



Bigfoot 11 Location Analysis

As part of the COGCC's review of the Bigfoot 11 OGD, Confluence DJ LLC (CDJ) provides the following siting analysis and rationale. This analysis explains why the existing Location No. 451960 (70 Ranch 10 East) cannot not be used for the planned Bigfoot wells, provides history as to how CDJ came to own the 70 Ranch 10 East location, why the 70 Ranch 10 East location needs to be expanded, why the existing 70 Ranch 10 East location cannot be expanded, and why the proposed Bigfoot 11 location is preferable. This analysis also addresses why co-locating new Confluence wells on Bonanza Creek's Latham U-14 pad (Loc ID No. 437416) is not an option.

70 Ranch 10 East Location (Loc ID 451960)

Confluence DJ LLC (CDJ) formed in 2016 and purchased DJ Basin assets from Edge Energy (Edge) in Q1-2017. As part of that transaction, CDJ inherited an in-process Form 2A permit for the 70 Ranch 10 East location (Loc ID 451960). When CDJ acquired the in-process 2A for 70 Ranch 10 East, it included a full equipment list of 12 wells (wellheads spaced 15 feet apart), 12 separators, 18 total tanks, and 3 ECDs. The full permitted disturbance was for 10 acres, with an interim reclamation size of 6.6 acres. This location was proposed by Edge to access minerals in Sec 11 T4N R63W. When the 2A permit was approved on 8/31/2017, CDJ moved forward with plans both at the 70 Ranch 10 East location, and at other locations, to drill, complete and produce appraisal wells with the intent to use appraisal well data to determine optimal spacing and future development order of assets.

The 70 Ranch 10-11-1 (API No. 05-123-45323) and 10-11-2 (API No. 05-123-45324) appraisal wells were drilled and completed by CDJ from the 70 Ranch 10 East location in 2018. Their production facilities, accessed by off-location flowlines, were located on the 70 Ranch 10 West location (Loc ID 454560), located approximately 1-mile northwest, where gas takeaway was available. Utilizing the resulting data, CDJ's analysis determined that 16 additional wellbores planned around the existing appraisal wells in Sec 11 would promote efficient drainage, protect correlative rights, and prevent waste.

CDJ's preference, from an efficiency and economic perspective, was to utilize the already-permitted and constructed 70 Ranch 10 East location for full development of Sec 11. When looking at the increased well count from 12 to 16, the increased space between wellheads from 15 to 25 feet (to allow for pumping units for artificial lift in the future), and the increased equipment list of 16 separators, 1 large heater treater, 2 VRTs, 5 VRUs, a LACT and three gas lift compressors (tank count decreased by 2), it was determined that the 70 Ranch 10

**Please reference the two attached maps for an orientation to the items discussed in this document*

East location would need to expand beyond its already permitted boundaries to accommodate full development of Sec 11.

In addition, expansion of the 70 Ranch 10 East location would create additional surface disturbance within the surface owner's future development plans surrounding the location, including a development lot northwest of the location, and an access road on the north side of the location planned for multiple development lots to the northwest. The 70 Ranch 10 East location is immediately adjacent to WCR 69 to the southeast, and Hwy 34 to the southwest, preventing expansion in those directions. Therefore, CDJ began looking for a new surface location that could accommodate 16-well development. As a result, the 70 Ranch 10 East location was interim reclaimed on 5/8/2020.

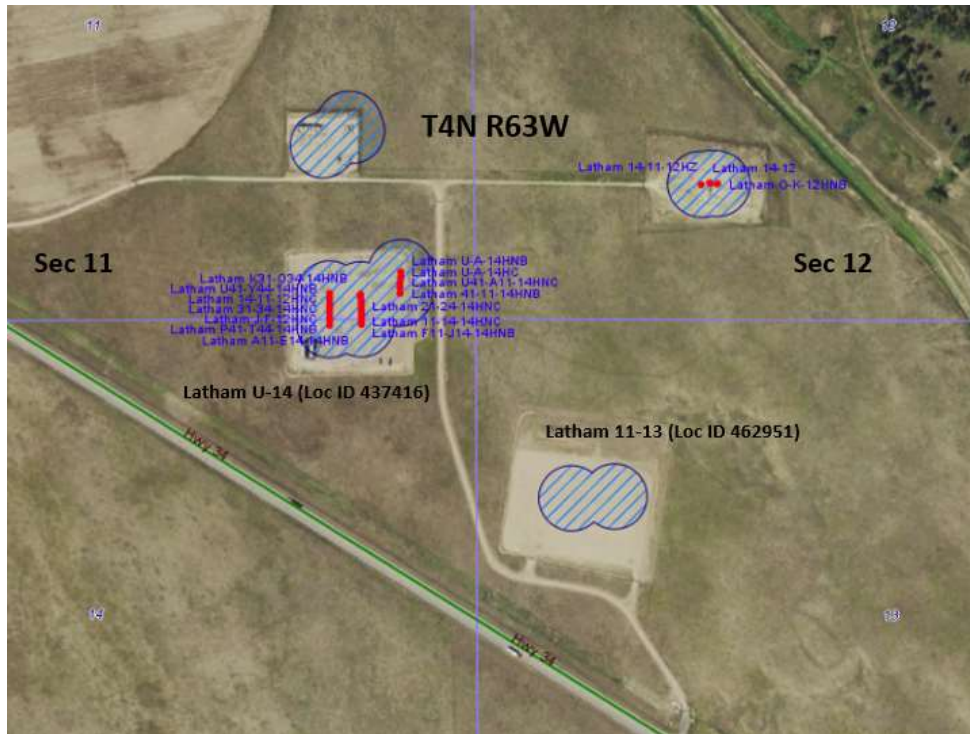
Bonanza Creek (now Civitas) Latham U-14 Location (Loc ID 437416)

