



Higgins and Associates, LLC



Health, Safety & Environmental
Oil & Gas Industry

Health, Safety & Environmental Consulting Services for the Oil & Gas Industry

Higgins and Associates combines extensive experience and state-of-the-art technology to provide solutions for Health, Safety & Environmental issues. We have provided these services for the petroleum industry since our inception in 1996.

In an operating environment where Health, Safety & Environmental regulations are continually becoming more stringent and where enforcement actions are becoming more frequent and harsher, an operator's need for HS&E management has become a priority.

By proactively addressing Health, Safety & Environmental issues, an operator will enhance its image with the public, regulators, lenders and investors while limiting the company's liability. Proactive HS&E management enhances compliance, conserves resources, increases efficiency, enhances morale and increases employee awareness of HS&E issues and responsibilities.

For the Oil & Gas industry, we have developed the following set of services tailored to meet all of your company's Health, Safety & Environmental needs.

- HS&E Management System and Program Development and Auditing
- HS&E Compliance Activity Management System
- HS&E Training and Tracking
- Due Diligence Activities for Oil & Gas Property Transactions
- Regulatory Assistance (Use Permits, APDs and Comprehensive Development/Drilling Plans)
- Negotiations with Regulatory Agencies
- Air Permitting, Compliance and Reporting
- Emergency Preparedness and Spill Prevention
- Site Security Plans and Facility Diagrams
- Stormwater Permitting and Management for Construction Activities
- Water and Wastewater Permitting, Compliance and Reporting
- Waste Management
- Soil and Groundwater Remediation Services
- Chemical Handling and Reporting Services
- GIS and Mapping Services
- NEPA Compliance and Wetland Delineations
- Pipeline and Gathering Line Services

HS&E Management System, Program Development and Auditing

The use of a Health, Safety & Environmental management system enables a company to define and meet its management system policy and goals. Utilizing a cycle of continual improvement model with industry-accepted key elements, Higgins works with your company's management team to develop, implement, evaluate and improve your HS&E performance. For companies with an established HS&E Management System, Higgins and Associates can perform system audits for internal improvements, for pre-regulatory inspections and for external certifications.



HS&E Compliance Activity Management System

An HS&E compliance management system helps ensure that all of your facilities are in compliance by centralizing compliance information and activities within one system. As part of an HS&E Management System or as a stand-alone component, Higgins works with your company to develop and implement this integrated approach to allow your company to more efficiently manage, understand and communicate compliance information and assists your staff in identifying, communicating and completing required activities.

HS&E Training and Tracking

Higgins works with its clients to develop and train all levels of management and associates in proactive behavioral safety techniques and environmental concerns. Higgins has partnered with EHS Management Solutions, Inc., which has developed practical tools to assist our clients in effectively improving their workplace safety record by focusing on proactive vs. reactive company initiatives.

Due Diligence Activities for Oil & Gas Transactions

Prior to the acquisition or disposition of oil and gas properties, it is standard practice to assess the liabilities associated with the subject properties. These liabilities can be physical or regulatory in nature. Higgins specializes in performing these activities for oil and gas clients with expedited scheduling and with the utmost respect for client confidentiality.



Regulatory Assistance, Use Permits, APDs & Comprehensive Plans

Prior to the commencement of oil and gas operations, several regulatory issues must be managed: Special Use Permits, Conditional Use Permits, Applications for Permits to Drill and Comprehensive Development/Drilling Plans. These requirements are dependent upon the county and state where the oil and gas operations will exist and are dependent upon ownership of the affected property. Higgins works with oil and gas operators to determine and obtain the required clearances for oil and gas operations, including NEPA clearances. In addition, Higgins is knowledgeable of the impacts of the newly enacted revisions to the COGCC regulations and provides guidance for compliance with those rules.

Negotiations with Regulatory Agencies

In the course of operations, oil and gas operators may find the need to interface with county, state and federal agencies with respect to alleged violations, proposed penalties and permitting negotiations. Higgins serves as a liaison in such circumstances to represent our clients' concerns and defend our clients' positions.

Air Permitting Compliance and Reporting

For oil and gas operations, air emission permits or documentation of exemptions from permitting are required. Higgins works with oil and gas operators to assess the need for air emission permits. Higgins prepares permit applications for major and minor sources and negotiates the terms and conditions of such permits with the issuing agency. Higgins provides compliance assistance through a Compliance Management System by tracking required compliance activities and updating our client on the progress of such requirements. Higgins also works with clients to develop and submit the required documentation for air compliance issues, such as emission inventories and compliance certifications.

Emergency Preparedness and Spill Prevention

Under EPA's Oil Pollution Prevention regulation (40 CFR 112), certain facilities must develop and implement Spill Prevention, Control and Countermeasure plans (SPCC Plans). In addition, oil and gas regulatory agencies have enacted rules requiring certain prevention techniques, timely response and timely reporting. Higgins assists oil and gas operators in developing plans that meet these requirements. In addition, Higgins works with oil and gas operators to provide around-the-clock support in the case of emergencies and releases.

