

Emergency Response Plan

Desert Eagle Operating, LLC
Red Rocks Helium Gas Wells

Las Animas County, Colorado

PREPARED BY:

Desert Eagle Operating, LLC
17101 Preston Rd., Suite 105
Dallas, TX 75248

January 2023

1.0 INTRODUCTION

Desert Eagle Operating, LLC (DEO) prepared this Emergency Response Plan (Plan) for four exploratory helium gas wells in Las Animas County, Colorado. Helium is an inert, non-flammable, non-combustible naturally occurring gas. The wells will be in the locations listed below. They are additions to the existing Red Rocks helium gas well development. Previous wells, Red Rocks 1-13 and Red Rocks 35-15, were drilled in 2022.

Proposed wells:

Red Rocks 1-14: NE $\frac{1}{4}$ NW $\frac{1}{4}$, Section 1, Township 30 South, Range 55 West

Red Rocks 1-16: NE $\frac{1}{4}$ NE $\frac{1}{4}$, Section 1, Township 30 South, Range 55 West

Red Rocks 35-8: NE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 35, Township 29 South, Range 55 West

Red Rocks 35-11 SE $\frac{1}{4}$ NW $\frac{1}{4}$, Section 35, Township 29 South, Range 55 West

Each well will be a conventional vertical well, approximately 1,800 feet deep. Each location will be approximately 1.1 acres during development and will be downsized to approximately 0.2 acres during production. The well pads will be on fee rangeland leased from a private landowner. If the exploratory well is developed for production, the well pad will contain only a wellhead inside of livestock fencing. There will be no equipment or fluid storage on the location. Inert helium gas will flow using a buried 6" polyethylene flowline to off-site helium purification equipment to be purified, compressed, and loaded onto a tube trailer for transport. The purification equipment will be on private property near existing location Red Rocks 1-13.

This Plan addresses the requirement from the Colorado Oil & Gas Conservation Commission (COGCC) at Rule 304.c.(8) to prepare an Emergency Response Plan and to coordinate its approval with the local emergency response agency. Specifically, COGCC guidance (February 16, 2021) requires that the Plan contain the information listed in Table 1.

Table 1. Required Content for the Emergency Response Plan

1	Local response agency and contact information
2	Date the plan was finalized and approved by the local response agency
3	Directions to the location from the nearest public road intersection
4	Ingress and egress information
5	Legal description (quarter section, township, range, latitude, longitude)
6	Operator and staff emergency contact information
7	Listing of mutual aid agencies
8	Staffing of local and mutual aid agencies
9	Description of site setting including the surrounding area
10	Detailed layout of the Oil & Gas Location
11	Detailed description of the equipment and stored material
12	Sensitive areas
13	Potential impacts, prevention, and mitigation
14	Response equipment, instruments, materials
15	Health and safety action levels, decontamination, staging areas
16	Training coordinated with local responders

2.0 REPONSE PLAN ELEMENTS

1. LOCAL RESPONSE AGENCY

Table 2. Local Response Agency and Contact

Agency	Contact	Contact Information
Kim Volunteer Fire Department	John Shannon, Chief	(719) 643-5210 (Chief non-emergency) (719) 469-8697 (Chief mobile) 44barjs@gmail.com kimvfdems@gmail.com

2. DATE THE PLAN WAS FINALIZED AND APPROVED

This Emergency Response Plan was provided to the local response agency in September 2022 for review. Appendix A demonstrates the coordination.

3. DIRECTIONS TO THE LOCATION

From Kim, CO:

East on US 160 for 10.75 miles to CR 179

North on CR 179 for 14 miles

Bear left on CR 177.9 for 3 miles

Red Rocks is signed on the east and west sides of CR 177.9

4. INGRESS AND EGRESS INFORMATION

Ingress

Travel approximately 4,100' southeast from CR 177.9 on an unsecured dirt road to Red Rocks 1-14 and 1-16.

Travel approximately 200' east from CR 177.9 to Red Rocks 35-08 and 1,000' west to Red Rocks 35-11.

Egress

The access roads will accommodate emergency vehicles. There is sufficient turn-around at the well pad for emergency vehicles and equipment.

