



TITAN OPERATING, LLC.

TCC DRILL SITE COLLEYVILLE, TX

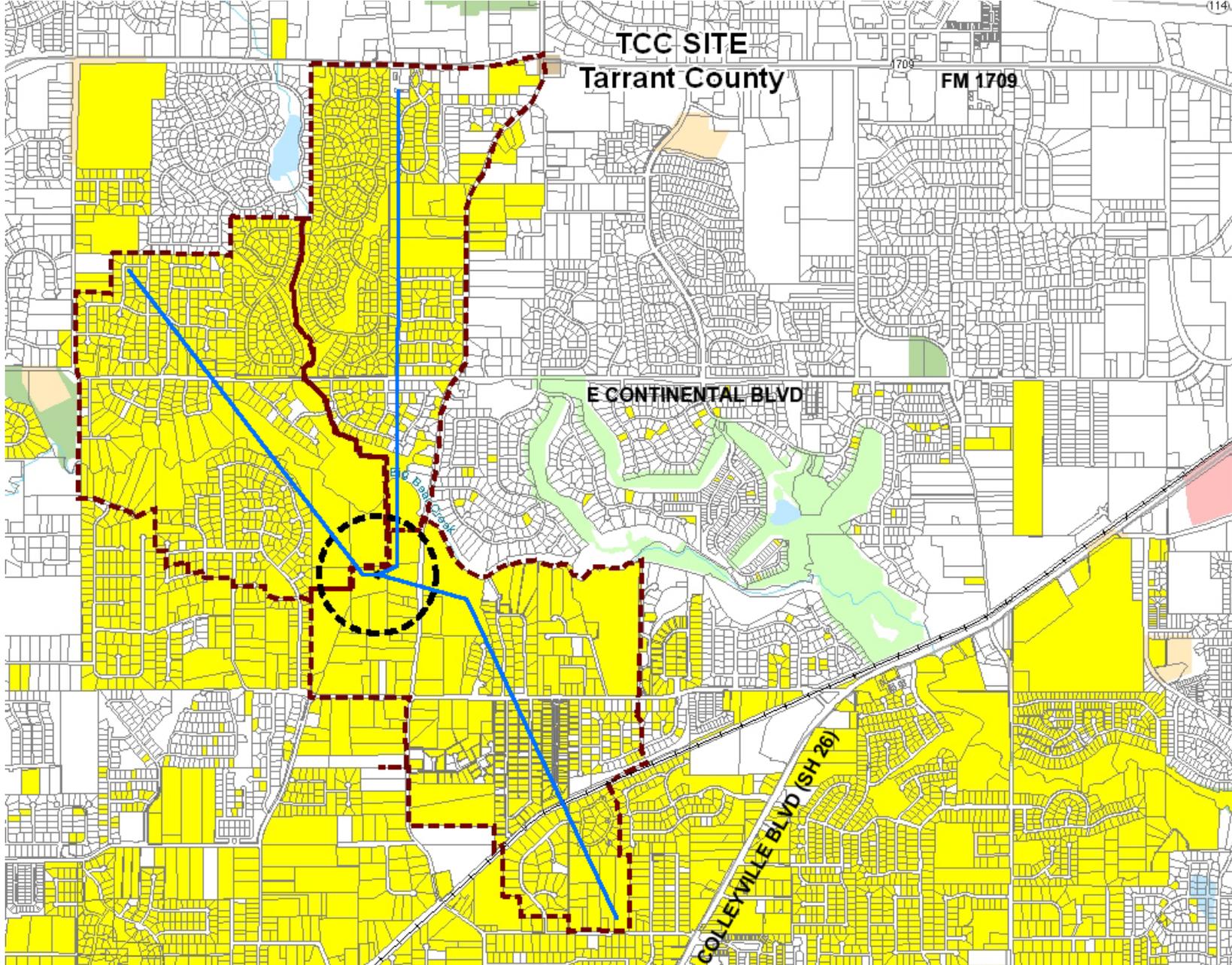


PELTON
LAND SOLUTIONS

ZC10-022

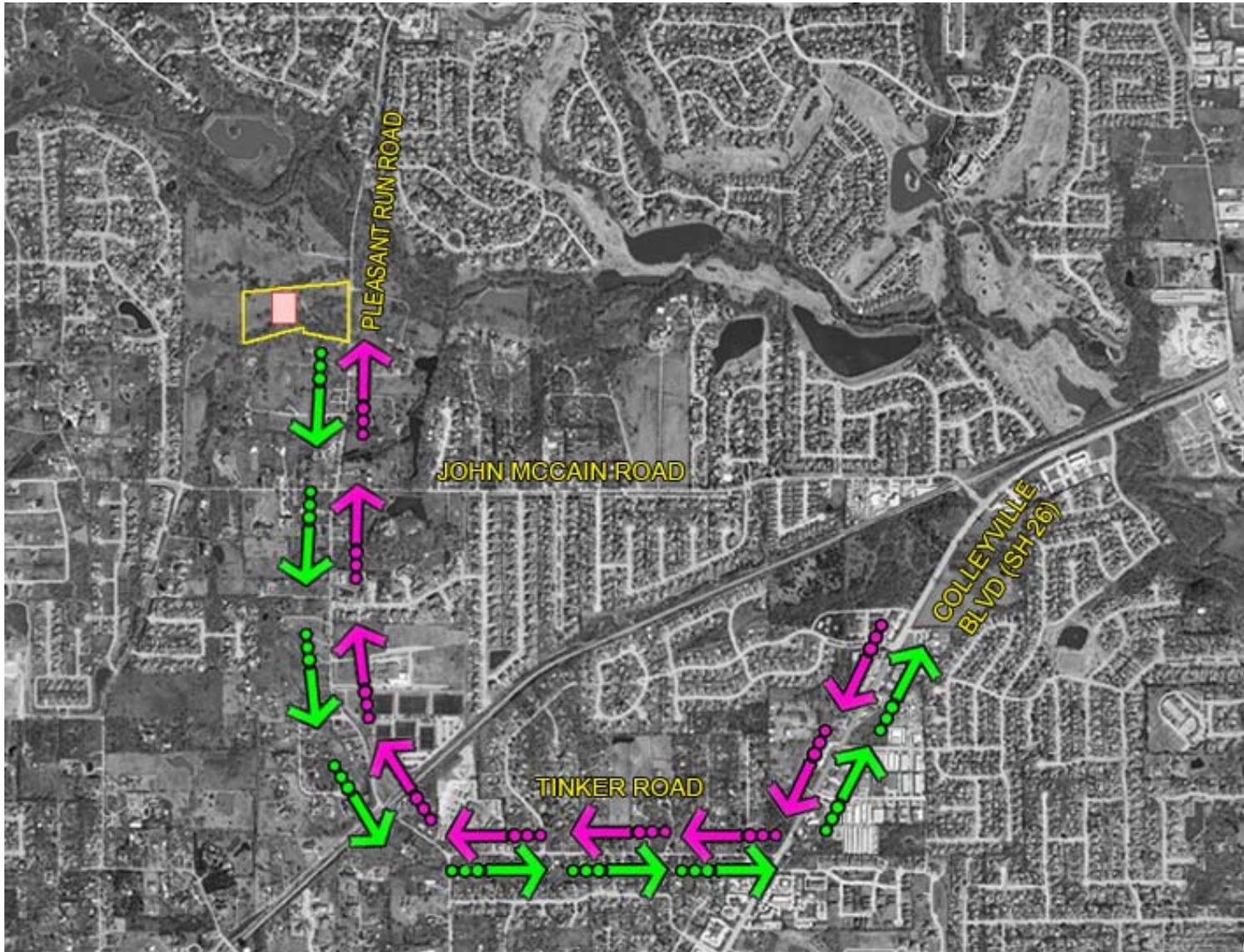
- Titan will form 3 units, 600-700 acres each and drill up to 14 wells from the TCC drill site
- Titan has addressed the key project issues:
 - Access
 - Site
 - Support/ Leasing
 - Noise
 - Aesthetics
 - Water Quality
 - Emissions
 - Titian Colleyville Investment