Site Security Plans and Facility Diagrams

Federal regulations under 43 CFR 3162.7-5 set forth security requirements for Federal and Indian leases. Owners and operators must comply with standards relating to storage and transfer of product, must develop and maintain a site security plan and must develop and maintain an updated site facility diagram. Higgins works with oil and gas operators to prepare, submit and maintain site security plans and diagrams for their oil and gas operations.

Stormwater Permitting and Management for Construction Activities

In most instances, construction activities require the permitting of associated discharges, the development of a storm water pollution prevention plan (SWPPP) and the implementation of best management practices regarding erosion and sediment control. Higgins assists oil and gas clients in developing plans that identify potential sources of pollution that may affect stormwater discharge quality. Higgins also helps clients develop proper construction practices that reduce pollutants in stormwater discharges to assure compliance with permit conditions.

Water and Wastewater Permitting, Compliance and Reporting

Oil and gas operations discharging produced water streams require permitting through the National Pollutant Discharge Elimination System (NPDES) program managed by the EPA or through a program delegated to the State. Higgins prepares discharge permit applications, provides assistance and guidance in collecting and analyzing required samples, and prepares and submits required reports. Higgins also assists oil and gas operators by performing inspections and audits of discharge points, including operations associated with coal bed methane operations.



Waste Management

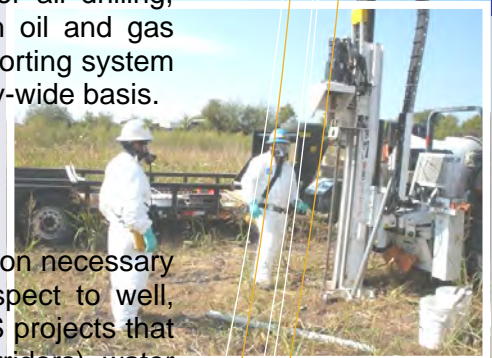
Oil and gas operations generate exempt and non-exempt oil and gas wastes. Higgins provides assistance to oil and gas operators for waste management issues by developing waste management plans, assisting in waste determinations, preparing and submitting appropriate waste generator notifications, recommending appropriate storage techniques, and assisting in disposal activities. In addition, Higgins performs waste contractor and transporter reviews to ensure that chosen commercial companies are properly permitted and operating in accordance with all issued permits and regulations.

Soil and Groundwater Remediations Systems

In the normal course of operations, oil and gas operations may impact soil and groundwater resources. Higgins provides oil and gas operators with a broad range of environmental services: investigations, assessments, modeling, design, corrective action planning, system design and installation, and operation & maintenance of remediation systems.

Chemical Handling and Reporting Services

SARA Title III regulations require the preparation and submittal of Tier II Annual Chemical Inventory Reports. Annual reports are due by March 1 of every year for the previous reporting year. Reports are also required within thirty days when changes at the facilities with respect to chemical storage are made. In addition, the COGCC regulations require chemical inventory tracking on a quarterly basis for all drilling, completion, workover and stimulation operations.. Higgins works with oil and gas operators to develop and maintain a chemical inventory tracking and reporting system which is easily and accurately updated per well, by field, or on a company-wide basis.



GIS Mapping Services

GIS is a powerful tool used by Higgins' staff to overlay layers of information necessary to support decision-making processes for oil and gas clients with respect to well, equipment and pipeline placement. For example, we have prepared GIS projects that include sensitive receptors (e.g., residential areas & wildlife migration corridors), water withdrawal & recharge areas, hydrologic flow paths & rates of migration, and contaminant fate & transport so that decision-makers can consciously avoid contaminant impacts in the most vulnerable areas, while allowing higher risk activities to occur in the least vulnerable areas.

NEPA Compliance and Wetland Delineations

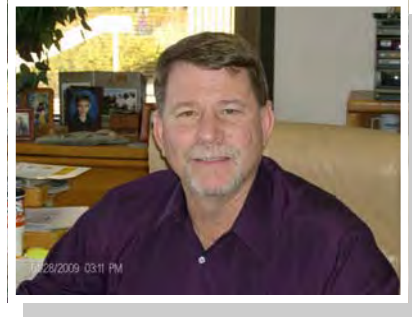
Many projects require compliance with the National Environmental Policy Act (NEPA). Higgins assists oil and gas operators in obtaining clearances related to NEPA requirements by providing baseline surveys and impact analyses for threatened and endangered species (plants and wildlife) and by providing wetland delineations.

