

PIONEER

NATURAL RESOURCES

Pioneer Natural Resources USA Inc.
5205 N. O'Connor Blvd. Suite 200
Irving, Texas 75039-3746
Main: 972-444-9001 Fax: 972-969-3576

May 16th, 2016

Director Matt Lepore
Colorado Oil & Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

RE: COGCC Rule 502.b Variance Request for 1001.c Surface Owner Waiver
For the Lorencito 3-18-34-66, API# 05-071-07584, Location ID: 308145
Township 34 South, Range 66 West, 6th P.M.
Section 18: NE/4NW/4
Las Animas County, Colorado

Dear Director Lepore,

We have obtained a Surface Owner Waiver under Rule 1001.c for final reclamation of the Lorencito 3-18-34-66 location and related access road. We have performed final reclamation on this location in accordance with the surface owner's request. Due to the surface owner's final reclamation requests of the well pad and access road, we are requesting your approval for a variance from requirements of Rule 1004. (a) as specified in Section III "Reclamation Plan Details" of the Site-Specific Final Reclamation Plan within this document. We have provided all of the information and documentation in accordance with COGCC Operator Guidance on Rule 1001.c: Reclamation Variances and Waives from December 17, 2015.

Pioneer has entered into an agreement with the surface owner regarding topsoil protection and reclamation of the Lorencito 3-18-34-66 location. Pioneer has also completed an evaluation of whether public health, safety and welfare will be protected and significant adverse environmental impacts would be prevented if compliance with specified provisions of Rule 1004 is not required. Pioneer's evaluation, along with evidence and demonstrations are included in the Site-Specific Reclamation Plan included in this letter.

The following attached documents contained in this letter for the Lorencito 3-18-34-66 were developed in accordance with the December 17, 2015 version of the COGCC 1001.c: Reclamation Variances and Waivers guidance document:

(1) "Surface Owner Reclamation Letter Agreement" and "Reclamation Consultation Form"

*These two documents fulfill the five requirements of Section I in the December 17, 2015 version of the COGCC 1001.c: Reclamation Variances and Waivers" guidance document.

(2) "Site Specific Final Reclamation Plan"

*This document, along with all images and exhibits, fulfill the eight requirements of Section II.B in the December 17, 2015 version of the COGCC 1001.c: Reclamation Variances and Waivers" guidance document.

(3) Pioneer's Field-Wide Final Reclamation Plan and Best Management Practices

*This document provides more detailed information concerning the local environment and land conditions in the Raton Basin where Pioneer operators, as well as more detailed information concerning Pioneer's application and use of specific reclamation practices and techniques.

We have made a good faith effort to provide the necessary information and evidence requested in the December 17, 2015 version of the COGCC 1001.c: Reclamation Variances and Waivers guidance document in order for the Director to evaluate our request for waiving specified provisions of Rule 1004 to fulfill the surface owner's requests for final reclamation.

We respectfully ask you to review and approve our variance request from the specified sections of the 1004 final reclamation requirements.

Sincerely,

Pioneer Natural Resources USA, Inc.

A handwritten signature in black ink, reading "Kathryn Q. Gillen". The signature is written in a cursive, flowing style.

Kathryn Q. Gillen
Environmental Specialist II

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Surface Owner Reclamation Letter Agreement

Rule 1001.c. Surface Owner Waiver of 1000-Series Rules
(Attachment)

PIONEER

NATURAL RESOURCES

Pioneer Natural Resources Company
5205 N. O'Connor Blvd. Suite 200
Irving, Texas 75039-3746
Main: 972-444-9001 Fax: 972-969-3576

March 14, 2016

B.F. Hill, Managing Partner
Hill Ranch Ltd.
3794 Highway 67 West
Glen Rose, TX 76043

Re: Final Reclamation Agreement
Lorencito 3-18-34-66 Lorencito 12-12-34-67
Lorencito 3-19-34-66 Lorencito 12-19-34-66
Lorencito 4-29-34-66 Lorencito 13-11-34-67
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Township 34 South, Ranges 66 & 67 West, 6th P.M.
Las Animas County, Colorado

Dear Mr. Hill,

Pioneer Natural Resources USA, Inc. ("Pioneer") consulted with you concerning final reclamation on your property following the plugging and abandonment of the above referenced locations. These gas wells have been officially plugged and abandoned.

During our consultation with you concerning final reclamation on your property, you requested that Pioneer not reclaim certain features of these locations back to predrilling conditions. This letter agreement, including the attached Exhibit 'A' for each location, sets forth the agreement between you and Pioneer regarding final reclamation.

Exhibit 'A' for each of the subject locations to this letter agreement sets forth the specific reclamation plan for your property, including, identifying those specific portions of the access road and/or the location for which you have requested Pioneer waive final reclamation requirements under COGCC Rule 1004 and a description of the reclamation plans on those areas that are not subject to the waiver. Pioneer shall conduct its final reclamation in accordance with such plan.

The reasons you have provided for waiving Pioneer's obligation to preform final reclamation include:

1) You intend to use the well site access road and the flat area of the well pad Pioneer had constructed for future vehicle access to your property for staging hunting trips or for other purposes related to your ownership and/or development of your property.

2) You have requested that Pioneer use a seed mix which you have personally selected to seed the areas as specified in the consultation form.

By waiving Pioneer's obligations for final reclamation required under COGCC Rule 1004 as set forth in this letter agreement, you are acknowledging that the current condition of the portions of the access roads and/or oil and gas locations subject to the waiver is satisfactory to you. By executing below and agreeing to the reclamation plan set forth in this letter agreement and the Exhibit 'A' for each location, you acknowledge that you are knowingly and forever waiving all reclamation protections otherwise afforded by COGCC Rule 1004 for that portion of the locations which you are granting the waiver.

This letter agreement contains all of the agreements, conditions, promises and covenants between the parties with respect to the subject matter hereof and supersedes all prior or contemporaneous agreements, representations or understandings with respect to the subject matter hereof. This letter agreement shall be binding upon and inure to the benefit of the parties and their respective agents, officers, employees, shareholders, directors, insurers, legal representatives, heirs, successors and assigns. This letter agreement shall be construed and governed in accordance with the laws of the State of Colorado without regard to the choice of law provisions thereof. This letter agreement may be executed via facsimile or email by PDF format in one or more counterparts, all of which when taken together shall constitute one agreement.

If you are in agreement with the terms and conditions of this letter agreement, please sign below and return a fully executed copy of this letter to myself at chris.hollmann@pxd.com.