5. LEGAL DESCRIPTION

Table 3. Legal Description

	1-14	1-16	35-8	35-11
Qtr Qtr	NE ¼ NW ¼,	NE ¼ NE ¼	NE ¼ SE ¼	SE ¼ NW ¼
Section	1	1	35	35
Township	30 South	30 South	29 South	29 South
Range	55 West	55 West	55 West	55 West
County	Las Animas	Las Animas	Las Animas	Las Animas
Lat	37.465273	37.464488	37.471889	37.475295
Lon	-103.526247	-103.518825	-103.539533	-103.546960

6. OPERATOR AND STAFF EMERGENCY CONTACT INFORMATION

Table 4. Operator Contact Information

Operator and Staff	Contact
Principal	Wesley Marshall (214) 886-5098 wmarshall@prohelium.com
Driller	Brad Butler (972) 345-9195 butleroil@yahoo.com
Local Operator	c/o Wesley Marshall (214) 886-5098 wmarshall@prohelium.com

7. MUTUAL AID AGENCY

Las Animas County Sheriff's Office
Derek Navarette, Sheriff and Fire Marshall
navarette@lasosheriff.org
Office (719) 846-2211-8934

8. STAFFING OF LOCAL AND MUTUAL AID AGENCIES

The Kim Volunteer Fire Department is a nonprofit organization staffed by volunteer emergency responders. It provides ambulance and fire response services in the Kim, Colorado area.

The Las Animas County Sheriff's Office is the chief law enforcement and public safety office for Las Animas County. It is overseen by the sheriff, undersheriff, and lieutenant, with an additional nine sergeants and deputies.

9. SITE SETTING

The well pads and surrounding area are shown in Appendix B. The well pads will be on non-irrigated rangeland leased to DEO. The setting is arid and sparsely vegetated. Vegetation is primarily blue grama, sideoats grama, western wheatgrass, tree cholla, juniper, yucca, and prickly pear. No residences are located within a 1-mile radius of the locations. Two existing helium gas wells were drilled by the previous operator: Red Rocks 1-13 and Red Rocks 35-15.

10. DETAILED LAYOUT

A representative layout is shown in Appendix C.

11. EQUIPMENT AND STORED MATERIALS

Well drilling on each pad will require the equipment listed below. The equipment will be removed when well drilling is complete. The equipment is shown on the Drill Rig Layout in Appendix C.

- Truck-mounted Drill Rig
- Water tank
- Geology Tent
- Pipe Rack and Winch Truck
- Fuel tank
- Drill cuttings trench

During production, the well pad will have the equipment below. The equipment is shown on the Facility Layout in Appendix C.

- Helium Gas Wellhead
- Buried 6" Polyethylene Flowline
- Livestock Fencing

12. SENSITIVE AREAS

There are no sensitive areas affected by the well pads. There are no residences within 1 mile. The nearest mapped water features are gullies and former man-made stock ponds.

13. POTENTIAL IMPACTS, PREVENTION, AND MITIGATION

The wells will not produce natural gas, hydrocarbons, or water. They do not pose a risk of fire, explosion, or hazardous air emissions.

The wells do not have characteristics of oil or natural gas wells. There will be no tanks or fluids on the location. Potential impacts will be limited to incidental amounts of lubricants and fuel used during well drilling. Material will be properly containerized. Site equipment will be maintained in good working condition.

The well pad will be kept weed free to avoid ignition of vegetation with a vehicle catalytic converter. Personnel will be expected to limit speeds to avoid accidents.

14. RESPONSE EQUIPMENT

Spill response material will be maintained to respond to a small leak or spill, such as lubricants or an incidental fuel leak.

In the event of a larger incident, DEO will manage and oversee direct support from a third-party provider to respond to an unintentional release and any potential soil contamination.

15. HEALTH AND SAFETY ACTION LEVELS

The driller will be on site daily during well drilling. Their presence will provide continuous communication about site conditions and site safety. During production, an operator will maintain and monitor the site approximately 2 days per week. Action levels to provide for site safety will consist of the following:

1. Log – Notes site activity and items requiring response or maintenance and repair.
2. Maintenance Log – Provides a record that maintenance and repair items have been addressed. Documents preventative maintenance. Provides a schedule for repeat maintenance.
3. Incident Report – Documents an incident and response. Ensures that conditions leading to the incident were addressed.