Regarding the possibility of co-locating new CDJ wells on Bonanza Creek's Latham U-14 location, the Latham U-14 location is situated very closely to the SE corner of Sec 11. From that position, it would be geometrically *possible* to drill all 16 Bigfoot wells; however, such drilling operations will present several technical challenges, including problematic future artificial lift for a 1-mile step out to drill the northernmost Sec 11 well. While it would be *possible* to drill Sec 11 development wells from the position of the Latham U-14 location, CDJ did not reach out to Bonanza Creek to discuss this as an option, due to both surface location constraints, and hazards inherent to operating a location with another company, as further outlined below.

Surface Location Constraints

The latest amendment to the Latham U-14 Form 2A permit was approved on 3/14/2019. It allowed for a full permitted disturbance of 6 acres, with an interim reclamation size of 4.5 acres. It also allowed for 18 wells and their associated separators, with all associated production to be routed to the Latham 11-13 (Loc ID 462951) facility off of this location. Bonanza Creek sized this location so there would be room for the 18 wells/separators and nothing else, not even the tank battery (see Exhibit 1 below).

Exhibit 1: Bonanza Creek, now Civitas, Latham U-14 & Latham 11-13 Locations, topo circa 2019



Per Exhibit 1, there would not be room to co-locate Confluence's 16 additional wells and associated facilities on the above-referenced locations.

Potential Hazards of Co-Operating

In addition to the basic geometrical surface constraints, there are also other considerations that would dissuade CDJ from attempting to co-operate a location. While all upstream operators in Colorado presumably have the same goal (to safely and efficiently produce oil and gas), and are required to follow the applicable rules and regulations of the local and county governments, COGCC, CDPHE and EPA, the way each operator goes about achieving these goals and requirements can vary.

Each oil and gas location plays host to various regular and intermittent operations and inspections, including but not limited to:

- Initial construction (location & facility), drilling & completion phase of development
- Lease operators producing wells
- Ancillary operators providing services to produce wells, including but not limited to:
 - Hot oiling
 - Chemical treatments
 - Cathodic protection
- Audio, Visual, Olfactory inspections
- Workovers to repair wells
- Facility inspections

**Please reference the two attached maps for an orientation to the items discussed in this document*

- Leak detection and repair inspections
- Stormwater inspections
- Spill prevention control and countermeasure inspections
- Thief hatch & PRV inspections

All operations/inspections listed above can be executed with various standard operating procedures and at various frequencies, which may present complex challenges with two operators co-operating a location. Co-operating a location with any other operator would require CDJ's exposure to another company's design, data gathering practices, standard operating practices, annual reporting requirements and inspections, to name a few.

Due to the surface location constraints and potential hazards of co-operating listed above, CDJ eliminated the possibility of co-locating new CDJ wells on the Latham U-14 location.

Bigfoot 11 Proposed Location

CDJ considered six total potential sites from which to develop the Bigfoot wells, including the 70 Ranch 10 East location, as part of the Alternate Location Analysis required by the 1041WOGLA process. The full permitted disturbance of the Bigfoot 11 location is 17.67 acres, with an interim reclamation size of 7.35 acres, which is enough space to safely develop and operate 16 wellbores and their associated production facility. A few highlights of the Bigfoot 11 location include that there are no building units within 1-mile of the Working Pad Surface, no wildlife High Priority Habitat or wetland concerns, and gas and oil takeaway and electrical grid is proximal.

Weld County approved the Bigfoot 11 proposed location on 10/8/2020. A Form 2A for the Bigfoot 11 location was submitted to the COGCC on 11/5/2020, but it was not approved prior to the COGCC's 1/15/2021 rule changes, and therefore the subject Bigfoot 11 OGDG was formally filed on October 28, 2021.

