#### Questions on permits and timing

- How many permits will you apply for by the end of 2014 and beyond?
- What locations will those well permits cover?
- I would like a copy of the map of ConocoPhillips' proposed well sites and Bronco Pipeline gathering systems
- What is the time frame for applying for more permits?
- What is your time frame for construction of permitted wells?
- Which nearby wells are operational?
- Of the nearby wells that are currently operational, are they producing as anticipated?
- How wide is each horizontal drilling?
- Where can we find a map of your horizontal drilling per well site?
- What route will trucks use to get to well sites?
- Have you engaged in, or do you anticipate engaging in 'forced pooling' drilling plans in Colorado? If so, under what circumstances?

To view pending permits please visit <u>http://cogcc.state.co.us/</u>. Click on the "PERMITS" link on the navigation bar. Choose either "ARAPAHOE" or "ADAMS" in the "All Pending Applications for" drop down and click "Go!". ConocoPhillips is in the process of evaluating our development plans of the field, which requires additional drilling of strategically selected wells that will provide better information about the hydrocarbon potential. During the appraisal phase, the timing, number and locations of wells are subject to change.

ConocoPhillips follows the rules and practices of the COGCC for setting well spacing and aggregating lease holders in an area. To view this information, please visit <u>http://cogcc.state.co.us/</u>. Click on the "ORDERS" link on the navigation bar. The best way to find information is search by location. Under the "Location" box input the Section (i.e. '7'), Township (i.e. 4S), and Range (i.e. 64W) and then click "Ok". The orders, if available, will be under the 535 causes. You will need to click the hyperlink on the order and search for the information you are looking for.

ConocoPhillips currently has 5 approved permits with the city of Aurora, and about 12 permit applications in process. This likely will be all our activity for 2014. Full details regarding each well including any special conditions, such as agreements on truck routing are included in our permit applications and are made available to the public at: <a href="https://www.auroragov.org/index.htm">https://www.auroragov.org/index.htm</a>

#### **Questions on Operations**

- Will ConocoPhillips be controlling the operation of nearby wells, or will that work be subcontracted out?
- If the work mentioned above is sub-contracted out, will ConocoPhillips hold the subcontractor to ConocoPhillips' standards of health and safety?

ConocoPhillips is committed to operating safely, reliably and responsibly. Our corporate safety motto is that our work is never so urgent or important that we cannot take the time to do it safely and in an environmentally responsible manner.

Our asset and operations programs address the prevention, control and mitigation of unintentional releases from our infrastructure related to water and air quality. We conduct emergency response exercises and training each year that meet or exceed regulatory compliance requirements. We conduct environmental assessments during the life cycle of our assets to identify possible risks and develop plans for dealing with those risks to maintain safe operations.

Whether it is a ConocoPhillips employee working on a well, or a contractor working our behalf, ConocoPhillips expects work will follow our requirements for safe and compliant operations.

Our wells our constructed to meet or exceed regulations. In addition, we follow our Global Onshore Operating Principles <u>Power in Cooperation</u>: (<u>http://www.powerincooperation.com/en/pages/global-onshore-principles.html</u>)

Our Niobrara operations have over 2 years without Recordable Incident.

Our Code of Business Ethics and Conduct applies to all employees and is a guide for our contractors and suppliers. That policy can be found at: <u>http://www.conocophillips.com/investor-relations/governance/Documents/SMID\_398\_IR\_Governance\_EthicsBooklet.pdf</u>

# Questions on local economic benefit.

 Will ConocoPhillips' oil and gas activities bring any jobs to the nearby area? If so, how many local people will be employed and what will their salary range be?

ConocoPhillips purchases many goods and services locally. We encourage our suppliers to buy goods and services locally and to promote development of sub-suppliers through skills building. This approach both stimulates local economic development and creates long-lasting benefits to communities. Here's how ConocoPhillips early-stage Niobrara project has already contributed to Colorado's economy.

- Contracted with 171 companies with offices and employees in Colorado. Of these.
  - o 73 companies have their headquarters in the state,
    - o 55 are small businesses,
    - o 22 suppliers are in Adams County and
    - o 38 suppliers are in Arapahoe County.
- Spent a total of \$4.2 million in 2013 on retail, services and travel, including:
  - o More than \$1.4 million in hotels and restaurants.
- Purchased goods and services from 137 businesses in Adams and 345 businesses in Arapahoe counties.
- Established offices in Denver and Watkins with 100 ConocoPhillips employees and contractors.

# Questions on operational hours.

- What hours will the wells operate? During Construction? Production?
- IF the wells operate 24/7 will any employee be on site 24/7?

Drilling, well construction and hydraulic fracturing operations generally take 1-2 months of working time, compared to the 20-30 year productive life of a typical well. Typically, we will construct the pad 1-2 months before the start of drilling. Construction is usually carried out during daylight hours. The drilling rig is brought on location for 20-30 days per well (24-hour operations). Hydraulic fracturing is normally a 7-10 day process per well and is a 24 hour operation. In preparation for hydraulic fracturing equipment is moved to site, usually during daylight hours. After that, additional visits for maintenance throughout the life of the well usually are during daylight hours as well.

