

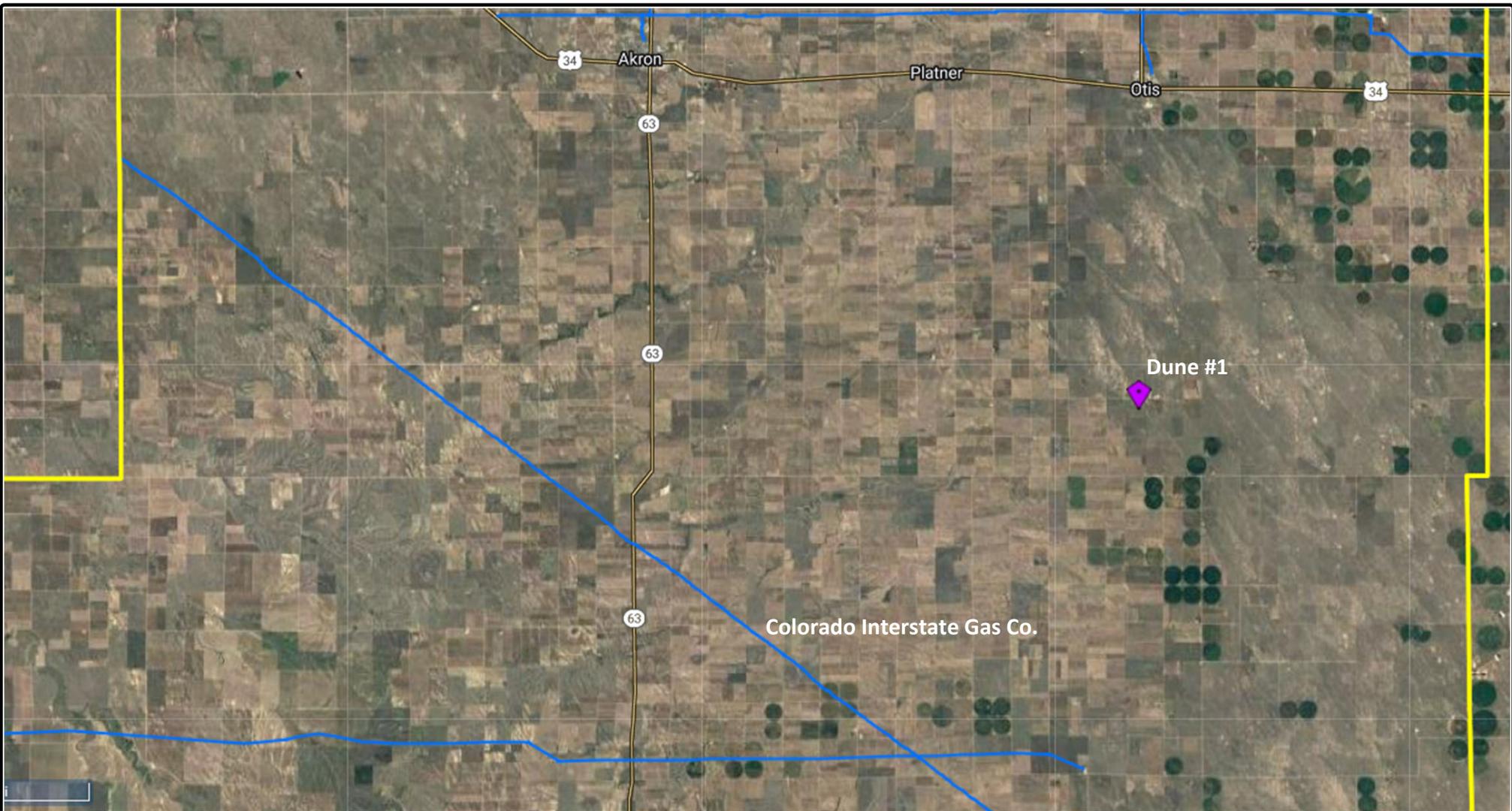
St. Croix Operating, Inc.
Dune #1
SENE Section 28, T1N R50W
Washington County, Colorado

GAS CAPTURE PLAN

St. Croix Operating, Inc. (St. Croix) has drafted this plan to comply with Rules 304.c.(12), 903.b, 903.c, 903.d, and 903.e.(1).B.

