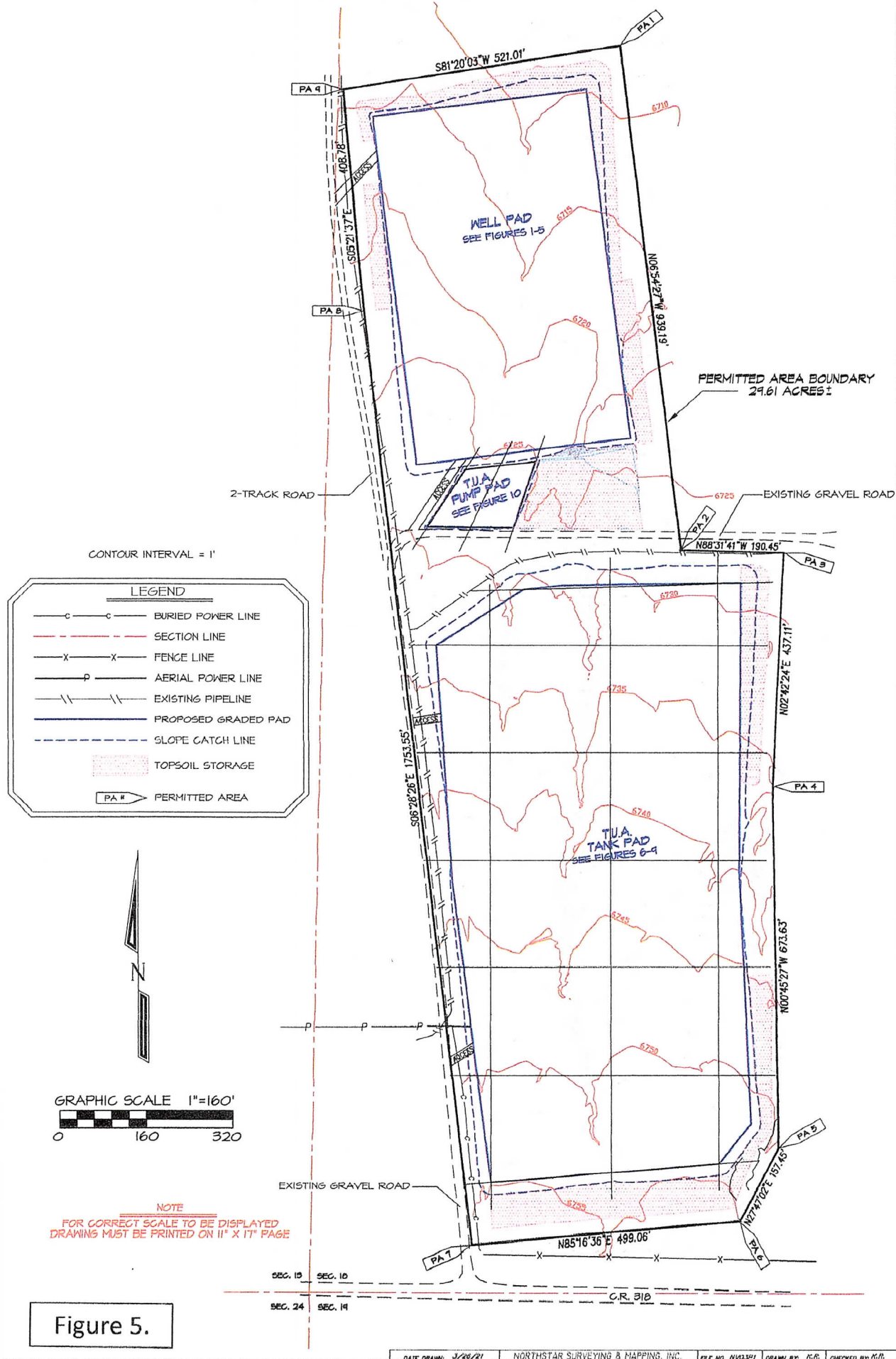


Figure 4.