16. TRAINING COORDINATED WITH LOCAL RESPONDERS

In the event of an emergency requiring first responders, a unified command will be established between the DEO appointed representative on location and first responders.

Site personnel will be trained on the types of incidents that may occur on site and the appropriate response. Incidents include those listed below. Through this Plan, potential incidents are being coordinated with the local response agency for agency input.

- Injury from equipment operation
- Equipment failure causing injury
- Equipment failure causing fire
- Grass fire or wildfire
- Medical emergency
- Slips, trips, falls
- Insect stings and bites
- Weather-related incident
- Motor vehicle accident

Most accidents consist of minor injuries, such as cuts, scrapes, trips, and sprains. Most medical incidents typically involve cold or heat exposure, sunburn, and insect stings and bites. Vehicles operating at the site will carry general first aid supplies. On-site self-treatment is typically sufficient for an incident until personnel are able to leave the site and, if warranted, receive any additional follow up treatment. Notification to the DEO Principal will occur within 24 hours for all health and safety incidents. Serious incidents may require a 911 response.

Personnel will be instructed that the nearest major medical facility is the Mt. San Rafael Hospital in Trinidad, CO. It is approximately 77 miles away. An air ambulance can serve the site for critical care. Its base is in Pueblo, CO, with a range of 150 miles.

NEAREST MEDICAL FACILITY

Mt. San Rafael Hospital

410 Benedicta Avenue
Trinidad, CO 81802
(719) 846-3305
24-hour Emergency Room

Directions:
South on CR 177.9 and CR 179 to US 160
West on US 160 for 60 miles to Trinidad
Left on Benedicta Ave. for 0.5 miles
Hospital is on the left

Flight for Life

Lifeguard Four Station
St. Mary-Corwin Medical Center
Pueblo, CO

Directions:
Transport requests are made by medical personnel, ambulance service, fire department, or law enforcement.