Pipeline and Gathering Line Services

Obtaining clearances for pipelines and gathering lines can be a complex process. Higgins assists oil and gas operators with clearances for pipelines and gathering lines by combining its expertise in stormwater discharge permitting, emergency preparedness, SPCC, NEPA clearances, air permitting, and Clean Water Act Section 404 permitting.

Higgins and Associates Oil & Gas Staff

Chris Higgins is the principal owner and managing member of Higgins and Associates, LLC. Mr. Higgins has a Bachelor of Science degree in Geology from Mesa State College. Mr. Higgins started his career as a well site Geologist and Mud logger in petroleum exploration in the 1980's. Mr. Higgins migrated to the environmental industry in the late 1980's and worked for Groundwater Technology as a Territory Manager and remediation specialist handling all phases of soil and groundwater assessment and remediation. Mr. Higgins formed Higgins and Associates, LLC in 1996. Mr. Higgins has provided specialized services to the petroleum industry including E&P, upstream petroleum, refined products, and retail petroleum throughout his career.



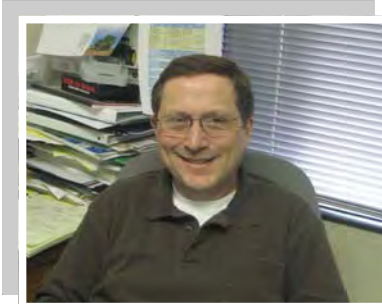
Tony Walker is an environmental professional with over 15 years of progressive experience in environmental project management, compliance, and design. Mr. Walker has a Bachelor of Science degree in Civil Engineering from Oklahoma State University. Mr. Walker has over twelve years of experience in the petroleum industry: exploration and production, unrefined product pipelines and storage, and refined product pipelines and terminals. Mr. Walker has gained his experience through multiple environmental positions with ConocoPhillips Company and as an environmental consultant managing compliance issues for oil and gas operators and due diligence activities for oil and gas property transactions.



Gary VanDerSlice is a professional geologist who has 24 years experience investigating and mitigating environmental impacts. Mr. VanDerSlice has worked on hundreds of facilities, such as: Superfund sites, oil and gas wellfields, landfills, spills, and storage tanks. His background ranges from leading complex projects for building risk analysis software to hands-on logging of nearly 30 miles of soil and rock from behind all kinds of drill rigs. Mr. VanDerSlice has unique expertise in water quality risk assessment, risk-based corrective action, and developing source water protection programs for protecting community drinking water supplies. He has worked with attorneys, industry, landowners, local governments, and regulatory agencies.



Art Goguen has worked as an environmental, health & safety (EH&S) manager for over 30 years overseeing the operations of semiconductor & computer manufacturing, heavy industrial machining & manufacturing, hospitals, communications and consulting. With an advanced degree in environmental policy and management at Denver University, Mr.



Mr. Goguen has also taken environmental law course-work at Duke University. Mr. Goguen has held several corporate positions in Fortune 500 companies where he has developed EH&S management system programs, worked on Superfund sites, worked with US and international environmental remediation programs, supported multiple environmental litigation defense efforts, and led many corporate EH&S audits and investigations around the world. Mr. Goguen is a founding member of the National Association of Environmental Management and is an active member of other EH&S associations. In addition, Mr.

Goguen has consulted as a senior instructor in the Massachusetts Firefighting Academy for many years in industrial firefighting and hazardous materials emergency response.

Joe Nickels has 15 total years of management work experience, primarily in occupational safety and environmental engineering for manufacturing facilities, laboratories, federal and private facilities, and public utilities. Mr. Nickels holds two advanced degrees in Public Health and Health Physics. He has 5 years direct senior level management experience. Mr. Nickels has an additional 12 years engineering experience in health physics, radiation protection, environmental protection, air pollution control, and regulatory compliance for nuclear processing facilities, reactors, and nuclear research centers. While attending college, Mr. Nickels worked 9 years in medical manufacturing and hospitals as a radiologic technologist. He has received several customer service and project management awards.



Nick Fischer has 23 total years of experience in environmental assessment and remediation, plant operations, project management for oil & gas production assessments, UST remediation and solvent remediation. In addition, he is well versed in Phase I and Phase II ESA's, UST removal and site investigations. Mr. Fischer has a Bachelor of Science in Chemical Engineering from New Mexico State University and is a Certified Wastewater Treatment Plant Operator.

Grant Leadem is a biologist and environmental specialist with four years of professional experience. Mr. Leadem has a Bachelor of Arts in Biology from Western State College in Gunnison, Colorado. Mr. Leadem is experienced with research based ecological health studies, T&E surveys, NEPA compliance and wetland delineations. Mr. Leadem has conducted surveys on pipeline routes, service and lease roads, and production pads. In the past few years, Mr. Leadem has developed professional skills as a specialist in remediation technologies and is active in the design, installation, and maintainance of comprehensive groundwater and soil remediation systems.



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