Sincerely,

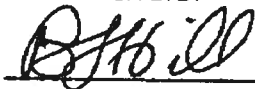
Pioneer Natural Resources USA, Inc.



Chris Hollmann
Staff Landman

ACCEPTED AND AGREED:

HILL RANCH LTD.



By:

As:

Date: 3/24/16

**Surface Owner Reclamation
Letter Agreement
(EXHIBIT A)**

COGCC FACILITY/LOCATION STATUS: ACTIVE		Location ID: 308145	
API/Facility ID	Well Name	Location	COGCC Rule Variance
05-071-07584-0000	Lorencito 3-18-34-66	T34S-R66W Sec.18: NE/4NW/4	1004.a Sentence(s) 3, 4, 5, and 6

This document sets forth the specific reclamation plan for your property, including, identifying those specific portions of the access road and/or the location for which you have waived Pioneer's reclamation requirements under COGCC Rule 1004; and a description of the reclamation plans for those areas that are not subject to the waiver. Pioneer shall conduct its final reclamation in accordance with this plan.

Pioneer consulted with you on January 20th, 2016 in which the reclamation plans to be performed on location were devised. Based on our consultation Pioneer will conduct final reclamation in accordance with your specified requests:

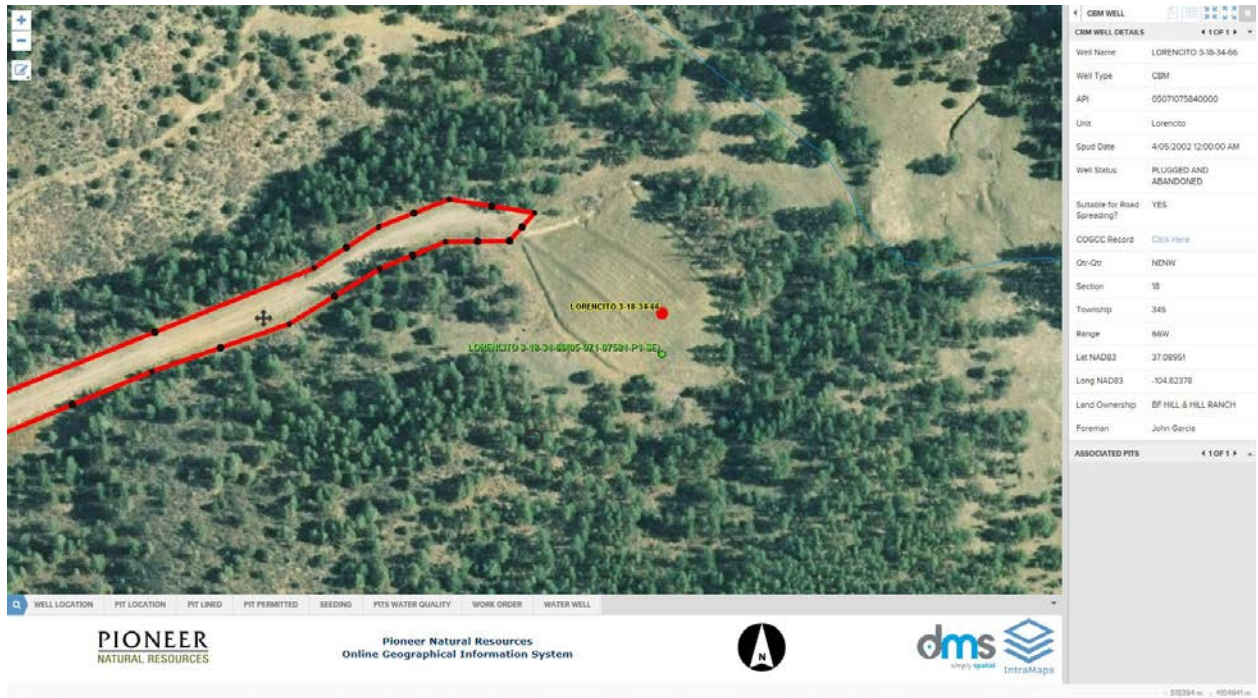
- 1) that the Right-of-Way shall not be returned to pre-disturbance contour; that the Right-of-Way shall remain in place with gravel;
- 2) that any erosion along the Right-of-Way shall be fixed;
- 3) that the well pad shall be fully reclaimed;
- 4) that the well pad shall be ripped and seeded with the Lorencito Hill Ranch seed mix which you have provided to Pioneer.

Pioneer has conducted final reclamation requirements for all other areas of the location that you have not waived Pioneer from the reclamation requirements in COGCC Rule 1004. Pioneer has performed all reclamation requirements as specified in COGCC Rule 1004 which cannot be waived by the Surface Owner.

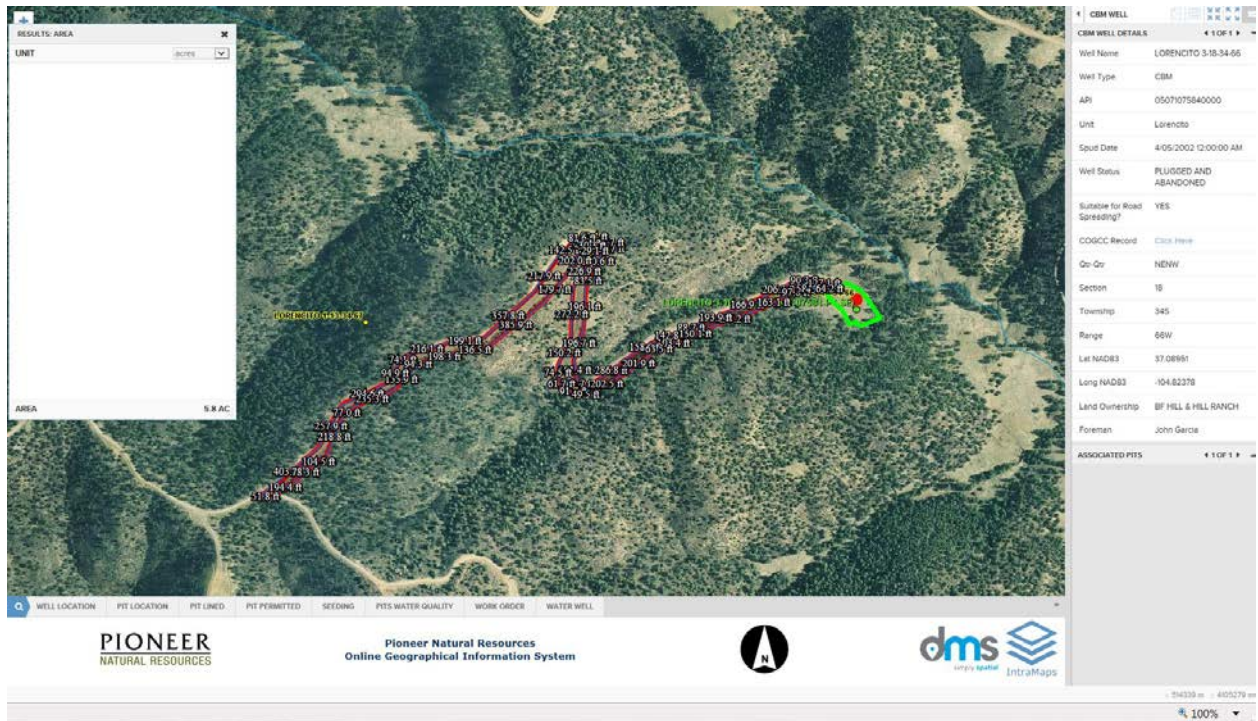
Pioneer well Lorencito 3-18-34-66 has been plugged and abandoned in accordance with COGCC Rule 319. Flowline risers and gathering line risers have been abandoned per COGCC Rule 1103. All Pioneer trash and debris has been removed from the location. Pioneer has performed routine noxious weed control on location per COGCC rule 1004. Stormwater Management has been conducted on location and in accordance with COGCC Rule 1002.f.

