



1550 Wynkoop Street, Suite 300
Denver, CO 80202

Request for Proposal for Certified Gas

PureWest Energy, through its operating subsidiary Ultra Resources, Inc. (“PureWest”), is requesting proposals for the purchase of low-methane, freshwater-friendly certified natural gas. PureWest will consider bids under the commercial terms outlined below. The environmental attributes associated with this certified gas will be transferred via blockchain-based Certified Environmental Tokens™ (CETs). In addition, bidders may opt for scope 1 and scope 2 carbon neutral gas, which includes certified gas packaged with registered carbon offsets.

Commercial Terms:

- **Volume:**
 - Up to 50,000 MMBtu per day
- **Term:**
 - Up to 12 months, beginning April 1, 2023
- **Price Structure:**
 - Index price structure utilizing Platts IFERC NWPL–Rocky Mountains monthly index, plus the premiums as outlined below in the Price Detail. Price should be quoted in \$/MMBtu.
- **Price Detail:**
 - a) Regional index premium
 - b) Certified Gas premium
 - c) Registered Carbon Offsets premium (if desired)
- **Delivery Points:**
 - a) Opal Plant tailgate: Up to 50,000 MMBtu per day
 - b) Kern Receipt: Up to 50,000 MMBtu per day
 - c) Granger Plant tailgate: Up to 25,000 MMBtu per day
- **Delivery Point Allocation:**
 - Bidder may allocate the volumes between the Delivery Points outlined above, up to the RFP Maximum of 50,000 MMBtu per day
- **General Terms & Conditions:**
 - All bidders with accepted proposals must have an effective NAESB Base Contract for Sale and Purchase of Natural Gas in place with PureWest (Ultra Resources, Inc.) prior to the effective date of any transaction.
 - All bidders with accepted proposals must provide adequate credit support to cover the transaction through any of the industry standard forms of collateral that would be acceptable to PureWest.

Interested bidders should submit their proposal to Brian Day at Uplift Energy Strategy via email no later than **5:00 p.m. PST on January 31, 2022**. Question may be directed to Kelly Bott at PureWest.

Submit Bid Proposals To:

Brian Day
Co-founder and President
Uplift Energy Strategy
bday@upliftenergy.com
(720) 902-4801

Submit Questions To:

Kelly Bott
SVP – ESG, Land and Regulatory
PureWest Energy
kbott@purewest.com
(303) 645-9809



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PureWest Carbon Neutral Certified Gas

PureWest recently received Project Canary TrustWell™ environmental assessments for 100% of its production. All pads have either been platinum (the highest designation) or gold rated for their environmental performance assessed against industry best practices and have earned TrustWell's Low Methane Verified Rating and [Freshwater Friendly Verified Attribute](#). TrustWell certification involves rigorous desk audit and field evaluation of PureWest stewardship on a well-by-well basis taking into account 28 performance factors with respect to air, land, water, and the community (including safety practices). In addition, PureWest is working to implement a field wide plan to monitor methane emissions continuously and independently at pads throughout the field. Based upon 2021 EPA Subpart W data PureWest's methane intensity level is 0.05%, which is [85%] below the national average for the upstream sector.

PureWest has partnered with Validere to perform mass balance quantification to determine actual methane emissions. These data are then compared to stationary methane monitoring results to verify their accuracy. Initial pilot results show that PureWest is likely overestimating greenhouse gas emissions reported to EPA per Subpart W requirements using the traditional emission factor-based approach, with actual, quantified methane intensity at pilot pads less than 0.02%. PureWest is working in partnership with Validere to quantify and verify emissions throughout the field.

EarnDLT, in partnership with PureWest, is leveraging blockchain to capture environmental attributes associated with the production of their gas. Each molecule of gas produced is independently tracked by the EarnDLT system and correlated with the environmental measures implemented during the production process. Key environmental attributes including TrustWell certification ratings, methane performance, and methane monitoring will be captured by Earn as CET and using book and claim accounting, buyers can use these CETs to offset their own environmental impacts including reducing their own scope 3 emissions.

Each QET will include an accounting of PureWest's scope 1 methane emissions. The remaining emissions associated with each CET may be offset by registered voluntary carbon offsets, presenting an opportunity for a buyer to acquire scope 1 carbon neutral CETs. PureWest has also calculated our scope 2 emissions using an independent third party. Scope 2 emissions can be prorated for an associated volume of gas and may also be offset. These scope 1 and 2 carbon neutral CETs are a rigorous and defensible way for buyers to further reduce their scope 3 emissions.

PROJECT CANARY TRUSTWELL RESPONSIBLY SOURCED GAS PROCESS

Step 1: Inherent Profile

Unique assessment based on the type of operation and location. Includes over 4.5 million benchmark facilities and risk data points such as:

Operation type...

- Well complexity
- Well age and type (vertical, directional, horizontal)
- ...and more.

Location proximity to...

- Flow paths
- Communities
- Sensitive areas (environmental, biodiversity)
- ...and more.



Step 2: Control Measures

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Controls are evaluated at the levels of policy, plan, and execution. We use technical scoring rubrics, and compile these rubrics to compose a view of aggregate control systems in place. PC scoring libraries and rubrics include:

Rubrics 1-10: Downhole

- Surface, intermediate, and production casing
- Surface, intermediate, and production cement
- Subsurface integrity monitoring
- Well Integrity
- Wellhead / Tree
- ...and more.

Rubrics 11-18: Surface Ops

- Spill prevention and response
- Pits-tanks-impoundments
- Facilities piping & equipment
- Well control (drilling, completions)
- Frac Operations
- Emergency Response
- ... and more.

Rubrics 19-26+: Impacts

- Emissions (exhaust, flaring, venting)
- Water programs
- Community Engagement
- Waste management
- Reclamation
- ... and more.

Step 3: Performance Rating

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PC evaluates numerous impact and risk events, which vary depending on the type of facilities. The primary categories are as follows:

Water



Air



Land



Community



Within each of these categories is a range of topics (events) which map to anywhere from 1 to 4 of the categories, depending on the type of scale of event. Some examples included in the analysis are:

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| <ul style="list-style-type: none"> • Aquifer contamination • Excessive venting • Wellhead release • Equipment corrosion • Operations disturbance | <ul style="list-style-type: none"> • Subsurface contamination • Blowout • Storage vessel release • Road disturbance • Excessive flaring | <ul style="list-style-type: none"> • Water resources • Spills and leaks • Noxious emissions • Waste disposal • Offset well release • ... and more. |
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