

OPERATIONS SAFETY MANAGEMENT PLAN

GMT EXPLORATION COMPANY LLC

Cinnamon 6-64 19-7 Pad

Sec. 19 T6S R64W (S/2NW/4)

Elbert County, Colorado

Surface: Fee

Submitted as an accompaniment to the Form 2A Application
and consistent with the requirements of Rule 602.d.(1)

June 15, 2022

Management of Change (MOC) Document –GMT Exploration Company LLC

This MOC document has been issued by **GMT Exploration Company LLC** as a company-wide minimum standard to ensure policy is met and to maintain consistency throughout the organization.

This document does not replace, modify or supersede applicable Federal, State and Local regulations or vendor policies, procedures and guidelines. Where conflicts occur between this document and other regulations or vendor requirements, the higher or more stringent standard must be followed.

GMT Exploration Company LLC shall dictate when and by whom to review and recommend changes to the MOC. As a controlled document, the document owner or **Operations Management** will delegate those responsible for revisions. **At a minimum, MOC document will be reviewed annually.**

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1.0 Scope, Application and Purpose

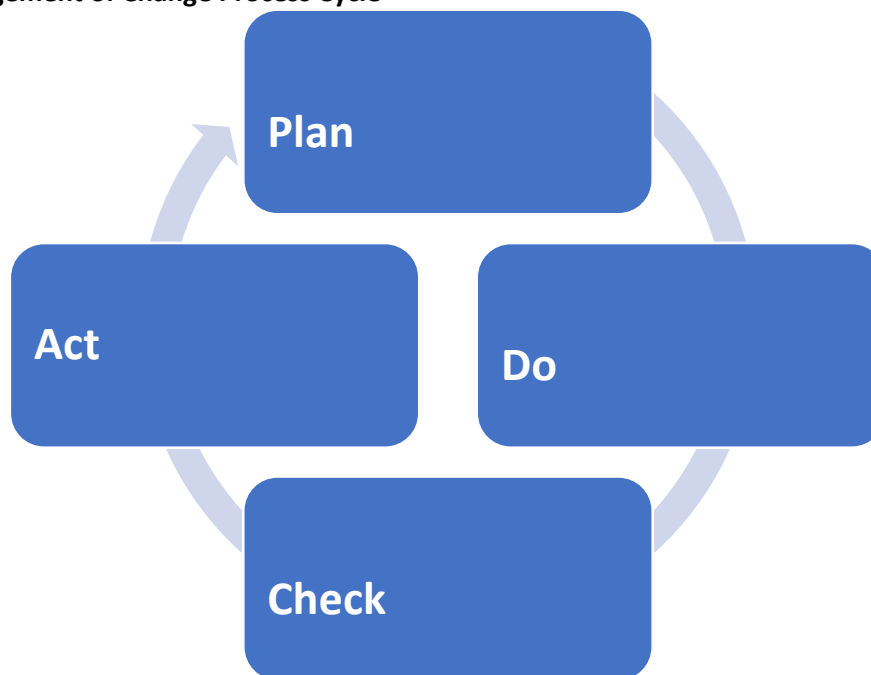
- **Scope**
 - The **GMT Exploration Company LLC** Management of Change (MOC) Procedure defines the requirements to administer a MOC process. This procedure covers changes in facilities design, well design, operational planning and critical personnel required. As well, Records Management will be defined.
- **Application**
 - The Management of Change Procedure applies to all **GMT Exploration Company LLC** operated facilities. Designated personnel will receive training to apply this procedure.
- **Purpose**
 - **GMT Exploration Company LLC** has established a Management of Change (MOC) Procedure to identify, assess and document change prior to the change being made. This procedure provides guidance, sets responsibilities, provides the MOC review, endorsement and approval level requirements, and establishes steps to implement and conduct MOC.

2.0 Roles and Responsibilities

- **Operations Management – Drilling & Completion, Engineering, Production, and Field Operations Managers:**
 - Reinforce adherence to this procedure and provide resources for application of the procedure. Ensure designated employees receive required MOC training. Operations Management is also the Document Owner.