Pioneer believes the reclamation plans specified in this Exhibit have been fulfilled. As of October 5, 2015, the Lorencito 3-18-34-66 location is ready for the Final Reclamation Inspection by COGCC for approval and release as an oil and gas location.

Lorencito 3-18-34-66 Well Pad
T34S-R66W Sec.18: NE/NW
Aerial Image Date: May 2014



Lorencito 3-18-34-66 Right-of-Way (Access Road)
T34S-R66W Sec.18: NE/NW
Aerial Image Date: May 2014



**Pioneer Final Reclamation
Consultation Form**

Rule 306.f. Final Reclamation Consultation

(Attachment)

Final Reclamation Landowner
Consultation Form
WELL NAME: Lorencito 3-18-34-66

TWN 34 RNG 66 QTR/QTR NW 1SE.

Please confirm below if the road corridor and any associated stream or drainage crossing(s) on your property utilized by Pioneer to access this well existed prior to the drilling of the well:

☒ Existed prior to well drilling

Description of original road or
corridor: Hill Ranch Ranch Road.

What are your requests involving the well pad and associated access road on your property?
Do you want Pioneer to perform:

☐ Full Reclamation and restore all disturbed areas as nearly as practicable to predrilling conditions within the boundaries of the surface use agreement

Description _____

☐ Partial Reclamation (identify improvements of value to you as a landowner (well pad, road, etc.) that you would like to retain

Description _____

Seed Mix to be used for Reclamation Reseeding and Revegetation

☐ Use Recommended NRCS Seed Mix

Comments or changes to this mix: _____

☒ Use Landowner Specified Seed Mix

Comments Lorencito Hill Ranch Seed Mix

(Provide seed mix tag for variance request)

Reclamation of Access Road(s)

What are your specific requests involving the access road on your property associated with this well?

Do you want Pioneer to:

☐ Close the access road and reclaim and recontour. Grade and remove all culverts and any other road improvements and obstructions (fences, gates, cattle guards) that were a part of the access road,

Comments: _____

☒ Leave access road, culverts, and other stormwater controls in place for Landowner's use.

Comments: Landowner will use Road to Access Canyon bottom.

Reclamation or other work to be completed on access road(s) if Landowner requests that the road be left in place for the Landowner's use;

Landowner's reason for keeping the access road and intended land use: To be used - As Ranch Road to Access Canyon Bottom.

Access Road

- ☐ Regrade road
- ☐ Fix or add erosion and stormwater controls
- ☐ Rip and seed Road

Gravel on access road(s) if seeding:

- ☐ Remove prior to seeding/ Seed
- ☒ Leave in place

Gate to Access Road

- ☐ Remove
- ☐ Leave in place

Access road to be left in place (show on photo or map): _____

Access road to be closed (if any, as shown on photo or map): _____

Reclamation of Well Pad

☒ Reclaim well pad to, remove gravel, recontour and reseed
Comments: _____

☐ Leave well pad in place with location of plugged well appropriately marked
Comments: _____

Reclamation work to be completed on well pad if Landowner requests that well pad be left in place for future use

Landowner's reason for keeping the well pad and intended final designated land use: _____

Size of well pad to be left in place (indicate on map, drawing, or photo): _____
Portions of well pad to be reclaimed (indicate on map, drawing or photo): _____

Gravel on well pad

- ☒ Remove/ Reseed
- ☐ Leave Gravel/ Reseed
- ☐ Leave Gravel/ NO Reseed

☐ Show location of additional stormwater, erosion control structures to be added on photo, map or drawing

Comments: _____

The COGCC rules require certain actions on the part of Pioneer which cannot be waived by a landowner. Here are some examples of activities Pioneer must perform until COGCC approves final reclamation upon inspection and releases well site from bond:

- Remove all Pioneer oil and gas production equipment from location
- Remove all Pioneer waste material and debris onsite
- Reclaim all pits, cellars, rat holes and other bores
- Remove guy line anchors
- Perform noxious weed control
- Stabilize areas disturbed during operations and reclaim location for erosion control
- Install stormwater management controls on affected location
- Ensure that leaving a road or well pad in place will not result in significant environmental impact

Comments/Other:

Water is leaving borrow ditch and causing erosion
on road surface. Can Pioneer correct this? MP 1-20-16

Pioneer represented by: Chris Sanchez (Sign)

Chris Sanchez (Print)

Discussed this 20th day of January, 2016.

NOTE: THIS FORM IS FOR THE PURPOSE OF OBTAINING SURFACE OWNER REQUESTS REGARDING THE MATTERS SET FORTH ABOVE AND EXECUTION OF THIS FORM IS NOT INTENDED TO CREATE A BINDING AGREEMENT. ALL REQUESTS ARE SUBJECT TO OPERATOR & COGCC APPROVAL AND IN ACCORDANCE WITH ALL GOVERNMENTAL REGULATIONS IN EFFECT.

Once final reclamation has been performed by Pioneer and approved by the COGCC, Pioneer (the OPERATOR) IS NOT RESPONSIBLE FOR future MAINTENANCE OF WELL PADS OR RIGHTS OF WAY or access roads on your property.

