

PROJECT CANARY CASE STUDY

SHOWCASED CLIENT: CIVITAS RESOURCES



CASE STUDY

PROJECT
CANARY

The Value of
Operational
Excellence and the
RSG Market.

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Company Description:

Civitas Resources is the largest pure-play energy producer in Colorado's Denver-Julesburg (DJ) Basin, with an aggregate enterprise value of approximately \$4.5 billion (NYSE: CIVI). They are Colorado's first net-zero oil and natural gas producer. Operational expertise, progressive sustainability practices, and shared community values reach new levels at Civitas, a company born by bringing together decades of operational experience in the DJ Basin.

With a premier DJ Basin management team, focused innovation, and their commitment to long-term sustainability; Civitas brings value to Colorado's economy, its people, and the energy industry. With a strategic and collaborative vision, they are helping ensure communities will benefit from Colorado's oil and natural gas industry today and well into the future.

November 1, 2021: Civitas Resources is created in a deal combining the Denver-Julesburg Basin oil and gas production of Extraction Oil and Gas, Bonanza Creek Energy Inc., and Crestone Peak Resources.

Why did Civitas choose Project Canary for continuous emissions monitoring and TrustWell Certifications?

To Meet Three Primary Challenges:

1. Community Assurance
2. Regulatory Compliance
3. ESG Performance

Civitas is forward-leaning in its efforts to reduce emissions, demonstrate transparency through monitoring and certification, and show best-in-class ESG performance. Facing internal and external energy-transition pressures from regulators and investors on the heels of an acquisitive year, Civitas looked at updated and elevated technologies to deploy a continuous monitoring and certification solution within its DJ Basin operations. This is in alignment with its ESG goals and commitments to operate responsibly within communities.

Community Assurance:

Civitas saw the need to enhance VOC and methane monitoring for frequency and fidelity to support public health and climate change within its communities. Continuous monitoring and third-party validation of its safe operating practices through the TrustWell certification process assure Civitas' neighbors and the communities in Colorado. This assurance highlights responsible operations and elevated ESG commitments that help protect communities. The data substantiates Civitas's commitment to operating with the lowest emissions possible, supporting community public health. The data and certification demonstrate that some claims made by non-governmental organizations and even some public health reports have at times been overstated and do not consider modern technology or best management practices employed by top-tier operators like Civitas.

**REGULATION
COMPLIANCE**

When SB 181 passed into law in Colorado, it included a requirement for continuous emissions monitoring. Civitas deployed its environmental and data teams to test various continuous monitoring technologies and reporting frameworks to get ahead of the regulations. Project Canary sensors were the selected technology due to lower cost and higher fidelity than other options at the time. A low-cost, durable, and high-reliability sensor demonstrated a feasible path towards the new continuous emissions monitoring requirement.

**ESG
PERFORMANCE**

The importance of ESG reporting has been growing steadily over the past few years. Civitas and their financial sponsors sought a best-in-class partner who was: independent, had a track record with emissions-intensive industries, and was pushing technology boundaries to deliver the right level of ESG data. Civitas prioritized the selection of technology that could reliably track, verify, mitigate, and manage emissions to achieve and prove they had the lowest emissions possible. Project Canary sensors were identified as a high-quality sensor with third-party data validation and integrity through the Colorado School of Mines. Civitas highlighted this data in their ESG report and leveraged the same data to obtain Certified RSG gas contracts.

SOLUTION

CIVITAS DEPLOYED PROJECT CANARY CONTINUOUS MONITORING FOR THE ACQUISITION OF 3RD-PARTY AND DEFENDABLE QUANTITATIVE EMISSIONS DATA AND PROJECT CANARY TRUSTWELL QUALITATIVE REVIEW TO ASSURE COMPLIANCE ON A PER WELL-PAD BASIS.

- The Project Canary certification schema was determined to be the most robust analysis of operations from drilling through reclamation.
- The extensive engineering analysis was a differentiator from other one-time certifications that environmental consultants conduct.
- The rigor of an engineering evaluation combined with an environmental evaluation offered a more defensible certification to stakeholders and is recognized by the industry as the 'gold standard.'
- The Canary sensors are sensitive and detect extremely low concentrations of VOCs. The sensor data itself is high quality. The reporting dashboard is beneficial in determining sources of emissions due to the meteorological information provided.
- Data quality is assured using data validation experts at the Colorado School of Mines.
- Real-time data helps Civitas respond to any size leak on all monitored locations. Civitas can now find intermittent leaks and large instantaneous leaks in record time and mitigate these issues more quickly. The real-time data helps their teams amend and deploy routine maintenance activities with more efficiency.
- Trust in data relies on independence. Project Canary is validated by The School of Mines and trusted by regulators, communities, and NGOs. The data is not influenced by the customer or any follow-on service contracts.



GET IN TOUCH WITH US

PROJECT
CANARY

Denver-based Project Canary is a SaaS-based data analytics company that provides environmental assessments and continuous monitoring solutions at the facility level to enable companies to measure and improve their operations and emissions profiles. The firm's solutions enable users to assess factors such as methane, water, and other climate-related energy supply chain risk factors, allowing commodity buyers to track the environmental performance for intensive industries.

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