- **Records Management Coordinator:**
 - Person assigned to maintain MOC & PSSR document records.
 - Assist in reinforcing adherence to this procedure and provide resources for application of the procedure. Record designated employees MOC training and liaise with Operations Management, the Document Owner.
- **Supervisors, Foremen, Consultants (CCR's), Engineers:**
 - Understand how this procedure applies to personnel in their area of responsibility. Ensure employees have training, skills, knowledge and understanding to comply with this procedure. Check periodically (TBD, at a minimum annually) to ensure the requirements of this procedure are being met.
- **Health, Safety and Environment (HSE) Representatives or a Delegate:**
 - Provide technical resources and tools for the procedure's application. Monitor compliance through the audit process. **As dictated by Operations Management, conduct reviews and updates to this procedure, at a minimum annually.**
- **All GMT Exploration Company LLC Employees and/or Consultants (CCR's):**
 - Adhere to the requirements of this procedure. Identify and report gaps in this procedure. Complete required training if designated.

3.0 Management of Change Process Cycle



4.0 Definitions

- **Approver –**
 - Person, who, by authority granted by job title or by position, reviews and authorizes Management of Change requests. Level of authority dependent on a Minor or Major change determination.

- **Basis of Design**
 - A formal document containing engineering data consisting of texts, drawings, equipment lists, tubular data, wellhead data, well construction downhole design data etc., which details a well's specific design criteria and the key information used in the well design.
- **Change (MOC)**
 - Deviations from an approved modification, addition, extension, removal, an approved operations document, specification, process, operation, or a change to KEY operational personnel. This change may be physical (e.g., a change to hardware or software) or a change to detailed procedures, key personnel, management system, operations manning levels, logistics, or working practices, etc.
- **Consultant Company Representative (CCR)**
 - Contractors responsible for ensuring that facilities, drilling, completion, workover, production, construction and intervention operations are conducted in accordance with Operator's policies and procedures.
- **Contractor**
 - The individual, partnership, firm or corporation retained by **GMT Exploration Company LLC** to perform work or provide supplies or equipment, which includes subcontractors.
- **Ensure**
 - To provide verification through review of processes, procedures, audits, supervision, attendance of meetings, spot checks, and observations or other means.
- **Facility Owner**
 - Party that owns the physical structure on which MOC is taking place. **GMT Exploration Company LLC** owns the reservoir, surface land, and production equipment.
- **Material or Fundamental Change – See 4.12. Also known as Major change**
 - Changes that can have a significant impact on the implementation plan and/or the original design assumptions of a well. **Major changes require the approval of the GMT Exploration Company LLC respective Operations Manager**, i.e., Drilling & Completion, Engineering, Production, and Field Operations Managers.
- **Hazard Mitigations**
 - Steps or actions taken to reduce risks to an acceptable level for an identified hazard.
- **Management of Change (MOC)**
 - A process for identifying, assessing, communicating and approving the effects of making a change in plans, designs, operating procedures, processes, equipment, key personnel, or the organization prior to making that change.
- **Major Change**
 - Changes that **MAY** have a significant impact on the implementation plan, ie. alter the drilling or completion design, facilities design, or production design, or significant changes to the original drilling, completions, workover, or interventions procedures or safety systems such as ESD's. **Material changes require approval by the management of the respective department, such as Drilling & Completions, Engineering, Production, or Field Operations Managers.**