Surface Owner Signature: Mike Powell (Sign)

Mike Powell (Print)

(Sign)

(Print)

Owner's Address: _____

Telephone No.: _____

Requests made on this form shall be formalized in a letter agreement prepared by a Pioneer Landman. The letter agreement will be sent to you for signature and once the plan set forth in such letter agreement is approved by the COGCC the letter agreement shall be a binding agreement between Pioneer and you as the landowner for the subject well.

502.b Formal Director Variance Approval Site-Specific Final Reclamation Plan

Pioneer Natural Resources USA, Inc.

I. General Location Description:

API Number <u>05-071-07584-0000</u>	
Well Name: <u> Lorencito </u>	Well Number: <u> 3-18-34-66 </u>
Location (QtrQtr, Sec, Twp, Rng, Meridian): <u> NE NW 18-34-S-66-W </u>	
County: <u> Las Animas </u>	Federal, Indian or State Lease Number: <u> N/A </u>
Field Name: <u> Purgatoire River </u>	Field Number: <u> 70830 </u>

Related Facilities

Facility Type	Facility ID/ API	Facility Name/ Number	Operator Name/ Number	Status	Field Name/ Number	Location
WELL	05-071-07584	LORENCITO 3-18-34-66	PIONEER NATURAL RESOURCES USA INC 10084	PA 12/23/2008	PURGATOIRE RIVER 70830	LAS ANIMAS 071/36 NENW 18 34S 66W
PIT	264487	LORENCITO 3-18 ONSITE	EVERGREEN OPERATING CORPORATION 6385	AC 8/22/2002	PURGATOIRE RIVER 70830	LAS ANIMAS 071/36 NENW 18 34S 66W
LEASE	265579	LORENCITO 3-18-34-66	EVERGREEN OPERATING CORPORATION 6385	PR 12/17/2002	PURGATOIRE RIVER 70830	LAS ANIMAS 071/36 NENW 18 34S 66W
LOCATION	308145	LORENCITO-634S66W 18NENW	PIONEER NATURAL RESOURCES USA INC 10084	AC 4/14/2009	PURGATOIRE RIVER 70830	LAS ANIMAS 071/36 NENW 18 34S 66W

II Overview:

This "Site-Specific Final Reclamation Plan" document attempts to both provide a detailed description of the reclamation plan for this location and to follow the "Rule 1001.c Reclamation Variances and Waivers" guidance document dated December 17, 2015. The information in this document aligns with the requirements in the guidance document.

III Reclamation Plan Details

Well Pad Location

The annotated polygon on the aerial **Image A** below is the approximate, total disturbed surface area before reclamation work was completed. The total disturbed surface area of the Lorencito 3-18-34-66 well pad for Pioneer operations was approximately 0.8 acres (less than 1 acre)



The surface owner requested during the final reclamation consultation and has entered into an agreement with Pioneer concerning these specified reclamation plans; that the well pad shall be returned to contour; that the well pad be re-contoured to original slope; that the gravel be removed from the reclaimed areas; Pioneer will leave some areas compacted in place to minimize new soil disturbance and minimize soil erosion; Pioneer will utilize earthen water breaks to control storm water on slope; and that the well pad will be seeded with the surface owners specified seed mix

In order to fulfill the surface owner's requests concerning final reclamation Pioneer is seeking a variance for the below specified portions of the well pad from select requirements in Rule 1004.(a):

Pioneer has performed all other specified requirements in 1004.(a) on the Lorencito 3-18-34-66 location including;

- Sentence 1 – “All pits, mouse and rat holes and cellars shall be backfilled.”
- Sentence 2 – “All debris, abandoned gathering line risers and flowline risers [if existed] have been removed.”
- Sentence 2 – Guy line anchors and guy liner anchor markers have been removed.
- Sentence 7 – “All other equipment, supplies, weeds, rubbish, and other waste materials that existed on location have been removed.”

Additionally, Pioneer has performed the following reclamation work on the well pad to achieve successful reclamation on the location and to a condition satisfactory to the surface owner.

- The cut slope where the well pad was constructed was graded to achieve slope stabilization.
- The slope was cross-rippled and seeded to establish slope stabilization.
- The surface owner requested a specific seed mix that was used to seed the well pad.
- Stormwater BMPs were constructed and maintained to achieve site stabilization.
- Drainage features were constructed to control storm water.
- The perimeter of the pad was contoured to divert runoff from the face of the sloped areas to prevent and reduce erosion.
- Pioneer has performed additional seeding on the well pad as needed.

After all reclamation has been completed, disturbed surface of the “Waiver Area” for the well pad is approximately 0 acres (down from 0.8 acres) (see **Image B** below).



CBM WELL	
CBM WELL DETAILS	
Well Name	LORENCITO 3-18-34-66
Well Type	CBM
API	05071075840000
Unit	Lorencito
Spud Date	4/05/2002 12:00:00 AM
Well Status	PLUGGED AND ABANDONED
Suitable for Road Spreading?	YES
COGCC Record	Click Here
Qtr-Qtr	NENW
Section	18
Township	34S
Range	66W
Lat NAD83	37.08951
Long NAD83	-104.82378
Land Ownership	BF HILL & HILL RANCH
Foreman	John Garcia
ASSOCIATED PITS	
1 OF 1	

WELL LOCATION PIT LOCATION PIT LINED PIT PERMITTED SEEDING PITS WATER QUALITY WORK ORDER WATER WELL



Access Road ROW

The annotated polygon on the aerial image (see **Image C** below) is the approximate, disturbed surface area before reclamation work was completed. The disturbed area of the Lorencito 3-18-34-66 access road for Pioneer operations was approximately 5.8 acres.

The surface owner requested during the Final Reclamation Consultation and has entered into an agreement with Pioneer concerning these specified reclamation plans; that the Right-of-Way (access road) should not be returned to contour; that the Right-of-Way (access road) remain flat; that the gravel should not be removed from the Right-of-Way (access road).

In order to fulfill the surface owner's requests concerning final reclamation, Pioneer is seeking a variance for the specified below portions of the Right-of-Way (access road) from select requirements in Rule 1004.(a):

4.) Sentence 3 – “All access roads to plugged and abandoned wells and associated production facilities shall be closed, graded and re-contoured.”

5) Sentence 4 – “Culverts and any other obstructions that were part of the access road(s) shall be removed.”

6.) Sentence 5 – “Well locations, access roads and associated facilities shall be reclaimed.