903.b: Emissions During Drilling Operations	<p>St. Croix has over thirty years of experience drilling wells in this area. The formations in this area do not contain natural gas in measurable quantities, are severely under pressure (<0.20 psi/ft gradient) and are incapable of flowing to surface at any time. St. Croix does not expect natural gas emissions while drilling this well. St. Croix has no plans to install gas capture equipment during drilling operations.</p>
903.c: Emissions During Completion Operations	<p>Sr. Croix does not expect to see significant gas during the completion of this well.</p> <p>However, if gas is encountered, St. Croix will flare any gas encountered during completion operations. St. Croix does not intend to vent any gas. Due to the unknown nature of quantity and composition of potential gas, enclosed combustion would be difficult to safely design, and any gas encountered during completions will be better served by flaring.</p> <p>St. Croix does not intend to hydraulically fracture this well. Completions for this well will be consist of cleaning out the wellbore and perforating the wellbore. There will be no flowback.</p>
903.d: Emissions During Production	<p>St. Croix does not currently anticipate natural gas production at this location. Historically, wells in this area are not gas producers.</p> <p>Regardless, a combustor is proposed for this location, to allow for flexibility in case gas is encountered during production. This combustor will be located within the process stream after separation has occurred and will comply with relevant regulations under Colorado Department of Public Health and Environment – Air Quality Control Division.</p>

903.e.(1).B.i:	St. Croix is proposing to construct the Dune #1 oil and gas location, anticipated to have one well. The nearest gas gathering system is located approximately 12 miles to the southwest of the proposed well pad. Please see the attached Nearest Gas Gathering Line Map.
903. e.(1).B.ii:	It is operated by Colorado Interstate Gas Co.
903. e.(1).B.iii:	<p>St. Croix does not currently intend to construct a line to connect this well pad to the gathering line.</p> <p>If gas is encountered, the quantity is not expected to be enough to warrant constructing a pipeline. The disturbance and impacts of constructing a pipeline that distance will exponentially outweigh the impacts of controlling and combusting the de minimis amount of potential natural gas on location. The de minimis amount of potential gas would not have the pressure capability to contribute the gas into the pipeline.</p> <p>If gas is found during production, it will be utilized on location for beneficial uses such as powering onsite equipment.</p>
903. e.(1).B.iv:	St. Croix does not currently anticipate conducting a Production Evaluation or Productivity Test. The proposed well is located in the Wildcat, Field # 99999.
903. e.(1).B.v:	St. Croix does not currently anticipate any safety risks that will require St. Croix to allow gas to escape rather than being captured or combusted during drilling. The formations encountered in the area do not contain gas in measurable quantities and are not capable of flowing to surface.
903. e.(1).B.vi:	<p>St. Croix intends to use the following list of operational best practices to minimize Venting during active and planned maintenance allowed pursuant to Rule 903.d.(1).B:</p> <p>During maintenance activities, St. Croix will have appropriate gas control equipment on location to minimize all Venting.</p>
903. e.(1).B.vii:	St. Croix does not currently anticipate any Well Liquids Unloading events being required. The well will have artificial lift pumping equipment installed and will never be unloaded directly to a tank.
903. e.(1).B.viii:	St. Croix anticipates no gas production. A heater-treater will be installed and will be sized to optimize gas capture, if any gas is produced at all. Well production in the area has shown 0 gas production and 0 gas produced during the initial completion production test. Liquids production is anticipated to not exceed 7,500 bbls per month.



Dune #1
 St. Croix Operating, Inc.
 SENE S28 T1N R50W
 Nearest Gas Gathering Line Map

Legend



Nearest Gas Gathering Line



Prepared By:
 Ardor Environmental LLC

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