Appendix A

Demonstration of Local Response Agency Coordination

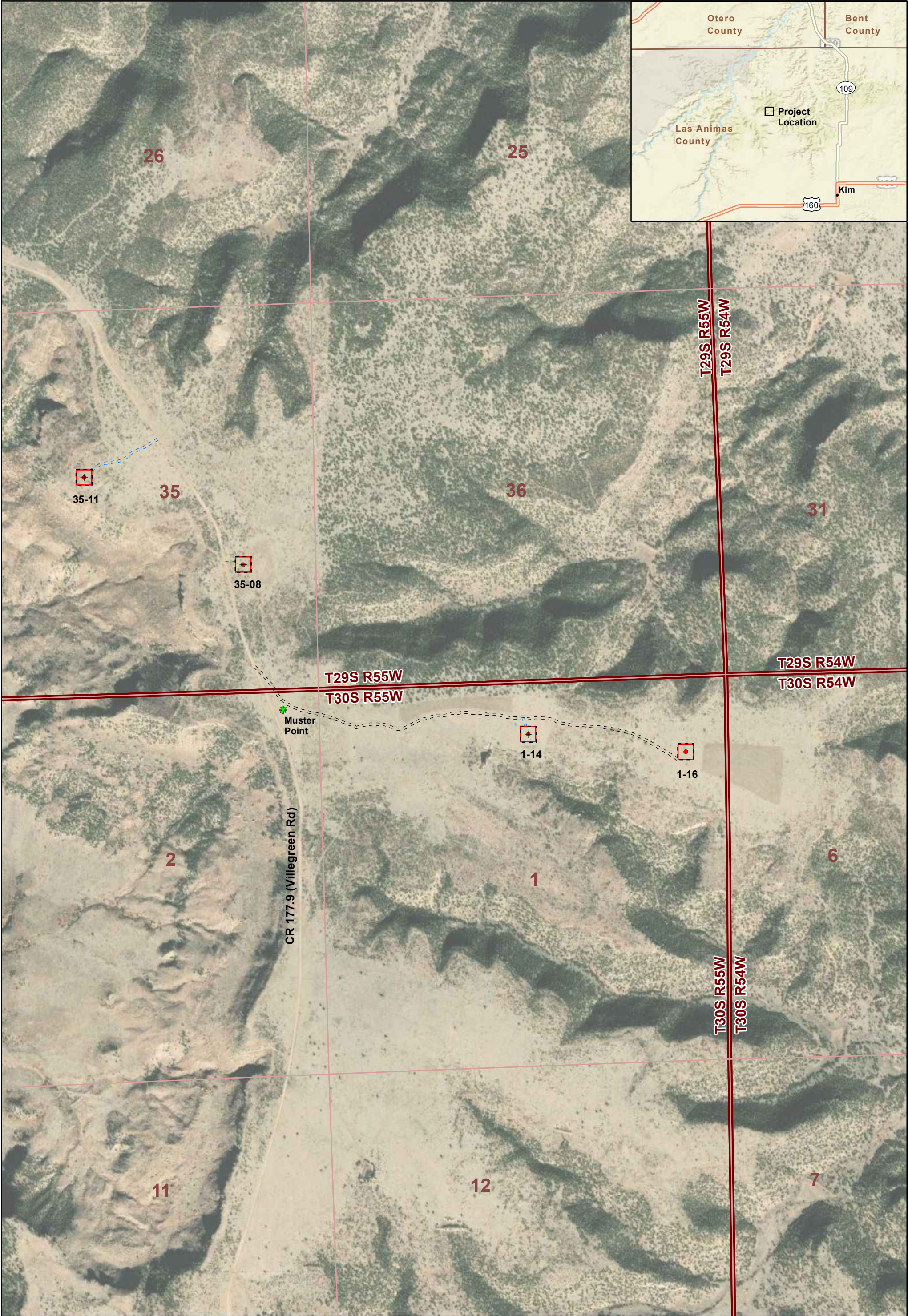
gwen.brodsky@aota.tech

From: John Shannon <44barjs@gmail.com>
Sent: Tuesday, September 6, 2022 9:46 AM
To: gwen.brodsky@aota.tech
Subject: Red rocks wells

New contact info for
Kim Volunteer Fire Department
John Shannon Chief
719 643 5210 h
719 469 8697 c
Emergency 719 643 3333
Sent from my iPhone

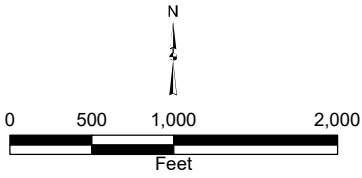
Appendix B

Locations



Aota Technical, LLC	
Desert Eagle Operating	
Red Rocks 1-14, 1-16, 35-08, 35-11	
Red Rocks Locations	
Las Animas County	
Date 1/23/23	Figure No. Figure 1

- Legend**
- Conventional Vertical Helium Gas Well
 - Working Pad Surface
 - Oil & Gas Location
 - Access Road, Existing Private Two-track
 - Access Road, New Private Two-track



Data Source:
COGCC GIS Online

Appendix C

Layout Drawings



SCALE: 1" = 30'