7.) Sentence 6 – “As applicable, compaction alleviation, restoration, and re-vegetation of well sites, associated production facilities, and access roads shall be performed to the same standards as established for interim reclamation under Rule 1003.

and Rule 1004.c (2);

8.) Sentence 1 – “On non-crop land, reclamation has been performed as per Rules 1003 and 1004, and disturbed areas have been either built on, compacted, covered, paved, or otherwise stabilized in such a way as to minimize erosion to the extent practicable, or a uniform vegetative cover has been established that reflects pre-disturbance or reference area forbs, shrubs, and grasses with total percent plant cover of at least eighty percent (80%) of pre-disturbance or reference area levels, excluding noxious weeds, as determined by the Director through a visual appraisal.”

Since the surface owner has requested that the gravel be left on the Right-of-Way (access road) the vegetative growth will not likely reach a total percent plant cover of eighty percent (80%) of pre-disturbance or reference area levels; therefore, a variance from rule 1004.c.(2) has been requested to waive this requirement for achieving successful final reclamation thresholds for release of financial assurance.

Pioneer performed the following reclamation work on the Right-of-Way (access road) to achieve successful reclamation on the location and to a condition satisfactory to the Surface Owner:

- The cut slope where the ROW was constructed was graded to achieve slope stabilization.
- The slope was cross-rippled and seeded to establish slope stabilization.
- The surface owner requested a specific seed mix that was used to seed the ROW.
- Stormwater BMPs were constructed and maintained to achieve site stabilization.
- Pioneer has performed additional seeding on the well pad as needed

After all reclamation has been completed, disturbed surface of the “Waiver Area” for the ROW (access road) is approximately 5.8 acres; (See **Image D** below).