TCC Unit Boundary

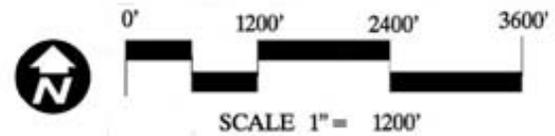


- Titan will form 3 units, 600-700 acres each and drill up to 14 wells from the TCC drill site
- Titan has addressed the key project issues:
 - **Access:** Favorable access route that has the least impact on residents and other land uses. The route also works well for turning movements necessary to accommodate drilling traffic.
 - **Site**
 - **Support/ Leasing**
 - **Noise**
 - **Aesthetics**
 - **Water Quality**
 - **Emissions**
 - **Titian Colleyville Investment**

TCC Transportation Route



-  ENTRANCE ROUTE
-  EXIT ROUTE



- Titan will form 3 units, 600-700 acres each and drill up to 14 wells from the TCC drill site
- Titan has addressed the key project issues:
 - Access
 - Site: The drill site is located on and surrounded by large tracts of land, and over 1000 feet from any residentially platted subdivisions located to the north and west. It is surrounded by existing tree cover on all sides.
 - Support/Leasing
 - Noise
 - Aesthetics
 - Water Quality
 - Emissions
 - Titan Colleyville Investment

TCC Site Plan



- Titan will form 3 units, 600-700 acres each and drill up to 14 wells from TCC drill site
- Titan has addressed the key project issues:
 - Access
 - Site
 - Support/Leasing: Titan has successfully leased 100% of properties within 1000 ft. of the drill site and has also obtained distance waivers from 100% of affected property owners within 1000 ft.
 - Noise
 - Aesthetics
 - Water Quality
 - Emissions
 - Titan Colleyville Investment

- Titan will form 3 units, 600-700 acres each and drill up to 14 wells from TCC drill site
- Titan has addressed the key project issues:
 - Access
 - Site
 - Support/ Leasing
 - Noise Remediation: Titan will utilize the state of the art HP Flex 4S electric rig and install necessary screening and sound walls during drilling and frac'ing to meet or exceed city ordinance .
 - Aesthetics
 - Water Quality
 - Emissions
 - Titan Colleyville Investment

- Titan will form 3 units, 600-700 acres each and drill up to 14 wells from TCC drill site
- Titan has addressed the key project issues:
 - Access
 - Site
 - Support/Leasing
 - Noise
 - Aesthetics: In addition to utilizing existing canopy as screening, Titan will install evergreen screening shrubs, canopy trees, and an 8 ft. screen fence.
 - Water Quality
 - Emissions
 - Titan Colleyville Investment

TCC

Landscape Plan



Plan View



Elevation A-A

TCC

Looking North From Pad Location



Existing Conditions



Existing Conditions



Key Map



Existing Conditions

TCC

West Property Line



Existing Conditions (looking West)



Existing Conditions (looking East)



Key Map



Proposed Landscape (looking East)



Existing Conditions (looking South)



Existing Conditions (looking North)



Key Map



Existing Conditions (looking Northwest)