# Questions on emissions, emission control equipment and monitoring

- Will your current and/or future wells sites be subject to RACT (Reasonably Available Control Technology) requirements? If not, why not?
- What is the efficiency rating of your air pollution control equipment?
- Have you already, or will you in the future, be using any alternative emission control equipment or pollution prevention devices or processes in lieu of, or in combination with, combustion devices and/or vapor recovery units to achieve the required emission controls?
- How frequently to you inspect your emission control equipment and pollution protection devices?
- Will the people who inspect and monitor your equipment be required to undergo training for this
  responsibility?
- How many tons per year of VOC emission will your nearby wells generate?

- Do you now, or will you in the future, have auto-igniters and surveillance equipment installed at your well sites?
- What technologies do you use for leak detection and repair?
- Will your current and/or future well sites use any high-bleed pneumatic controllers? If so, why?
- Have you considered the use of low-profile vapor recovery systems, instead of the taller vapor recovery towers? If not, why not?
- Due to the amount of wind we experience here on the plains, will you be installing air quality monitors in the nearby neighborhoods? I.e. Murphy Creek, Adonea, Traditions, Gun Club Estates, Thunderbird Estates, Cross Creek, etc. If not, why not?
- Where can we find a map of your horizontal drilling per well site?
- What kinds of health and safety measures will ConocoPhillips be using in the operations of its wells (i.e. Open loop, closed loop, water quality, air quality, etc.)?

A number of the questions submitted on this topic make specific reference to conditions or features of Colorado's new air quality regulations introduced in February 2014 (Use of LDAR, threshold of VOC emissions, Reasonably Available Control Technology) With regard to these ConocoPhillips meets or exceeds all regulatory compliance requirements in our operations. ConocoPhillips operators verify pollution control equipment on a daily basis. Additionally, ConocoPhillips has developed inspection plans for the oil and gas production equipment in Niobrara. The frequency of the inspection is based on the level of emissions of the tanks.

Current regulations and reporting requirements can be found on the CDPHE website: <u>https://www.colorado.gov/cdphe</u>. These rules outline the monitoring equipment, training, and reporting. ConocoPhillips wells in the Niobrara asset have implemented RACT in the design phase that met requirements of the regulations. ConocoPhillips uses enclosed combustor and/or VRUs to control emissions from the VRT, 3 phase separator and storage tanks. The combustors used in ConocoPhillips facilities to control emissions are equipped with an auto-igniter. The presence of a pilot flame is continuously monitored by a burner management system as well as by visual inspections. Our combustion devices exceed the minimum 95% conversion in the regulations.

The use of various types and sizes of vapor reducing/recovery systems has been evaluated. Both Vapor Recovery Towers (VRT) and Vapor Recovery Units (VRU) coupled with VRTs are being used at ConocoPhillips operated facilities. VRTs are designed to be tall in order to use the force of gravity to drain the liquid from the vessel. This increases the efficiency of vapor flashing by allowing the vessel to operate at lower pressures and eliminates the potential need for additional equipment such as pumps to move the fluids, thereby reducing the footprint of the site and further reducing emissions from said equipment. Well locations are permitted based on the initial production. Facilities connected to pipeline typically have permitted emissions according all regulations. To check the emissions and activities of any will operated in the state of Colorado, go to <a href="https://www.colorado.gov/pacific/cdphe/air-permit-public-notices">https://www.colorado.gov/pacific/cdphe/air-permit-public-notices</a> . Actual emissions are lower than the permitted limit.

In our operations, only mechanical or low bleed/no-bleed controllers are currently used. A high bleed controller would be used only when required due to safety and/or process purposes

Colorado's Department of Public Health and Environment (CDPHE) Air Pollution Division monitors air quality in our area of operations. There is a monitoring station located in 36001 E. Quincy Ave. Realtime air quality data from this station is publicly available at the CDPHE website: <u>http://www.colorado.gov/airquality/air\_quality.aspx</u>. Source:

#### Questions on hydraulic fracturing

- How likely are earthquakes after fracking?
- Does water taken from aquifer make rocks above weaker?

While almost all earthquakes are caused by naturally occurring releases of energy in the earth's crust, some human activities may induce small seismic events. These include geothermal development, construction of large dams, the impounding of water, mining activity and underground fluid injection. Energy released underground during hydraulic fracturing is very small and poses no increased risk to the public. Over two million wells have been hydraulically fractured worldwide. Of the over two million wells, there are only a handful of situations where low-level seismic activity felt at the surface may have been linked to hydraulic fracturing, which resulted in no damage or injuries. Just for comparison, a magnitude 3 earthquake feels like the rumbling of a passing 18-wheel truck.

Further information is available on this issue on ConocoPhillips website at: Power in Cooperation.