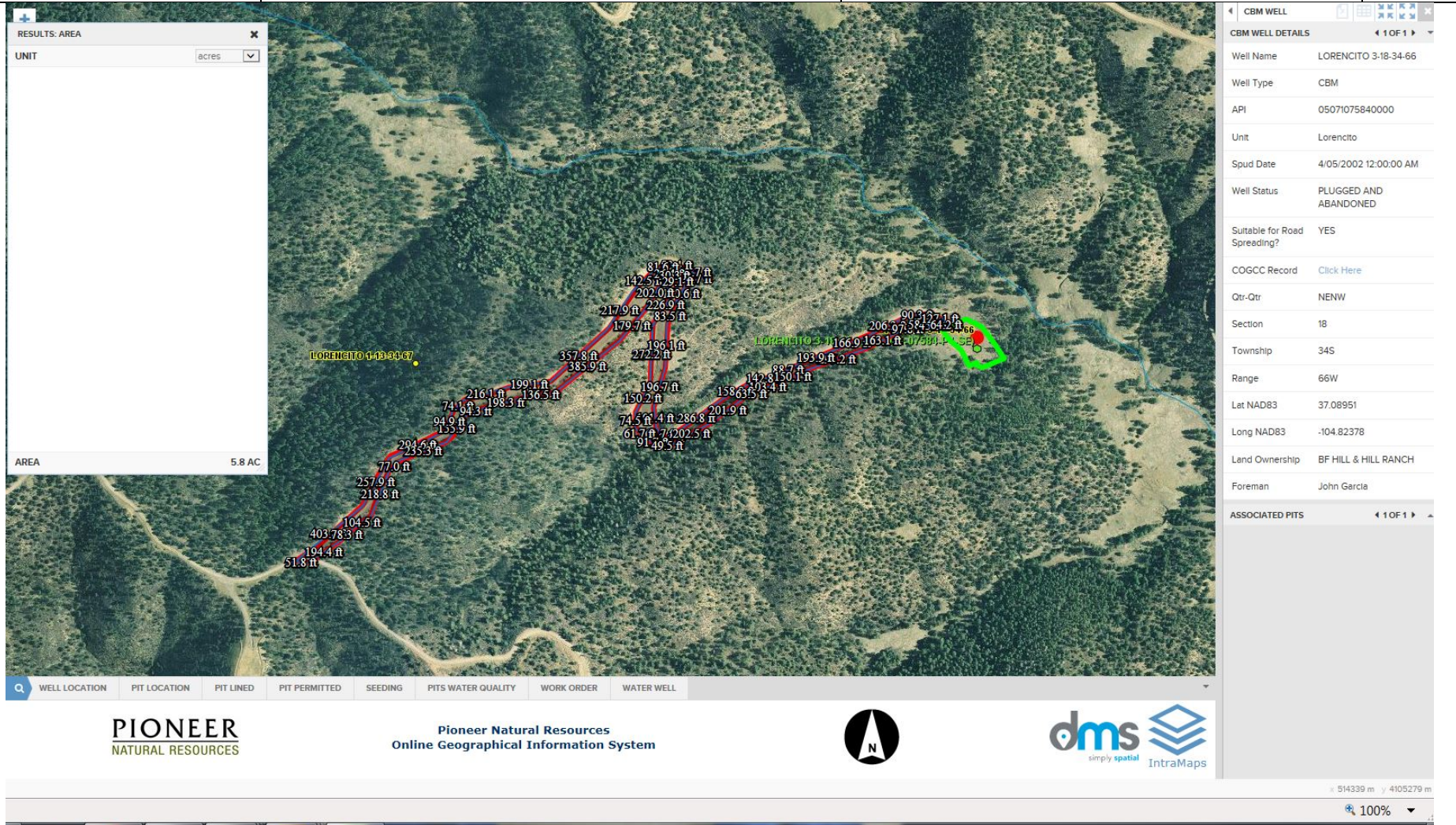


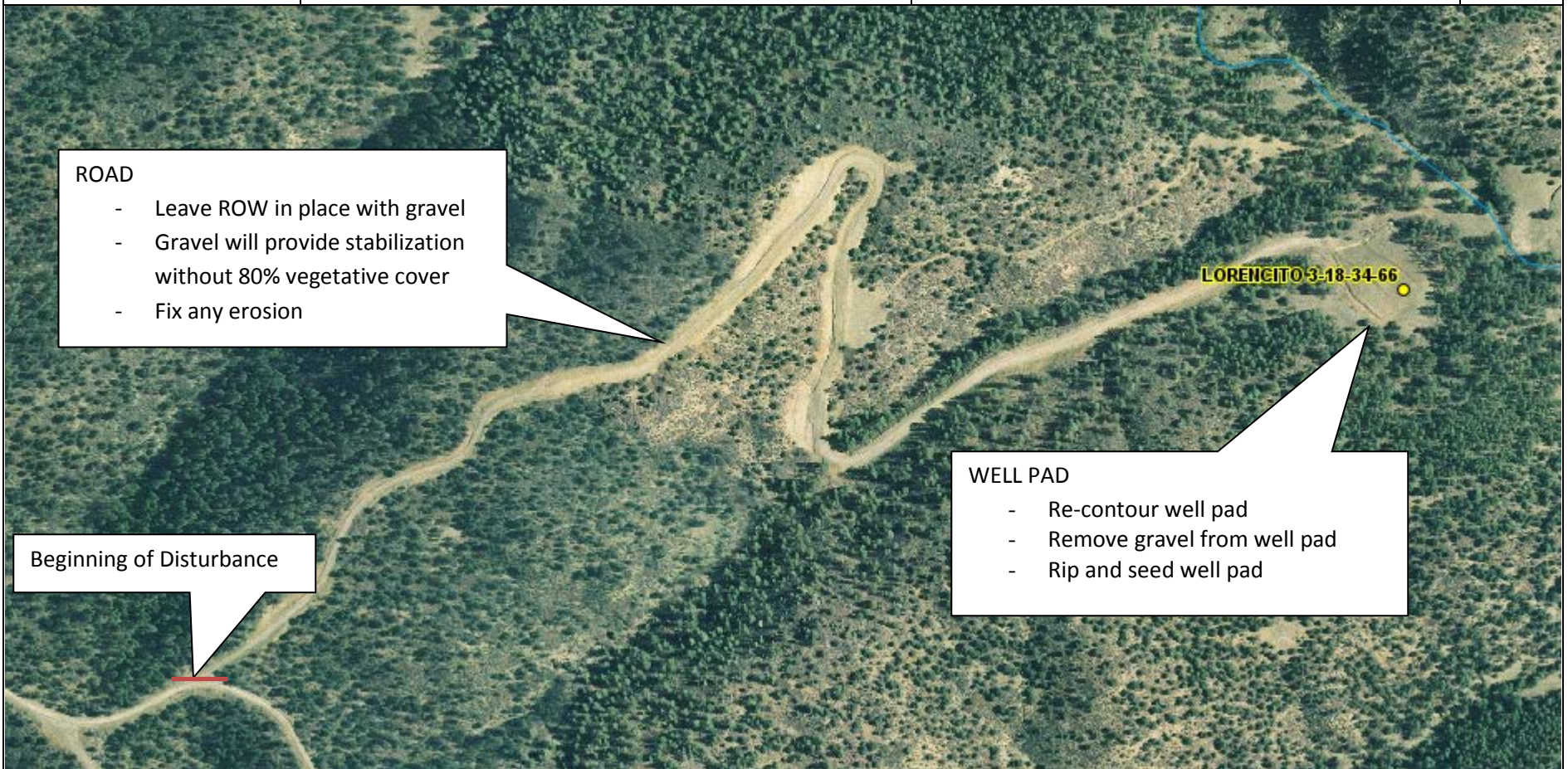
Image E

(Aerial image from May, 2014)

Lorencito 3-18-34-66
Reclamation Diagram
Las Animas County, CO
NENW, Sec. 18, T34S, R66W



1:5000 ft



Photographs of Location

Photographs of location fulfillment of the **Section II.B.2- Section II.B.4 and Section II.B.6 and 7** of the COGCC Rule 1001.c Reclamation Variances and Waivers” guidance document dated December 17, 2015.

(Attachment)



Picture .1. Rock spillway on west edge of pad facing north.



Picture .2. Well pad overview facing southwest.



Picture .3. Cut slope diversion facing southwest.



Picture .4. Well pad overview facing west.



Picture .5. Well pad overview facing southwest.



Picture .6. Well pad overview facing south.



Picture .7. West diversion facing north.



Picture .8. Cut slope facing southwest.



Picture .19. Cut slope facing northeast.

COGCC FORM 6- WELL ABONDONMENT REPORT

“Approved Well Abandonment- Subsequent Form 6” in fulfillment of the **Section II.B.I** of the COGCC Rule 1001.c Reclamation Variances and Waivers” guidance document dated December 17, 2015.

(Attachment)

FORM
6
Rev 12/05

State of Colorado
Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801, Denver Colorado 80203 (303) 894-2100 Fax (303) 894-2109

STATE OF COLORADO
OIL & GAS

DE
ET
OE
ES

WELL ABANDONMENT REPORT

Submit original plus one copy. This form is to be submitted as an intent whenever a plugging is planned on a borehole. The approved intent shall be valid for twelve months after the approval date after that period a new intent will be required. After the plugging is complete, this form and one copy shall again be submitted as a subsequent report of the work as actually completed.

RECEIVED
AUG 22 2007
COGCC

COGCC Operator Number: 10084
Name of Operator: Pioneer Natural Resources USA, Inc.
Address: 1401 17th Street, Suite 1200
City: Denver State: CO Zip: 80202

Contact Name & Telephone
Judy Glinisty
No: 303-675-2658
Fax: 303-294-1275

24 hour notice required, contact:
Tel:

API Number 05-071-07584-0000
Well Name: Lorencito Well Number: 3-18-34-66
Location (QtrQtr, Sec, Twp, Rng, Meridian): NE NW 18-34-S-66-W
County: Las Animas Federal, Indian or State Lease Number: N/A
Field Name: Purgatoire River Field Number: 70830

Complete the Attachment Checklist
Wellbore Diagram
Cement Job Summary
Wireline Job Summary

☒ Notice of Intent to Abandon

☐ Subsequent Report of Abandonment

Only Complete the Following Background Information for Intent to Abandon

Latitude: 37.08952 Longitude: -104.82378
GPS Data:
Date of Measurement: 6-28-07 PDOP Reading: 5.4 Instrument Operator's Name: JAMES ROYBAL

Reason for Abandonment: ☐ Dry ☒ Production Sub-economic ☐ Mechanical Problems ☐ Other
Casing to be Pulled: ☐ Yes ☐ No Top of Casing Cement:
Fish in Hole: ☐ Yes ☐ No If yes, explain details below
Wellbore has Uncemented Casing Leaks: ☐ Yes ☐ No If yes, explain details below
Details:

Current and Previously Abandoned Zones

Formation	Perforations - Top	Perforations - Bottom	Date Abandoned	Method of Isolation (None, Squeezed, BP, Cement, etc.)	Plug Depth
Raton	1406	1432			
Vermejo	1512	1682			