- **Minor Change**
 - Changes that **DO NOT** significantly alter the execution plan, procedures and equipment and are required to facilitate the continuance of operations, or to refine previously approved plans and procedures. Minor changes can be approved by the Field Operations Managers, or the respective Managers of D&C, Engineering, or Production, or the respective engineer in charge (EIC), documented either by email, phone, meetings. Minor changes do not require any further documentation, other than maintaining a record of subject emails, phone calls, or meetings.
- **Operations Bridging Document (OBD)**
 - A document established between **GMT Exploration Company LLC** and the Contractor to identify gaps and develop agreements between the two. This can be developed as a separate document or within the contractual agreement, which defines the policies, programs, roles & responsibilities and procedures that will be utilized for the work, considering both **GMT Exploration Company LLC's** and the Contractor's policies, programs and procedures.
- **Originator**
 - Person requesting or identifying the need for a proposed change.
- **Person in Charge (PIC)**
 - An employee or consultant (CCR) that has been designated by **GMT Exploration Company LLC** to be responsible for activities on a work site.
- **Pre-Startup Safety Review (PSSR)**
 - An operations and equipment review performed after completion of construction or implementation of change and prior to startup to ensure operational readiness.
- **Procedure**
 - An instructional document that contains a series of sequential steps to follow in a logical order to accomplish a task, such as a drilling and completions procedure.
- **Process**
 - Describes the steps, actions, decisions, and sequence of events needed to complete a task or convert an item from one form to another in respect to plumbing, repairing, constructing, or modifying to wellheads, casing & tubing, flowlines, pipelines, and production facilities.
- **Record of Conversation**
 - A written note or completed form which documents the date, time and contents of a verbal discussion (either "face to face" or via telephone) held between parties, used primarily for a **Minor Change**, but may also be relevant for a **Major Change**.
- **Records**
 - Documents that result from complying with procedures or programs that record the outcome of an activity or process. Examples include historical documents, reports, completed forms, and permits.
- **Records Management Coordinator**
 - **GMT Exploration Company LLC** employee or consultant assigned to maintain MOC & PSSR document records.
- **Regulatory Permit**
 - Approval for conducting operations under regulatory jurisdiction.
- **Replacement in Kind**
 - A change that does not alter the original design criteria, e.g., replacement of an item with an equivalent substitute. An example of Replacement in Kind is replacing Manufacturer A ball valve with Manufacturer B ball valve with the same specifications.

- **Risk Assessment**
 - The process of identifying issues and hazards associated with work activities, products and related services, analyzing risks, comparing the results against the established acceptance criteria and, where necessary, defining appropriate mitigation measures to reduce risks to an acceptable level.
- **Standard**
 - A document that establishes performance expectations which meets the minimum requirements for Company Policies, organizational requirements, and regulatory requirements that drives consistency and continual improvement.
- **Unit (Contractor Unit)**
 - Specialized service equipment used to drill, complete, workover or perform intervention. Examples include Snubbing, Coil Tubing, Plug & Abandonment, Slickline, Electric Line, and Pumping Services.

5.0 Procedure

- **Management of Change (MOC) – General**
 - **All Employees and CCR's:** Recognize and notify when a Change is warranted to equipment, plans, designs, procedures, processes, key personnel, project execution plans, etc. and has potential to impact personnel safety, personnel health, the environment, operational efficiency, or compliance with government regulations. **Note:** Any modification which is not a "Replacement in Kind" is considered a Change that requires the utilization of the Management of Change Process. See the definitions of "Change" and "Replacement in Kind" for clarifications.
 - **Manager, Engineer in Charge (EIC), Foreman, Supervisor:** Ensure there is an appropriate review of any proposed change including formal risk assessment if necessary, development of hazard mitigations, documentation, communication, training, and approval of any change request prior to the implementation of that change.
 - **Field Supervisors, CCR's:** Ensure PIC's understand that they have the authority to make any immediate changes considered necessary to make the well safe, but not to proceed further until an MOC process is formally initiated and approved. Ensure all on-site Contractors are aware of the need to communicate and seek approval from the Person in Charge (PIC) for any changes or deviations to equipment, procedures, personnel, materials, operating conditions, governing documents, and base line design or implementation plan before implementing those changes.
- **Management of Change Process**
"Minor" Change"
 - **MOC Originator:** Identify the need for a change, hazards to HSE and develop associated mitigation plan, and then classify the proposed change as "Minor". "Minor" change does not require the use of a MOC form and requires minimal engineering input; as per the discretion of the Manager, Superintendent or EIC. Communication to the next level of supervision can be made verbally or by email.
 - **Manager:** Verify the classification of the requested changes as only "Minor".
 - **Project Engineer (Engineer in Charge (EIC)) or Manager:** Evaluate the merits of the proposed change and approve, deny, or modify as applicable.
 - **EIC or Manager:** Communicate the approval or denial of the MOC to the Originator.

- **MOC Originator:** Communicate the change to the affected parties and coordinate the implementation of the change as per the approved MOC. **Note:** No additional recordkeeping is required for “Minor” class MOC’s.