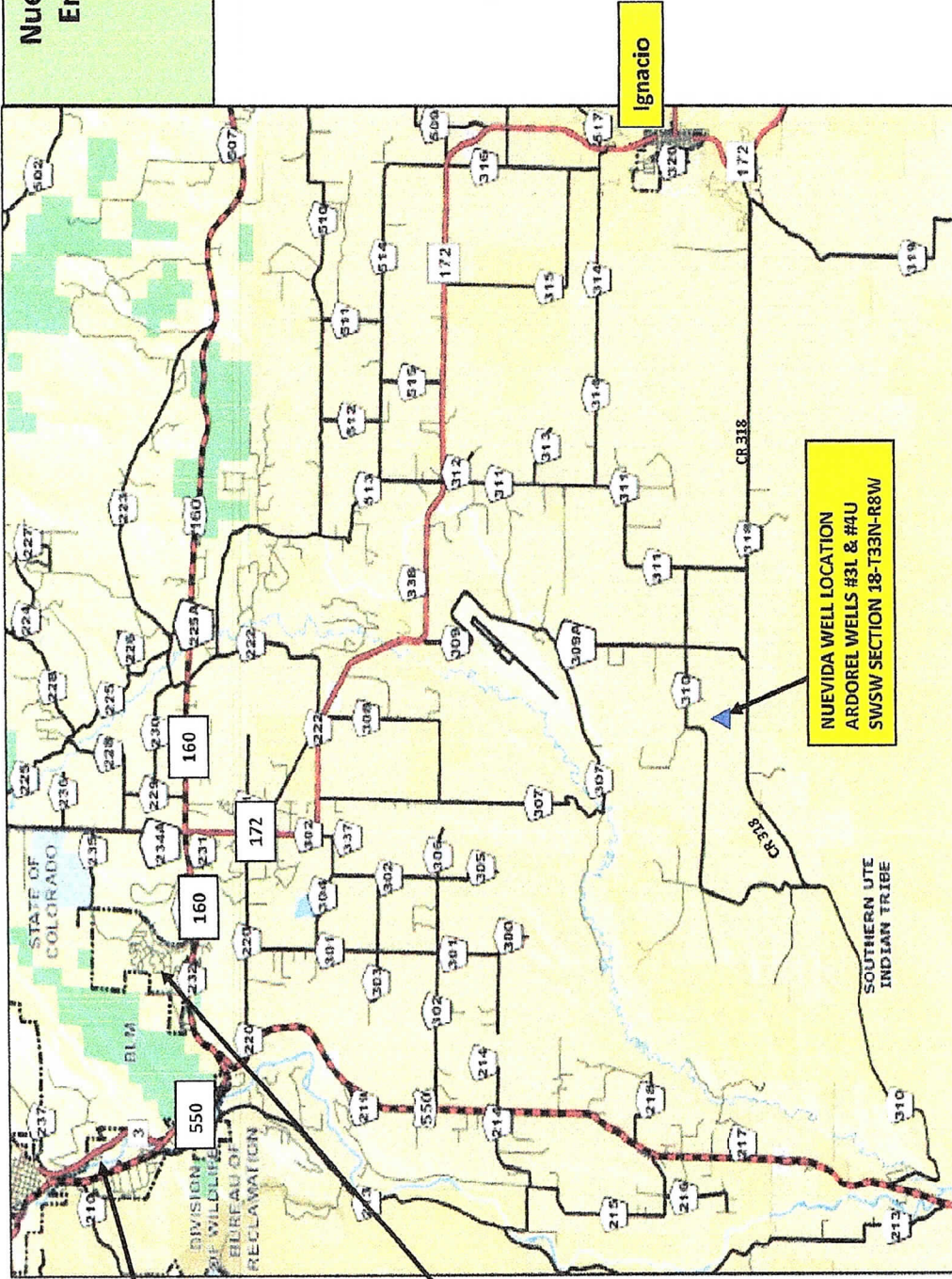
NUEVIDA RESOURCES, LLC: ARDOUREL PAD & FACILITY - PERMITTED AREA
SECTION 18, T-33-N, R-8-W, N.M.P.M., LA PLATA COUNTY, COLORADO



MAPS

La Plata County, CO

NueVida Resources, LLC
Emergency Facilities
Road Map
MAP 1



ANIMAS URGENT CARE
490 S. CAMINO DEL RIO
DAILY: 8:30 am - 7:00 pm
970-385-2388

Directions: From well pad go east on CR-318 to CR-309. Proceed north on CR-309 around NE end of airport to Hwy 172. At Hwy 172 & Hwy 160, proceed west on Hwy 160 to Hwy 550. Proceed north on Hwy 550 to Hwy 3. Proceed north on Hwy 3 to S. Camino del Rio. Turn west on S. Camino del Rio and proceed to Animas Urgent Care Facility.