Casing History

String	Size of Hole	Size of Casing	Weight per ft	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
Surface	11	8 5/8	23	338	124	338	Surface
Production	7 7/8	5 1/2	15.5	1902	442	1902	Surface

Plugging Procedure for Intent and Subsequent Report

CIBP #1: Depth with sacks cmt on top. CIPB #2: Depth with sacks cmt on top.
Set 10 sks cmt from 1435 ft. to 1350 ft. in ☒ Casing ☐ Open Hole ☐ Annulus
Set 15 sks cmt from 1590 ft. to 1460 ft. in ☒ Casing ☐ Open Hole ☐ Annulus
Set 7 sks cmt from 1685 ft. to 1625 ft. in ☒ Casing ☐ Open Hole ☐ Annulus
Set sks cmt from ft. to ft. in ☐ Casing ☐ Open Hole ☐ Annulus
Set sks cmt from ft. to ft. in ☐ Casing ☐ Open Hole ☐ Annulus
Perforate and squeeze at ft. with sacks Leave at least 100 ft. in casing
Perforate and squeeze at ft. with sacks Leave at least 100 ft. in casing
Perforate and squeeze at ft. with sacks Leave at least 100 ft. in casing
Set 12 sacks half in, half out surface casing from 390 ft. to 280 ft.
Set 5 sacks at surface
Cut four feet below ground level, weld on plate
Set sacks in rat hole Set sacks in mouse hole
Dry-Hole Marker: ☐ Yes ☐ No

NOTE: Two (2) sacks cement required on all CIBPs.

Additional Plugging Information for Subsequent Report Only

Casing Recovered: ft. of in. casing Plugging date:
*Wireline Contractor: *Cementing Contractor:
Type of Cement and Additives Used:
*Attach job summaries.

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct, and complete.

Print Name: MACK DUCKWORTH Email:
Signed: Mack Duckworth Title: SR STAFF OPERNS ENL Date: 8-22-07
OGCC Approved: Title: PE II Date: 10/15/07

CONDITIONS OF APPROVAL, IF ANY:

1) Provide 48 hour notice of MIRU to John Duran at 719-846-4715 2) Tag cement plug across perforations to verify plug depth of 1350' or less

COGCC FORM 27- REMEDIATION WORK PLAN

Facility Closure for Production Pit

“Approved Remediation Work Plan Form 27” in fulfillment of the **Section II.B.8** of the COGCC Rule 1001.c Reclamation Variances and Waivers” guidance document dated December 17, 2015.

Please Reference Approved form 27; *Dcoument # 2099833; Rem # 9550*; Recorded March 8th, 2016.

CHECKLIST OF INFORMATION and DOCUMENTATION PROVIDED FOR DIRECTORS' REVIEW & APPROVAL OF 1001.c: RECALMATION VARIANCE REQUEST

In fulfillment of COGCC Rule 1001.c Reclamation Variances and Waivers" guidance document dated
December 17, 2015.

IV -- Guidance Document Section I Requirements

Section I of the “Rule 1001.c Reclamation Variances and Waivers” guidance document dated December 17, 2015 requires a signed agreement between the operator and the surface owner. Specifically, there are five bullet points that highlight these requirements. Many of these requirements have been addressed with a signed agreement with the surface owner that is attached to this variance request.

Completeness Checklist

Rule 1001.c Reclamation Variances and Waivers” guidance document dated December 17, 2015. Below is a checklist and summary of where the requirements have been fulfilled in the attachments contained in this variance request:

Rule 1001.c Reclamation Variances and Waivers” guidance document Section I.1 through I 1.5

I.1 A clear description of the specific portions of an access road or oil and gas location for which the surface owner is waiving the operator’s obligation to perform interim or final reclamation.

Requirements fulfilled in attached Documents:

- ✓ **List 1-6 in Exhibit A of the “Surface Owner Reclamation Letter Agreement”**
- ✓ **Maps contained in Site Specific Final Reclamation Plan**

I.2 A brief explanation of the surface owner’s reasons for waiving the operator’s obligation to perform interim or final reclamation for the specified portions of an access road or oil and gas location.

Requirements fulfilled in attached Documents:

- ✓ **Landowner Reclamation Letter Agreement**

I.3 The surface owner’s acknowledgement that the current condition of the portions of the access road or oil and gas location subject to the waiver is satisfactory to the surface owner or will be satisfactory once the operator performs the agreed upon plan.

Requirements fulfilled in attached Documents:

- ✓ **Signed Landowner Reclamation Letter Agreement**

I.4. For interim reclamation waiver requests, the surface owner’s acknowledgement.

➤ ***DOES NOT APPLY TO THIS LOCATION SINCE IT IS 1004. FINAL RECLAMATION***

I.5 In addition to items 1 through 4, above, if an operator intends to seek a variance under Rule 502.b. to be relieved from its obligation to comply with specified provisions of Rule 1004 – Final Reclamation Well Sites and Associated Production Facilities – the following information should be included in a written agreement:

- a.** The surface owner’s acknowledgement that once the variance is approved and all agreed upon actions have been conducted the surface owner knowingly, and forever, waives all reclamation protections otherwise afforded by the specified provisions of Rule 1004; and
- b.** A brief description of the operator’s plans for compliance with the specified provisions of Rule 1004 on areas of the oil and gas locations or access roads that are not subject to the variance.

Requirements fulfilled in attached documents:

- ✓ **Listed 1-6 in Exhibit A of the “Landowner Reclamation Letter Agreement”**
- ✓ **305.f.(6) Final Reclamation Consultation Form**

✓ **Maps and description contained in Site Specific Final Reclamation Plan**

V -- Guidance Document Section II.B Requirements

Section II.B of the “Rule 1001.c Reclamation Variances and Waivers” guidance document dated December 17, 2015 describes the baseline information necessary for COGCC to evaluate whether public health, safety and welfare will be protected and significant adverse environmental impacts prevented if compliance with specified provisions of Rule 1004 is not required. There are eight bullet points that highlight the baseline evidence and information for COGCC evaluation.

Completeness Checklist: Rule 1001.c Reclamation Variances and Waivers guidance document dated December 17, 2015. Below is a checklist and summary of where the requirements have been fulfilled in the attachments contained in this variance request:

Rule 1001.c Reclamation Variances and Waivers guidance document Section II.B through II.B.8

II.B.1 Evidence that all wells on the location are plugged and abandoned, and that a Form 6 subsequent was submitted for each well.

