

1120 Lincoln Street, Suite 801
Denver, CO 80203

January 8, 2020

Ms. Julie Tannehill
SRC Energy Inc.
1675 Broadway, Ste 2600
Denver, CO 80202

Sent via eMail

RE: Rule 207.a Required Production Gas Sample for the Kawata 32N-17B-M (API # 123-43771)

Dear Ms. Tannehill,

As you are aware, SRC Energy Inc. (Operator # 10311) (SRC) operates the Kawata 32N-17B-M (API # 123-43771) (the "Well") in Weld County. On 11/01/2019, SRC collected a bradenhead gas sample (eForm 43 Document Number 402253473) from the Well. The results of compositional and isotopic data submitted from the 11/01/2019 sample event indicate that the gas in the Well's bradenhead is thermogenic in origin. Bradenhead tests were completed on 03/10/2017 (Form 17 - Doc # 401235977), 4/19/2017 (Form 17 - Doc # 401265371) and 10/15/2019 (Form 17 - Doc # 402213611) that showed the Well had bradenhead pressures of 572, 500 and 700 pounds per square inch (PSI) respectively.

Based on the bradenhead testing results from 11/01/2019 a sample of the production gas needs to be collected from the Well. There does not appear to be a mechanical issue that prevents a production gas sample from being collected.

Due to the bradenhead pressure and presence of thermogenic gas in the bradenhead the COGCC, under Rule 207.a, is requiring SRC to collect a production gas sample from the Well for analysis of gas composition and stable isotopes. The compositional analysis should include hydrogen, argon, oxygen, carbon dioxide, nitrogen, methane (C1), ethane (C2),

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ethene, propane (nC3), isobutane (iC4), butane (nC4), isopentane (iC5), pentane (nC5), hexanes +, specific gravity and British Thermal Units (BTU). Stable isotope analyses should include delta DC1, delta 13C1, delta 13C2, delta 13C3, delta 13iC4, delta 13nC4, delta 13iC5 (if possible), delta 13nC5 (if possible), and delta 13C of CO2, if possible. The sample should be collected upstream from the production equipment, preferably from the wellhead.

The sample is required to be submitted via eForm 43 no later than 28 calendar days from the date of this letter. Failure to provide the sample information by the required date may lead the COGCC to take enforcement action against SRC.

Please contact me at 303-894-2100 ext. 5148 or by email at arthur.koepsell@state.co.us if you have questions regarding the sampling requirements outlined in this letter.

Thank you for your quick attention to this matter,

Arthur Koepsell, P.G.

Water Resource Protection and Environmental Data Specialist