“Major Change”



- **MOC Originator:** Begin the MOC process for a “Major” change by completing the Management of Change Request Form (**Appendix A**) when there is a required change from any of the baseline design or execution plan documents to include, but not limited to, the following areas:
 - Well Design
 - Critical Equipment
 - Operating Procedures
 - Critical Operational or KEY Personnel Changes
 - Materials
 - Operating Conditions
- **MOC Originator:** Completes Section #1 of the MOC form. Submit the MOC request form to the Manager or EIC, as applicable for review and approval or denial as detailed in the MOC Form included in **Appendix A**.
- **MOC Originator:** Obtain a Document Control Number from Records Management Coordinator, specific for this Management of Change, to allow for tracking and recordkeeping.
- **Records Management Coordinator:** Issues a sequential number to be listed on the MOC form. The MOC number will be associated to a date of issue and considered open until an approved or denied MOC form is returned to the Records Management Coordinator for filing, at which point a date of closure will be assign to the MOC.
- **Field Supervisor, Foremen, Consultant (CCR), PIC:** Will complete Section #2 of the MOC form and forward the MOC request form to the Project Engineer or Manager for their review and input.
- **Project Engineer (EIC) or Manager:** Will complete Section #3 of the MOC form and will select to either “recommend” or “denied” the MOC request.
- **Manager (Approver):** Will complete Section #4 of the MOC form and review all proposed changes prior to approval or denial and evaluate the following items in the MOC request:
 - Proper classification of “Major” change,
 - Technical basis for the change,
 - Necessary time to implement change,
 - Impact of the change on the facility, employees or the environment,
 - Hazard review, risk assessment, and hazard mitigations,
 - Affected personnel notification,
 - Training required,
 - Revisions to operating procedures,
 - Pre-Startup Safety Review (PSSR) required,
 - Personnel changes to critical operational personnel, as listed in the Operations Bridging Document

- If applicable, ensure the relevant regulatory agency is notified and approval obtained for the proposed change prior to implementation, if required. Document all notifications by signature on the MOC form or attach notification and acknowledgement e-mails to the original MOC form for recordkeeping.
- Upon the completion of all notifications and acknowledgements, approve or deny the MOC request or require that the request be reviewed further which may involve a management level or peer review prior to approval.
- Send the MOC request back to Originator with justification if denied, or if approved, notify the Originator and forward a copy of the signed and completed MOC form to the distribution list as detailed on the MOC request form; cc to:
 - On-Site Supervisor, Project Engineer (EIC) if applicable
 - Office Shared Drive Well or Project Files,
 - Records Management Coordinator
- **Field Supervisor/CCR/Foremen:**
 - Ensure a Pre-Startup Safety Review (PSSR) is conducted prior to the startup of the equipment or process, if required as indicated on the approved MOC form.
 - Maintain copies of the approved MOC, as provided by the approver, on location for the duration of the project or well.

6.0 Document Management

- Revision Details – See MOC Form Appendix A
- Approval – See MOC Form Appendix A
- Seeking and Approving Variances

Variances to this document will be submitted in accordance with HSE document control and records management processes.
- Documents Management
 - MOC documents shall be stored at the designated office of Operator and held by Records Management Coordinator.
 - MOC Documents shall be stored (archived) for a period of 5 years.
 - Requests for review (COGCC for example), shall be possible by giving written notice at least 5 business days in advance, addressed to Records Management Coordinator. requesting specific pad/wells to be reviewed.
 - AT A MINIMUM, the MOC procedures and policy will be reviewed annually, as designated by the Document Owner (D&C, Production, facilities Managers).

7.0 Additional Related Information

- Training and Certification Requirements

MOC is listed on the **GMT Exploration Company LLC** Training Matrix. Organizational Management decides what positions will be required to attend MOC training.
- Recordkeeping - See 6.0 Document Management
- Forms
 - Appendix A – MOC & MOC Training Forms
 - Appendix B – PSSR Checklist

MANAGEMENT OF CHANGE

GMT Exploration Company LLC

INITIATOR: _____
DATE INITIATED: _____
LOCATION: _____

SECTION 1: Completed by Initiator / Originator

REASON FOR CHANGE:

- ☐ Safety ☐ Environmental ☐ Compliance ☐ Emergency ☐
☐ Economics / Production ☐ Operational Necessity ☐ Well Design

TYPE OF CHANGE (Check all that apply):

- ☐ Addition or Removal of Equipment ☐ Equipment Modification ☐ Temporary From _____ to _____
☐ Piping Modification ☐ Safety System & Logic ☐ Permanent
☐ Equipment Repairs ☐ Improvements - Asset Management ☐ Other

