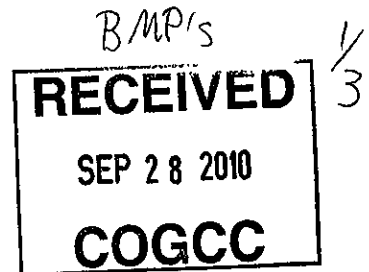




Attachment A

KGH Operating Company



Colorado Oil and Gas Conservation Commission (COGCC), Form 2A:

Colorado Division of Wildlife (CDOW) Consultation Requirement

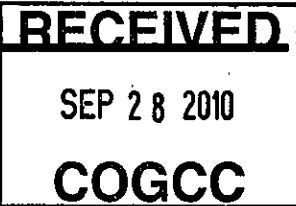
Based on the fact that KGH's proposed well pad in Section 10, Twn 1S, Rng 104W is in an area that is classified by the CDOW as a *sensitive wildlife area*, a formal consultation with the CDOW is required as part of the Form 2A process. A phone conference was conducted on June 18, 2010 with CDOW representative Edward Winters to solicit inputs regarding CDOW wildlife concerns for the area and to identify the CDOW's expectations for informational requirements to accommodate the Form 2A consultation.

Meeting Report and Recommended BMPs

Mr. Winters confirmed that the proposed project is in an area deemed as a *sensitive wildlife area*. He indicated that it is "critical winter range for mule deer" and an "elk concentration area". He provided the following mitigation recommendations:

1. Where oil and gas activities must occur in mule deer critical winter range or elk winter concentration areas, conduct these activities outside the time period from December 1 through April 15 (**construction and drilling**).
2. Restrict post-development well site visitations to between the hours of 10:00 a.m. and 3:00 p.m. and reduce well site visitations between December 1 and April 15 in mule deer and elk winter range.
3. Establish company guidelines to minimize wildlife mortality from vehicle collisions on roads.
4. Gate single-purpose roads and restrict general public access to reduce traffic disruptions to wildlife.
5. Close and immediately reclaim all roads that are redundant, not used regularly, or have been abandoned to the maximum extent possible to minimize disturbance and habitat fragmentation.
6. Avoid aggressive non-native grasses and shrubs in mule deer and elk habitat restoration.
7. Reclaim mule deer and elk habitats with native shrubs, grasses, and forbs appropriate to the ecological site disturbed.
8. Restore appropriate sagebrush species or subspecies on disturbed sagebrush sites. Use locally collected seed for reseedling where possible.

Craig Richardson



From: Winters, Edward [Edward.Winters@state.co.us]
Sent: Friday, June 18, 2010 10:00 AM
To: Craig Richardson
Subject: Wildlife BMPs for Mule deer critical winter range
Attachments: image003.jpg

Craig,

As per our conversation, here is a listing of BMPs that will satisfy the mule deer critical winter range issue associated with the well location:

- Where oil and gas activities must occur in mule deer critical winter range or elk winter concentration areas, conduct these activities outside the time period from December 1 through April 15 (**construction and drilling**).
- Restrict post-development well site visitations to between the hours of 10:00 a.m. and 3:00 p.m. and reduce well site visitations between December 1 and April 15 in mule deer and elk winter range.
- Establish company guidelines to minimize wildlife mortality from vehicle collisions on roads.
- Gate single-purpose roads and restrict general public access to reduce traffic disruptions to wildlife.
- Close and immediately reclaim all roads that are redundant, not used regularly, or have been abandoned to the maximum extent possible to minimize disturbance and habitat fragmentation.
- Avoid aggressive non-native grasses and shrubs in mule deer and elk habitat restoration.
- Reclaim mule deer and elk habitats with native shrubs, grasses, and forbs appropriate to the ecological site disturbed.
- Restore appropriate sagebrush species or subspecies on disturbed sagebrush sites. Use locally collected seed for reseeding where possible.

If all agree to these mitigative practices, just attach the listing of wildlife BMP's to the 2A application. Once I receive the packet from COGCC for review and approval, I will post the attached BMPs for wildlife as acceptable and a condition of approval for this action. This will also satisfy the consultation requirement from COGCC.

If I can be of further help, please just let me know.

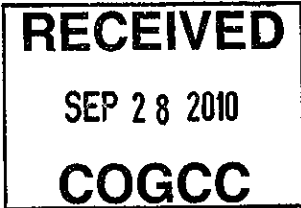
Thanks,
Ed



Edward F. Winters

Land Use Specialist
Northwest Region
PO Box 1181
Meeker, Colorado 81641
(970) 878-6069
edward.winters@state.co.us

**ATTACHMENT B
PROPOSED BMP's**



**KGH Operating Company
Meagher #10-1H
Lat: 39.975192 Long: -109.048658
SWNE Sec. 10, Twn. 1S, Rng. 104W 6th PM
Rio Blanco, CO**

Stormwater Management

Stormwater Management will be managed under KGH Operating Company's (KGH) proposed Stormwater Management Plan prepared for the project area. A Stormwater Plan and Permit will be submitted to CDPHE as required. Prior to construction a stormwater "perimeter" will be built around the site for initial work purposes. Once the pad construction is completed, the site will be inspected and any necessary Erosion Control Devices needed to manage sediment discharge from the pad will be installed. These devices may include but are not limited to:

- Rock Check dams
- Settling ponds
- Straw waddles
- Silt Fencing (used sparingly)

Spill Prevention Control and Counter Measures (SPCC)

Once the wells are drilled and completed onsite KGH will prepare a SPCC plan for the site.