TCC

Looking West From East Property Line



Existing Conditions



Proposed Landscape

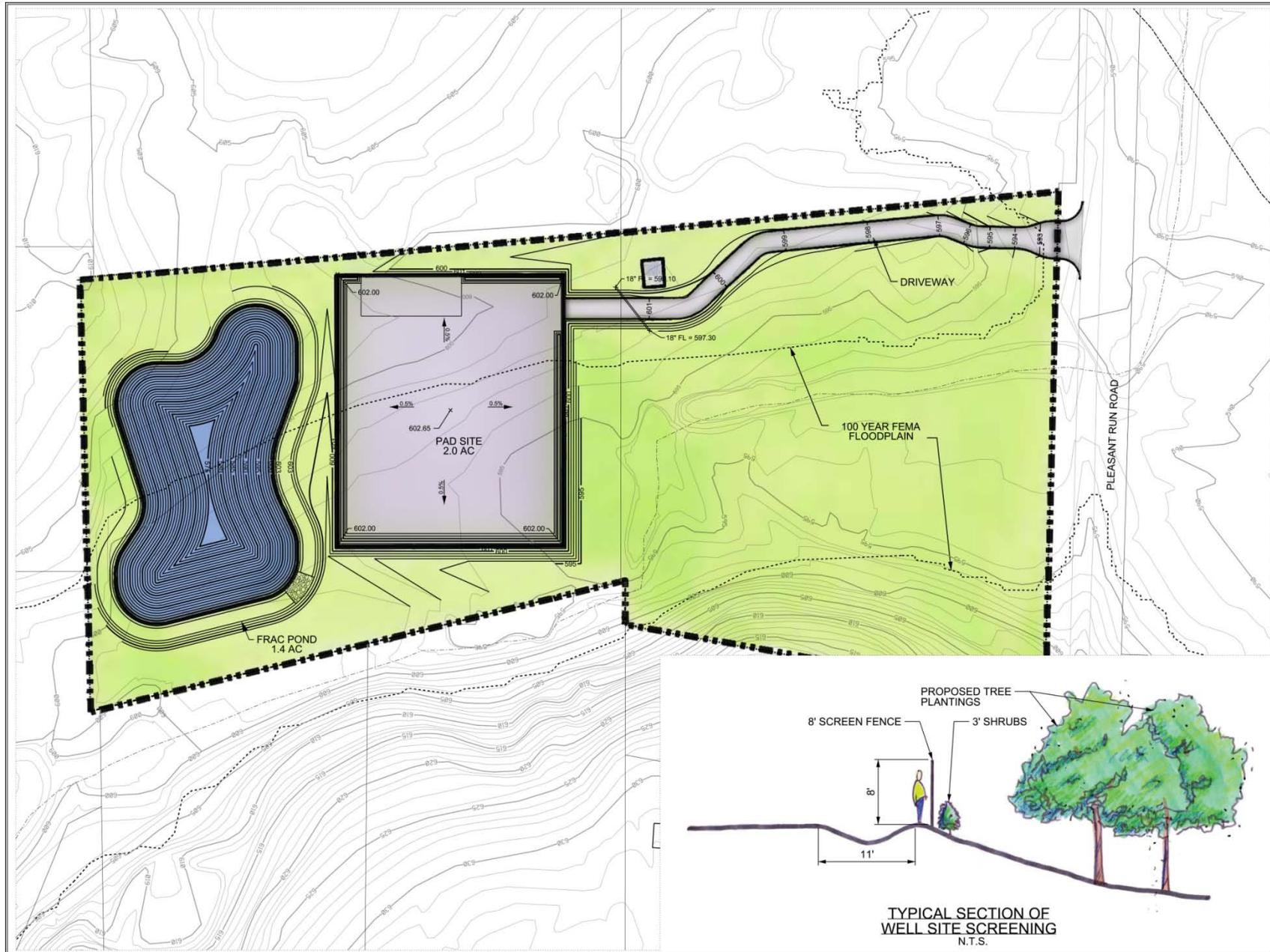


Key Map

- Titan will form 3 units, 600-700 acres each and drill up to 14 wells from TCC drill site
- Titan has addressed the key project issues:
 - Access
 - Site
 - Support/Leasing
 - Noise
 - Aesthetics
 - Water Quality: In addition to utilizing Best Management Practices for sediment & erosion control, Titan will construct a containment swale around the drill site to control surface runoff.
 - Emissions
 - Titan Colleyville Investment

TCC

Containment Swale



- Titan will form 3 units, 600-700 acres each and drill up to 14 wells from TCC drill site
- Titan has addressed the key project issues:
 - Access
 - Site
 - Support/Leasing
 - Noise
 - Aesthetics
 - Water Quality
 - Emissions: Titan will implement Best Management Practices in order to minimize emissions to a level that is technically feasible and economically reasonable. Every practical effort will be made to monitor equipment for leaks, implement reliable pollution prevention work practices, and reduce emissions.
 - Titan Colleyville Investment