CONFLUENCE DJ, LLC
BIGFOOT 11
SWNW/NWSW SECTION 11, T4N, R63W, 6th P.M.
WELD COUNTY, COLORADO



Map Location: S:\00 CAD\Data\GIS\Projects\Confluence\Bigfoot_11

Int. H&S, Geomatics, Geospatial, Technologies, Inc. M&A, U&S, E&C,
NPS, US Census Bureau, USDA, M&A

LOCATION JUSTIFICATION

- Proposed Oil & Gas (O&G) Location
- 70 Ranch 10 East (451960)
- Latham U-14 Pad (437416)
- 1-Mile Buffer around O&G Location
- 1-Mile Buffer around 70 Ranch 10 East
- 1-Mile Buffer around Latham U-14 Pad
- ▲ Weld County Address Points

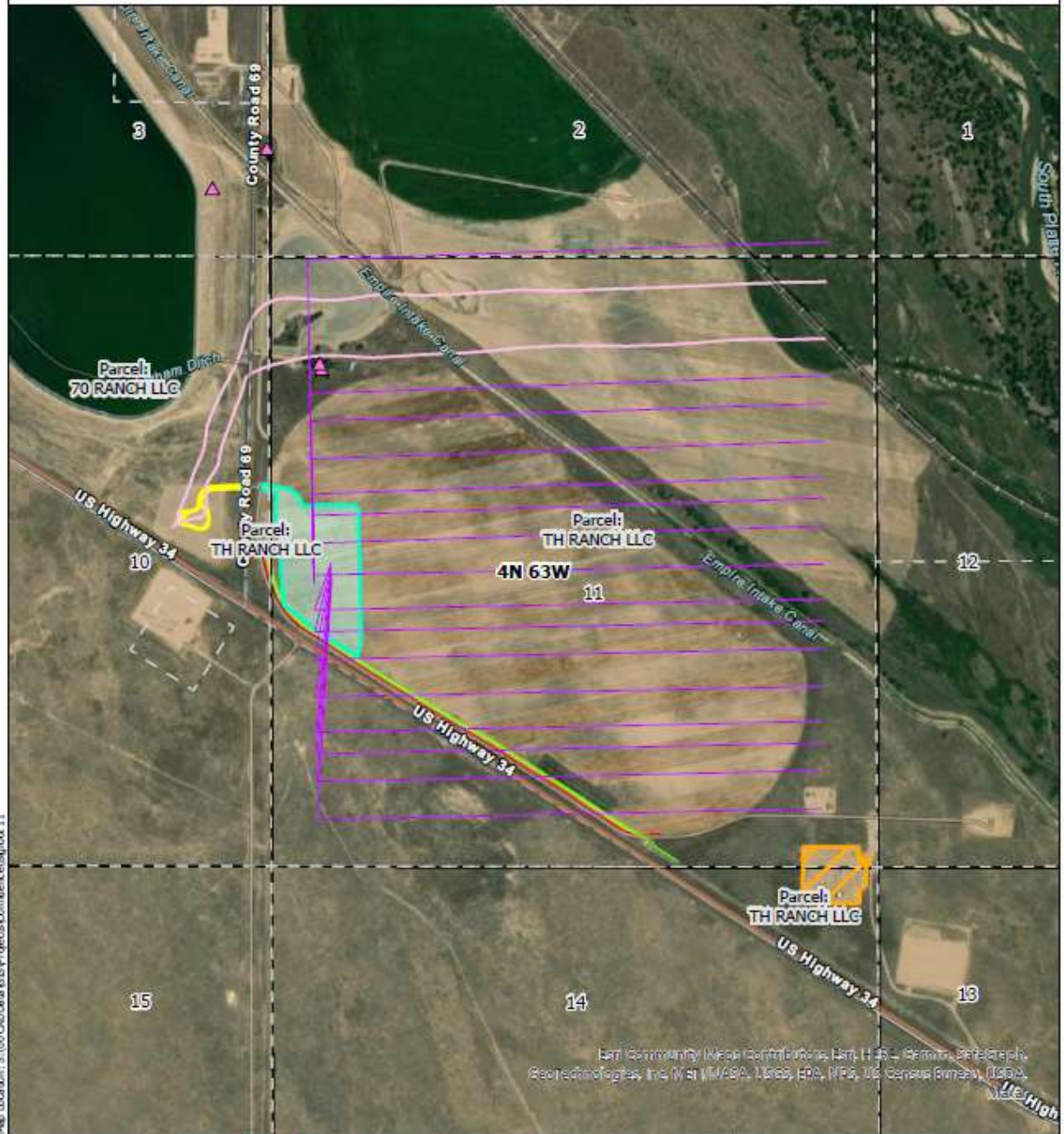
Projection: WGS 1984
Date: 04/05/2022
Drafted by: LMH

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1 inch equals 2,917 feet

**Please reference the two attached maps for an orientation to the items discussed in this document*

CONFLUENCE DJ, LLC
BIGFOOT 11
SWNW/NWSW SECTION 11, T4N, R63W, 6th P.M.
WELD COUNTY, COLORADO



Map Location: S:\100 CAD Data\GIS Projects\Confluence\Bigfoot 11

LOCATION JUSTIFICATION

- | | |
|------------------------------------|----------------------------|
| Proposed Oil & Gas (O&G) Location | Existing Gas Pipeline |
| 70 Ranch 10 East (451960) | Proposed Gas Pipeline |
| Latham U-14 Pad (437416) | Proposed Oil Pipeline |
| Proposed Laterals | Weld County Address Points |
| Existing 70 Ranch 10 East Laterals | Parcel Boundaries |

Projection: WGS 1984
Date: 04/05/2022
Drafted by: LMH

0 1,000 2,000 Feet
1 inch equals 1,500 feet

**Please reference the two attached maps for an orientation to the items discussed in this document*