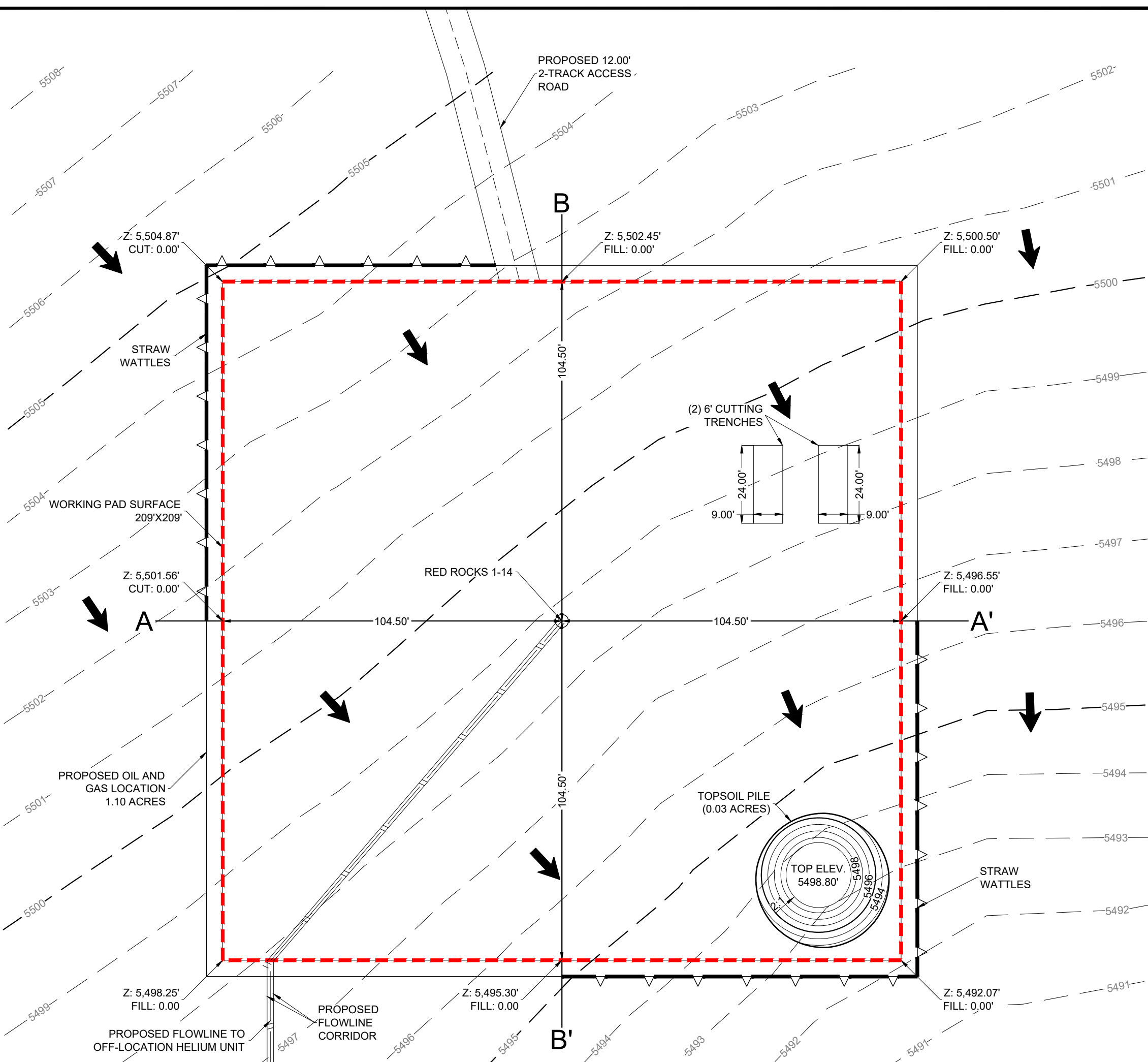
- EXISTING 1' CONTOUR
- EXISTING 5' CONTOUR
- PROPOSED FLOWLINE
- WORKING PAD SURFACE
- OIL AND GAS LOCATION
- STRAW WATTLES
- WELLHEAD
- DRAINAGE

WELLHEAD ELEVATIONS
GRADED ELEVATION: 5,498.75'
UNGRADED ELEVATION: 5,498.75'

EARTHWORK QUANTITIES:
CUT: 185 CY
FILL: 35 CY
TOPSOIL (6"): 150 CY
EXPORT: 0 CY
FILL FACTOR: 1.15

DISTURBANCE ACREAGES:
WORKING PAD SURFACE (AC): 1.00
OIL & GAS LOCATION (AC): 1.10
PROPOSED ACCESS ROAD (AC): 0.04
FLOWLINE CORRIDOR (AC): 0.09

- NOTES:
- THIS SITE HAS NO NECESSARY EXCAVATION, AS THE DRILL RIG IS SELF-LEVELING. ALL EARTHWORK FOR THE SITE IS TOPSOIL PRESERVATION ONLY.
 - FLOWLINE CORRIDOR ACREAGE ONLY INCLUDES ACREAGE OUTSIDE OF OIL AND GAS AREA.