- Titan will follow and comply with all State and Federal rules.
- The following Best Management Practices (BMPs) will be implemented in order to minimize emissions to a level that is technically feasible and economically reasonable. Every practical effort will be made to monitor equipment for leaks, implement reliable pollution prevention work practices, and reduce emissions.
 - The site will be visited daily by operations personnel who will conduct visual equipment checks.
 - The site will be equipped with a remotely monitored alarm system that will automatically shutdown key equipment if significant leaks or operational problems occur.
 - All fugitive components will be inspected by audio, visual, and olfactory (AVO) observation, at intervals not exceeding 15 months, but at least once each calendar year. Such inspections will also include monitoring for leaking components using either (1) the EPA Test Method 21 using a portable analyzer set at 10,000 ppmv leak detection limit or (2) the Alternative Work Practice for monitoring equipment for leaks found in 40 CFR §60.18(g)-(i) using an optical gas imaging instrument with a detection sensitivity level of no greater than 60 grams per hour.



**TCC DRILL SITE
COLLEYVILLE, TX**

ZC10-022

- Titan will form 3 units, 600-700 acres each and drill up to 14 wells from TCC drill site
- Titan has addressed the key project issues:
 - Access
 - Site
 - Support/Leasing
 - Noise
 - Aesthetics
 - Water Quality
 - Emissions
 - Titan Colleyville Investment: Titan has made a significant investment in Colleyville and to local non-profits.

- **Titan Operating's investment in Colleyville**
 - Titan has invested **\$108.3 Million** in lease bonuses to 5,592 Colleyville land owners encompassing 4,370 acres

 - Titan paid **\$6.21 Million** to the city of Colleyville for 248 acres

- **In the Colleyville Area Mineral Rights Association ("CAMRA") area alone, Titan has secured 4,042 leases. The average royalty is 25.5%.**

- **This leasehold represents approximately 12,408 people in Colleyville, or more than half the estimated population. (Based on 2007 Colleyville Chamber of Commerce demographics which indicate an average of 3.07 people per household in Colleyville and 23,261 residents.)**

- **Local Non-profit Donations**
 - Titan has given approximately \$100,000 to local Colleyville non-profits
 - Titan has provided \$200,000 to the city of Colleyville Park Fund

- **Titan is a proud member of the Colleyville Chamber of Commerce.**

Ad Valorem Tax Impact (1 Well)

(Analysis from Merit Tax Consulting)

<u>CITY</u>	<u>2009 CITY TAX RATE (PER \$1)</u>	<u>TAX YEAR 2010</u>	<u>TAX YEARS 2011-2024</u>	<u>15 YEAR TOTAL</u>
COLLEYVILLE CITY	\$ 0.003510	\$ 23,597	\$ 205,991	\$ 229,588
TARRANT COUNTY	\$ 0.002670	\$ 17,950	\$ 156,537	\$ 174,486
T C HOSPITAL	\$ 0.002300	\$ 15,462	\$ 133,002	\$ 148,464
T C COLLEGE	\$ 0.001390	\$ 9,345	\$ 79,609	\$ 88,953
ISD	\$ 0.013030	\$ 87,598	\$ 759,879	\$ 847,477
TOTAL		\$ 153,953	\$ 1,392,025	\$1,488,969

- **Based on 25.5% average royalty, the anticipated revenue stream for one well is \$5,000 per household.**
- **14 Wells Drilled = \$70,000/household**
- **4,042 leases X \$70,000 = \$282.9 million total**

Titan's Commitment

Titan is committed to excellence in all areas of its operations

- **Titan enjoys an excellent safety and environmental compliance record**
 - **Combined, Titan management Team and employees have drilled over 1000 wells in the Barnett Shale with no incidents or loss of control i.e. blow outs**
 - **No employee lost time accidents in company history**
- **Titan is committed to meeting or exceeding all regulations currently in place for drilling wells within Colleyville.**
- **Titan is an industry leader in drilling utilizing state of the art equipment that minimizes noise and other environmental issues.**
- **Titan is committed to being an outstanding corporate citizen, and looks forward to partnering with the community for years to come.**



TCC DRILL SITE
COLLEYVILLE, TX

ZC10-022