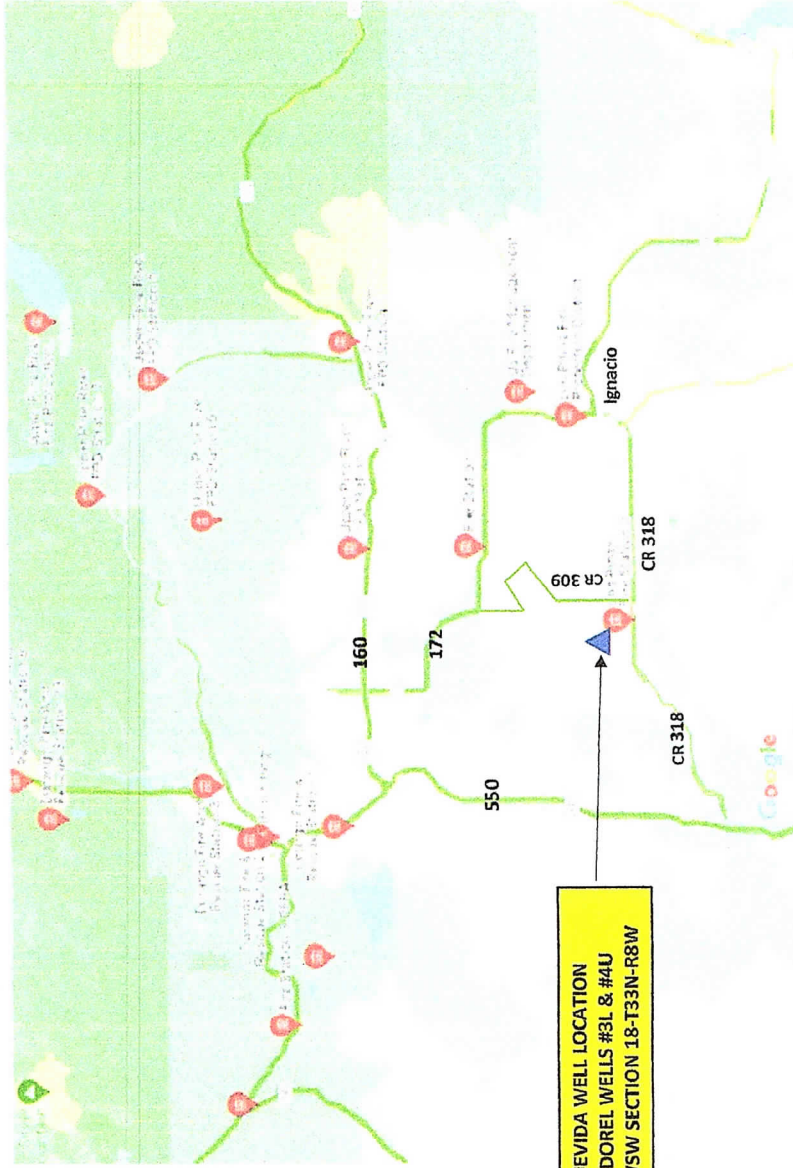
MERCY REGIONAL HOSPITAL
1010 THREE SPRINGS BLVD
DAILY: 24 HOURS
970-247-4311

Directions: From well pad go east on CR-318 to CR-309. Proceed north on CR-309 around NE end of airport to Hwy 172. At Hwy 172 & Hwy 160, proceed west on Hwy 160 to Three Springs Blvd. Proceed north on Three Springs Blvd to Mercy Regional Hospital.

NUEVIDA WELL LOCATION
ARDOREL WELLS #31 & #4U
SWSW SECTION 18-T33N-R8W

Ignacio

**NueVida Resources, LLC
Fire Station Locations
MAP 2**



**NUEVIDA WELL LOCATION
ARDOREL WELLS #3L & #4U
SWSW SECTION 18-T33N-R8W**

NueVida Resources, LLC
General Map View
Ardourel Property
SWSW Sec. 18-33N-8W
MAP 3