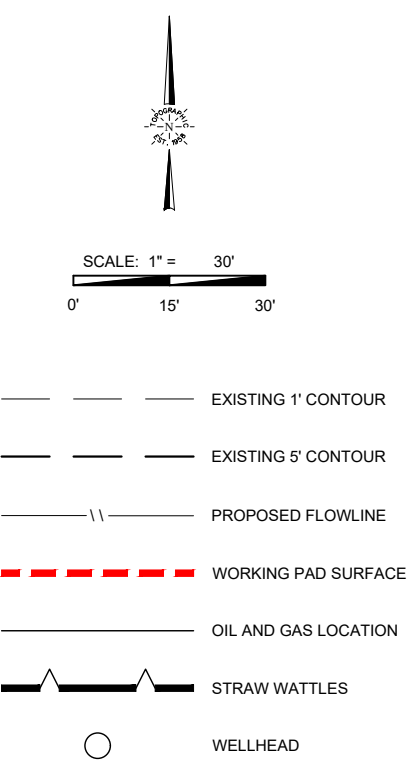
CONSTRUCTION LAYOUT - PLAN VIEW

RED ROCKS 1-14 LAS ANIMAS COUNTY
NE 1/4 NW 1/4 SEC. 1 T30S R55W 6TH P.M.

DESERT EAGLE OPERATING

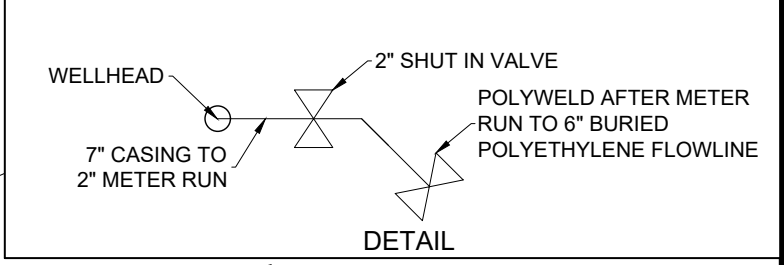
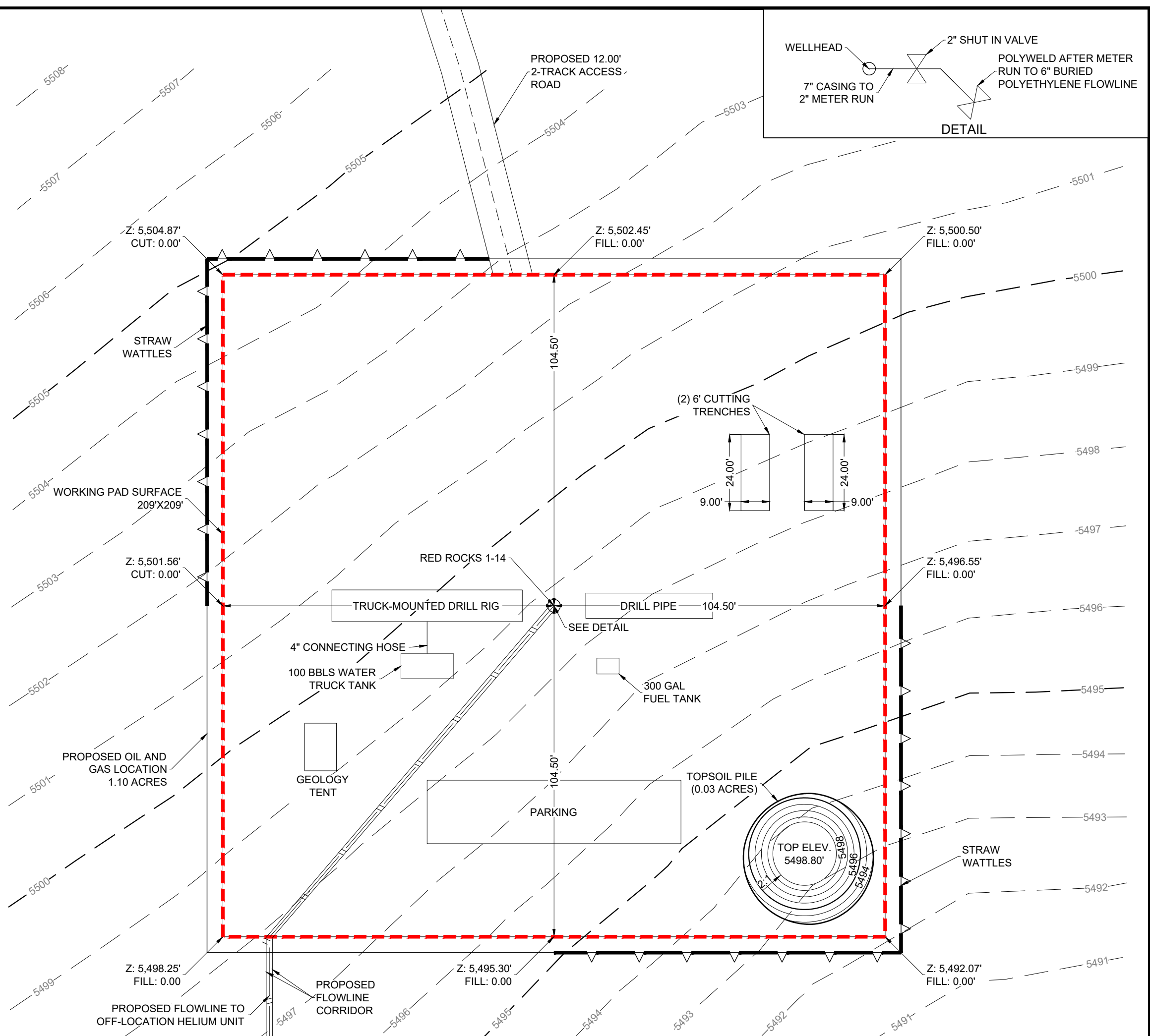
PRELIMINARY, THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE AND SHALL NOT BE USED OR VIEWED OR RELIED UPON AS A FINAL ENGINEERING OR SURVEY DOCUMENT.

