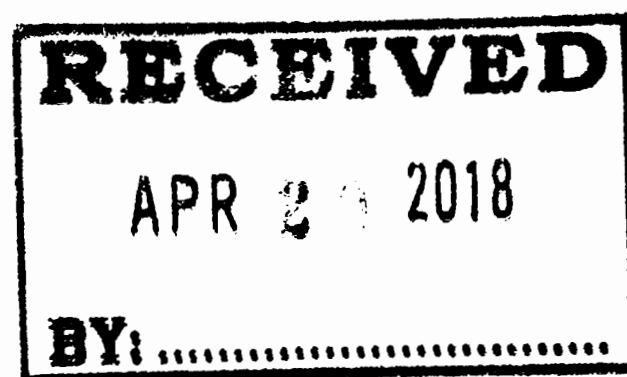




V. Brian Dolan
Corporate Operating Officer
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April 18, 2018

Ms. Kim West
Acting Director, Western Region
Pipelines and Hazardous Materials Safety Administration
12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

Re: Resolute Natural Resources Notice of Amendment
CPF 5-2018-5001M

Dear Ms. West:

Effective January 1, 2018, Resolute Energy Corporation sold its subsidiary, Resolute Aneth, LLC, which owns approximately 63% interest in the Greater Aneth Field, to Elk Petroleum, Inc., a subsidiary of Elk Petroleum Limited. The sale of the company included all assets and liabilities associated with the Greater Field, including the Greater Aneth CO₂ Pipeline in Cortez, Colorado and Aneth, Utah.

Elk Petroleum (Elk) received the Notice of Amendment letter, CPF-56-2018-5001M, on March 21, 2018 from Resolute Natural Resources Company (Resolute). Resolute's staff addressed the issues outlined in the Post-Inspection Written Preliminary Findings during the fourth quarter of 2017 and those resolutions have been shared with Elk in anticipation of receipt of the Notice of Amendment.

Elk offers the following responses to the inspection findings outlined in the Notice of Amendment:

1. The OME Manual, Section III, has been updated with references to emergency response training details. Training records support Resolute/Elk's position that training records were available for review and provide evidence that all essential personnel participated in the annual training. The ERP is a stand-alone document/procedural manual for all foreseeable events in the Greater Aneth Field. The pipeline OME manual references the ERP manual.
2. The OME Manual, Section III, has been updated with references to emergency response training details. Training records support Resolute's/Elk's position that training records were available for review and provided evidence that all essential personnel participated in the annual training. The ERP is a stand-alone document/procedural manual for all foreseeable events in the Greater Aneth Field. The pipeline OME manual references the ERP manual.
3. The OME Manual, Section III, has been updated with references to emergency response training details. Training materials are filed and accessible in the DOT-PHMSA folders that provide evidence of types of incidents, the hazards of potentially released products including CO₂, and the consequences of exposure and applicable controls.

4. The OME Manual, Section III, has been updated with references to emergency response training details. Training records support Resolute's/Elk's position that training records were available for review and provided evidence that all essential personnel participated in the annual training. The ERP is a stand-alone document/procedural manual for all foreseeable events in the Greater Aneth Field. The pipeline OME manual references the ERP manual.
5. The OME Manual, Section III, has been updated with references to emergency response training details. Training records support Resolute's/Elk's position that training records were available for review and provided evidence that all essential personnel participated in the annual training. The ERP is a stand-alone document/procedural manual for all foreseeable events in the Greater Aneth Field. The pipeline OME manual references the ERP manual. All supervisors and assigned responders for the CO₂ line were also participants in Incident Command training. Those records are also on file and available for review.
6. The OME manual and section I-4 was updated to include instruction on inspection findings (*Corrective Actions for any Identified Deficiencies in the Cathodic Protection System*) and tracking of discovered deficiencies in the pipeline inspections, include air-soil interface corrosion findings, using DOT Form 9C. A new procedure has been developed and introduced to the pipeline operators that provide specific instruction on how to evaluate atmospheric corrosion effects on the exposed portions of the pipeline.
7. The OME manual and section I-4 was updated to include instruction on inspection findings (*Corrective Actions for any Identified Deficiencies in the Cathodic Protection System*) and tracking of discovered deficiencies in the pipeline inspections, include air-soil interface corrosion findings, using DOT Form 9C. A new procedure has been developed and introduced to the pipeline operators that provide specific instruction on how to evaluate atmospheric corrosion effects on the exposed portions of the pipeline.
8. All supervisors involved in the CO₂ pipeline are trained and knowledgeable in the OME content and all associated procedures. A new procedure entitled, *Procedure-Atmospheric Corrosion Inspections*, has been developed with cross reference to an existing inspection form, DOT-9D. The supervisors will receive training/instructions in this procedure. Elk has employed an internal corrosion specialist that does have recognized NACE certifications.
9. The OME Manual and section I-5 was updated to include instructions on inspection findings (*Corrective Actions for any Identified Deficiencies in the Corrosion Control*) and tracking of discovered deficiencies in the pipeline inspections, including air-soil interface corrosion finding, using DOT Form 9C. A new procedure has been developed and introduced to the pipeline operators that provide specific instruction on how to evaluate atmospheric corrosion effects on the exposed portions of the pipeline.
10. A new procedure, *Cathodic Protection Maintenance, Testing & Repairs*, was developed to include guidance/instructions on testing for electrical isolation from other metallic structures.
11. A new procedure, *Cathodic Protection Maintenance, Testing & Repairs*, was developed to include guidance/instructions on testing and installing test leads.

