

Operations Safety Management Program

Red Rocks Oil and Gas Development Plan Amendment 2

This Operations Safety Management Program has been prepared by Desert Eagle Operating, LLC (DEO) for Red Rocks Oil and Gas Development Plan (OGDP) – Amendment 2 in Las Animas County, Colorado. Amendment 2 consists of five proposed conventional vertical helium gas wells. The Plan addresses the Energy & Carbon Management Commission (ECMC) requirement at Rule 304.c.(7) to prepare an Operations Safety Management Program consistent with Rule 602.d and guidance issued by ECMC (February 16, 2021). The five proposed locations are listed in Table 1.

Table 1. Locations

Location	Qtr Qtr	Section/Township/Range	Lat/Lon
Red Rocks 1-09	SE¼NE¼	Section 1, T30S R55W	37.460372, -103.517227
Red Rocks 1-15	NW¼NE¼	Section 1, T30S R55W	37.465009, -103.522500
Red Rocks 35-01	SE¼SE¼	Section 35, T29S R55W	37.467959, -103.537764
Red Rocks 35-08A	NE¼SE¼	Section 35, T29S R55W	37.473477, -103.536136
Red Rocks 35-10	SW¼NE¼	Section 35, T29S R55W	37.475925, -103.541431

1.0 Change Management

During production, the Oil and Gas Location will contain only a single vertical helium gas well and buried polyethylene flowline. 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 2. 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 DEO Principal, and (2) a Change Management Checklist (attached).
Records Storage Location	DEO will maintain records related to change management in its Dallas, Texas office.
Records Storage Duration	DEO will maintain change management records for a minimum of 5 years.
Record Availability	DEO will make records available for inspection within 14 days of a request for review.
Record Updates	DEO 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 DEO Principal.
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, DEO 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 DEO Principal 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, valves, meter, and flowlines will be visually and manually inspected. The system components will be calibrated and function tested.

3.0 Best Management Practices

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

Table 3. Best Management Practices

Best Management Practice
<ul style="list-style-type: none"> The Operator will receive an orientation and training for operation, monitoring, and maintenance specific to the location.
<ul style="list-style-type: none"> Prior to operation, the DEO Principal 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.
<ul style="list-style-type: none"> Contractors and vendors working on the location will be supervised by the Operator when it is necessary to do so to maintain safe operations.

Best Management Practice	
	<ul style="list-style-type: none">• 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 DEO Principal.
	<ul style="list-style-type: none">• Vendor sheets and invoices will be attached to the Change Management Checklist where needed to describe changes at the location.
	<ul style="list-style-type: none">• DEO's standard health and safety practices will be used to supplement the information provided in this Plan.

Attachments

Change Management Checklist
Pre-Start Up Safety Review Checklist

CHANGE MANAGEMENT CHECKLIST

LOCATION NAME:
ECMC LOCATION ID:
DATE CHANGE OCCURRED:

DESCRIPTION OF CHANGE (Technology, Equipment, Procedures):
BASIS AND PURPOSE OF CHANGE:
POTENTIAL IMPACTS (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

LOCATION NAME:	
ECMC LOCATION ID:	
DATE OF PRE-START UP SAFETY REVIEW:	

START UP IS (Circle One):	
New Operation	Modification To Existing

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

VisualFunction/Pressure TestValvesCalibration

- ☐ Wellhead:
- ☐ Wellhead Valve:
- ☐ Meter:
- ☐ Flowline Polyweld:
- ☐ Flowline Above-ground:
- ☐ Flowline Below-ground:
- ☐ Signage at Entrance:
- ☐ Signage at Wellhead:
- ☐ Material Storage:
- ☐ Spill Response Equipment:
- ☐ Stormwater Controls:

Employee Name / Title: _____

Employee Signature: _____

Date: _____