DATE:	10/03/2022	DRAWN BY:	TJM	REVIEWED BY:	CCC	SCALE:	1" = 30'	SHEET:	1 OF 4	REVISION:	XXX	XXX	XXX
											XXXXXX	XXXXXX	XXXXXX



WELLHEAD ELEVATIONS
GRADED ELEVATION: 5,498.71'
UNGRADED ELEVATION: 5,498.71'

- NOTES:
- 1.) THERE IS NO DISTINCTION BETWEEN PRELIMINARY DRILL RIG LAYOUT AND WELL COMPLETION LAYOUT FOR THIS DEVELOPMENT.
 - 2.) THERE IS NO STIMULATION LAYOUT FOR THIS DEVELOPMENT.
 - 3.) THERE IS NO FLOWBACK FOR THIS DEVELOPMENT.
 - 4.) THE WELL WILL BE DRILLED WITH AIR. THERE WILL BE NO HYDRAULIC FRACKING, STIMULATION, OR FLOWBACK. THE WELL IS NOT ANTICIPATED TO PRODUCE WATER. FRESHWATER WILL BE USED FOR SURFACE DUST CONTROL.



PRELIMINARY DRILL RIG LAYOUT

RED ROCKS 1-14 LAS ANIMAS COUNTY

NE 1/4 NW 1/4 SEC. 1 T30S R55W 6TH P.M.

DESERT EAGLE OPERATING

PRELIMINARY, THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE AND SHALL NOT BE USED OR VIEWED OR RELIED UPON AS A FINAL ENGINEERING OR SURVEY DOCUMENT.