12. A new procedure, *Cathodic Protection Maintenance, Testing & Repairs*, was developed to include guidance/instructions on maintenance and repair of test leads.
13. A new procedure, *Cathodic Protection Maintenance, Testing & Repairs*, was developed to include guidance/instructions on evaluating potential interference currents and IR Drop assessments.
14. A new procedure, *Cathodic Protection Maintenance, Testing & Repair,s* was developed to include guidance/instructions on maintenance and the use of the Cathodic Protection system to protect the pipeline.
15. A new procedure, *Cathodic Protection Maintenance, Testing & Repairs*, was developed to include guidance/instructions on the use of the rectifiers and test/bonding determinations.
16. A new procedure, *Cathodic Protection Maintenance, Testing & Repairs*, was developed to include guidance/instructions on performing surveys to detect and assess the effect of stray currents.
17. A new procedure, *Procedure-Inspection of Exposed Buried Pipe_Rev.12.2017*, was developed to include guidance/instructions on evaluating the condition of pipe coating whenever pipe is exposed.
18. A new procedure, *Procedure-Inspection of Exposed Buried Pipe_Rev.12.2017*, was developed to include guidance/instructions for repairing the pipe coating whenever exposed pipe is determined to have compromised coating.
19. The OME Manual, Section I, was revised and includes references to the requirement that all buried pipeline exposed, requires an inspection and assessment. A new procedure, *Procedure-Inspection of Exposed Buried Pipe_Rev.12.2017*, was developed to include guidance/instructions on the performance of that assessment including structural strength evaluations.
20. The OME Manual, Section I, was revised and includes references to the requirement that all buried pipeline exposed, requires an inspection and assessment. A new procedure, *Procedure-Inspection of Exposed Buried Pipe_Rev.12.2017*, was developed to include guidance/instructions on the performance of that assessment including structural strength evaluations and repairs/replacement of all compromised pipe sections.
21. The OQ Plan document was updated on December 31, 2017. There were existing task analyses worksheets in the prior plan documents that were not available at the time of the August 2017 audit. Those worksheets and associated analyses have subsequently been filed in the OQ Plan folder. The plan includes a list of all tasks and assignment of tasks to Resolute/Elk and/or contractor personnel.

The worksheets and associated analyses have been evaluated to determine that contractor personnel assigned covered tasks were appropriately vetted and qualified as per the OQ plan, including qualifications associated with abnormal operating conditions (AOCs).

22. The OQ Plan document was updated on December 31, 2017. There were existing task analyses worksheets in the prior plan documents that were not available at the time of the August 2017 audit. Those worksheets and associated analyses have subsequently been filed in the OQ Plan folder.
23. Existing management of change (MOC) procedures utilized in other Greater Aneth operations would be applied to communicate those changes to affected contractors.
24. The OQ Plan was updated on December 31, 2017. There were existing task analyses worksheets in prior plan documents that were not available at the time of the August 2017 audit. Those worksheets and associated analyses provided justification for the 3-year re-evaluation process and have subsequently been filed in the 12/31/2017 OQ Plan folders.
25. The OQ Plan was updated on December 31, 2017. There were existing task analyses worksheets in prior plan documents that were not available at the time of the August 2017 audit. Those worksheets and associated analyses provided justification for the 3-year re-evaluation process and have subsequently been filed in the 12/31/2017 OQ Plan folders. The plan has been evaluated and the annual review has been documented. The stated forms are current.

Copies of the documentation are attached for your review. Please feel free to contact me at brian.dolan@elkpet.com or 303-861-6255 should you have any questions.

Sincerely,



V. Brian Dolan

cc: Mark Lillemon, Resolute Natural Resources

Encl.: Greater Aneth Area: Pipeline Operation Qualification Program Manual
Greater Aneth CO₂ Pipeline: Operations, Maintenance and Emergency Manual