DESCRIPTION OF CHANGE: (attach P&ID(s), MFD(s), sketches, maps, etc. which illustrate the change)

JUSTIFICATION FOR CHANGE:

SECTION 2: Completed by Foreman / PIC

☐ MOC RECOMMENDED

☐ MOC DENIED

COMMENTS & RECOMMENDATIONS FOR FURTHER STUDY:

REASON FOR DENIAL:

REVIEWED BY: _____
DATE: _____

PROPOSED IMPLEMENTATION DATE: _____
FORWARDED TO: _____
(Engineer, Manager)

SECTION 3: Completed by Engineer in Charge (EIC) or Respective Manager

☐ MOC RECOMMENDED

☐ MOC DENIED (if checked, then file form & notify initiator)

COMMENTS & RECOMMENDATIONS:

REASON FOR DENIAL:

HAZARDS IDENTIFIED & MITIGATION MEASURES:

ATTACHMENTS: (attach P&ID(s), MFD(s), sketches, maps, etc. which illustrate the change)

- A) _____ C) _____
B) _____ D) _____

FUNDING:

- ☐ Capital AFE ☐ Expense AFE ☐ Charge to LOE

ESTIMATED COST: _____ ESTIMATED DOWN TIME: _____

REVIEWS & UPDATES REQUIRED:

	DEPARTMENT ASSIGNED	COMPLETION DATE
<input type="checkbox"/> Update Drawings		
<input type="checkbox"/> Permit(s) Procured		
<input type="checkbox"/> Update Emergency Plan		
<input type="checkbox"/> Update Maps		

	DEPARTMENT ASSIGNED	COMPLETION DATE
<input type="checkbox"/> Conduct PHA		
<input type="checkbox"/> Conduct PSSR		
<input type="checkbox"/> Training		
<input type="checkbox"/> OTHER		

REVIEWED BY: _____
DATE: _____

FORWARDED TO: _____
(Foremen, EIC, PIC)

SECTION 4: Completed by D&C, Engineering, Production, or Field Operations Manager

☐ MOC APPROVED

☐ FURTHER STUDY REQUIRED

☐ MOC DENIED

COMMENTS:

APPROVED BY: _____
DATE: _____

FORWARDED TO: _____
(Engineer, SUPT., FIELD SUPERVISOR, PIC)

GMT Exploration Company LL Document ID No.:
Pre-Startup Safety (PSSR) Review Verification Form

Facility Information:

Name:		
Location	County	State
New Facility: <input type="checkbox"/>	Modified Facility: <input type="checkbox"/>	
If new facility, assign PSSR #:		If modified facility, reference MOC #:

Scope of Work:

Verification Sign-Off:

Requirement	YES	NO	N/A	Name/Title	Signature	Date
1) Process safety information has been compiled and is complete, current, and accurate.						
2) The process hazard analysis is complete for new facilities, and the management of change has been completed for modified facilities. The specific requirements of these elements have been completed satisfactorily.						
3) Safety procedures have been developed, or modified and are implemented, Mechanical guards are in place and LOTO procedures are in place						
4) Operators and personnel for facilities are trained and informed of general operations for the facility.						
5) Maintenance procedures have been developed, or modified, and are implemented.						
6) Emergency response procedures have been developed, or modified, and are implemented.						
7) Construction and equipment is in accordance with the design specifications. Safety equipment is in place.						
8) If applicable, equipment been pressure tested and calibrated. Emergency shut down valves (ESD's) have been tested and are operational						
9) Training has been completed for those employees that are required to respond to emergencies involved in the process.						

Approval to Startup Process:

Signature/s indicates that pre-startup safety review (PSSR) items have been reviewed.

Name:	Date:
Title:	
Signature:	

Name:	Date:
Title:	
Signature:	

Name:	Date:
Title:	
Signature:	

Follow-up Items:

List any follow-up items which were not completed prior to system startup, the reason that the item has not been completed (in the Comment column) and fill in due date and the date they are completed. The individuals who are authorized to approve the startup should ensure that the modified system is safe to startup even though these items have not been completed, i.e. the follow-up items should have no impact on system safety.

Follow-up Items	Comment	Due Date	Date Completed