DATE:	10/03/2022
DRAWN BY:	TJM
REVIEWED BY:	CCC
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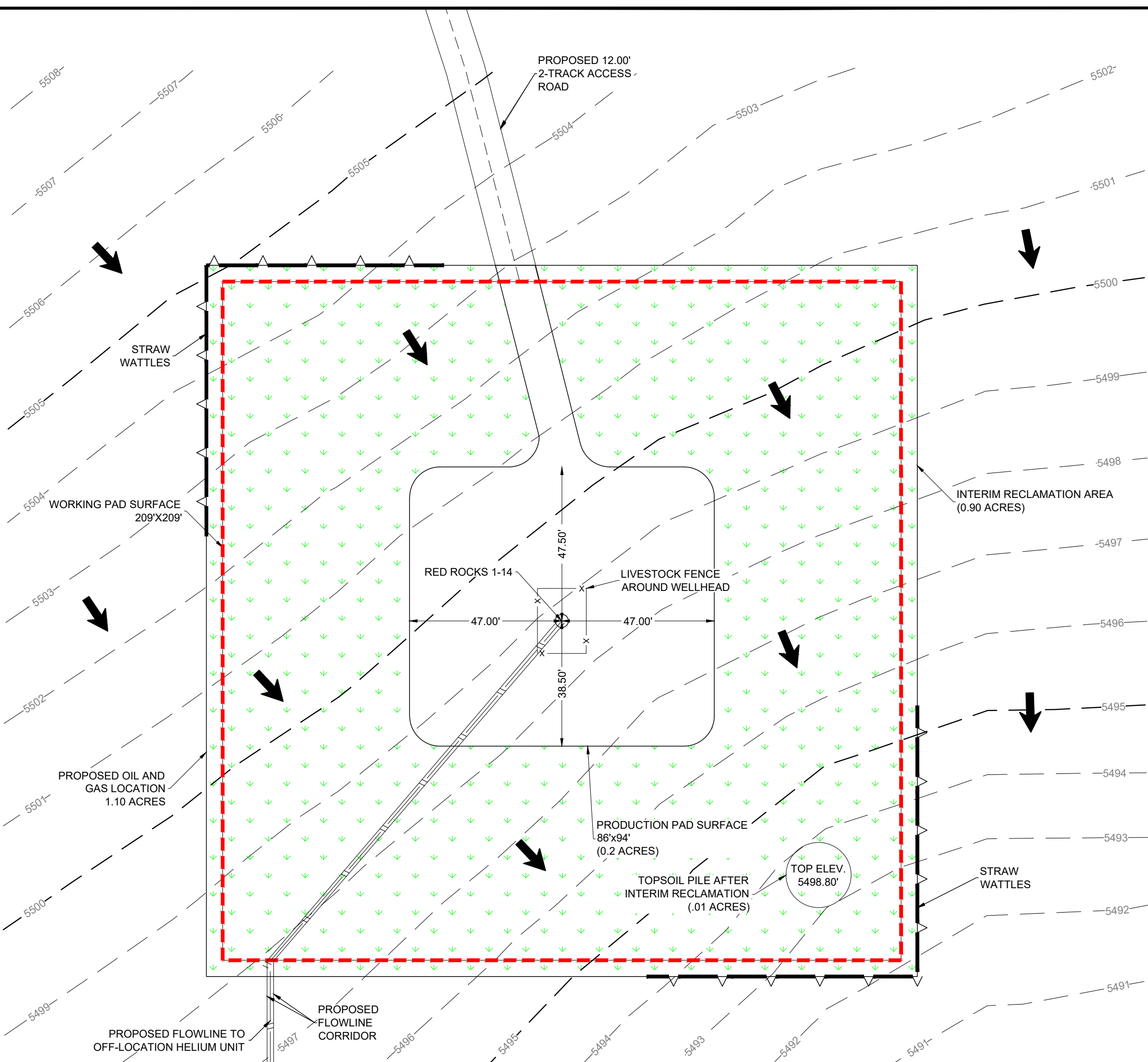


SCALE: 1" = 30'

- EXISTING 1' CONTOUR
- EXISTING 5' CONTOUR
- PROPOSED FLOWLINE
- WORKING PAD SURFACE
- OIL AND GAS LOCATION
- STRAW WATTLES
- WELLHEAD
- INTERIM RECLAMATION AREA
- DRAINAGE

WELLHEAD ELEVATIONS
GRADED ELEVATION: 5,498.71'
UNGRADED ELEVATION: 5,498.71'

DISTURBANCE ACREAGES:
OIL & GAS LOCATION (AC): 1.10
PRODUCTION PAD SURFACE (AC): 0.20
INTERIM RECLAMATION (AC): 0.90
PROPOSED ACCESS ROAD (AC): 0.04
FLOWLINE CORRIDOR (AC): 0.09



FACILITY LAYOUT

RED ROCKS 1-14 LAS ANIMAS COUNTY
NE 1/4 NW 1/4 SEC. 1 T30S R55W 6TH P.M.

DESERT EAGLE OPERATING

PRELIMINARY, THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE AND SHALL NOT BE USED OR VIEWED OR RELIED UPON AS A FINAL ENGINEERING OR SURVEY DOCUMENT.

DATE:	10/03/2022	DRAWN BY:	TJM	REVIEWED BY:	CCC	SCALE:	1" = 30'	SHEET:	4 OF 4	REVISION:	XXX	XXX	XXX
											XXXXXX	XXXXXX	XXXXXX