Requirements fulfilled in attached documents:

- ✓ **Attached Subsequent Approved Form 6**

II.B.2 Evidence that all oil and gas equipment has been removed from the location, including flowline risers and gathering line risers.

Requirements fulfilled in attached documents:

- ✓ **Attached photos of the location**

II.B.3 Evidence that trash and debris belonging to the operator or its agents has been removed from the location.

Requirements fulfilled in attached documents:

- ✓ **Attached photos of the location**

II.B.4 Evidence that noxious weeds have been controlled as required by Rule 1004.

Requirements fulfilled in attached documents:

- ✓ **Attached photos of the location**
- ✓ **Reference Pioneer’s Field-Wide Reclamation and Best Management Practices**

II.B.5 Documentation showing the operator consulted in good faith with the surface owner regarding final reclamation pursuant to Rule 305.f.(6) Information describing the consultation (who, what, where, when) should be provided.

Requirements fulfilled in attached documents:

- ✓ **305.f.(6) Final Reclamation Consultation Form**

II.B.6 Documentation of the existing state/condition of reclamation for the entire location.

Requirements fulfilled in attached documents:

- ✓ **Photos of the location taken in August of 2015**

II.B.7 Documentation detailing how the oil and gas location will be stabilized and details about what required stormwater management controls will be in place prior to COGCC’s final signoff reclamation inspection.

Requirements fulfilled in attached documents:

- ✓ **Photos of the location taken in August of 2015**
- ✓ **Site-Specific Final Reclamation Section III Plan Reclamation Plan Details**

II.B.8 The operator's analysis of how public health, safety, and welfare will be protected and significant adverse environmental impacts prevented if compliance with the specified provisions of Rule 1004 receive a variance.

Requirements fulfilled in attached documents:

- ✓ **Site-Specific Reclamation Plan**
- ✓ **The Form 2A was reviewed to identify specific information relevant to the evaluation of potential impacts and standards for final reclamation**

Analysis of Public Health, Welfare, Safety and Environmental Impact

Pioneer has evaluated if variance from compliance with the specific sections of the 1004.(a) rule requested for this location prevent the protection of public health, public welfare, and public safety and if compliance with the specified sections of rule 1004.(a) are necessary to prevent significant adverse environmental impacts. The depth of Pioneer's analysis was conducted in accordance with the scope of the variance requested. In cases where Pioneer utilized existing ranch roads, the enhanced construction of the road directly benefits the land owner adding economic value and utility to their property. The surface owner's request to retain flat surface areas of the well pad and the access roads for future access does not present any significant adverse impact to the environment. Pioneer has performed reclamation on disturbed areas in order to achieve overall soil stability. The analysis expected by COGCC as stated in the final paragraph of Section II.B. 8 in the Rule 1001.c Reclamation Variances and Waivers" guidance document include: "1) the specific nature of the location, including urban vs. rural, proximity to surface water, wildlife areas, 317B area, or sensitive area classification have been completed and verified using information about the location in official records provided to COGCC. (e.g. Form 2A, Form 27, COGCC Map GIS Layers for Wildlife, Sensitive Area, 608.b Water Wells, 317B Areas etc.); and "2) comparative benefits of re-contouring and reseeding vs. just reseeding" is discussed in detail in our *Raton Basin Field-Wide Final Reclamation Plan and Best Practices*, which has been provided to COGCC Reclamation Staff for review.

Public Health

The specified variances requested from Rule 1004. (a) for the Lorencito 3-18-34-66 well pad and access road are minor requests which have minimal potential for negative impact on public health. Pioneer is not requesting any variance from the reclamation requirements of the COGCC 1000 or 900 series rules for any aspect of reclamation of the gas operations at the location that would adversely affect public health.

- ✓ The fulfillment of waste remediation under the COGCC 900 series rules was successfully completed for the site/facility remediation and closure of the production pit associated with the Lorencito 3-18-34-66. Soil samples collected for the pit met all 910 standards and it was closed with an approved Form 27. * Verified in Form 27, COGIS Database-Pit Layer
- ✓ The Reclamation Rule variance requests as specified in "Exhibit A" and the "Site-Specific Plan" do not trigger under COGCC 1000 Reclamation Rules the requirement to consult with Colorado Department of Public Health and Environment or Division of Water Resources. *Verified in Form 2A, COGIS Database-Water Resources, Colorado Parks and Wildlife, Surface Ownership Layers
- ✓ Variance from compliance with the specific sections of Rule 1004.(a) which have been requested for this location are remotely or unrelated to public health as the location has been remediated of all oil and gas

waste and there are no potential receptors in close proximity; therefore it will have minimal potential to negatively impact public health.

Public Welfare

The specified variances requested from Rule 1004.(a) for the Lorencito 3-18-34-66 well pad and access road are minor requests which will not prevent the protection of public welfare. The enhanced construction of the road and well pad directly benefits the surface owner adding economic value and utility to their property. Pioneer is not requesting any variance from the reclamation requirements of the 1000-series rules for any aspect of reclamation of the gas operations at the location that is likely to adversely affect public welfare.

- ✓ The Lorencito 3-18-34-66 location is on private property with restricted access to the public. The surface owner uses this portion of his property for participating in the Colorado Parks and Wildlife Ranching for Wildlife Program. The flat portions of the well pad provide valuable access for staging hunting and the right of way reclaimed to a ranch road provides access to the property for guiding hunts.
- ✓ The Lorencito 3-18-34-66 location is not on cropland and the adjacent land use is non-cropland.
- ✓ The county zoning for the Lorencito 3-18-34-66 location is classified as “rural.” The reclamation requests by the surface owner for the Lorencito 3-18-34-66 location are consistent with the local county land use zoning standards. *Verified in Las Animas, County Zoning Maps
- ✓ Variance from compliance with the specific sections of Rule 1004.(a) which have been requested for this location have minimal potential to negatively impact public welfare rather, the variance allows for the surface owner to retain features of the location which add value to the property. Variance from the reclamation rules requested for this location will have minimal potential to negatively impact public welfare.

Public Safety

The specified variances requested from Rule 1004.(a) for the Lorencito 3-18-34-66 well pad and access road are minor requests which will not prevent the protection of public safety. Pioneer is not requesting any variance from the reclamation requirements of the 1000-series rules for any aspect of reclamation of the gas operations at the location that would endanger public safety.

- ✓ Variance from compliance with the specific sections of Rule 1004.(a) which have been requested for this location are unrelated to public safety as the location is under private property ownership with restricted access to the public, and no feature(s) of the oil, and gas operations have been left unreclaimed that could be a public safety hazard; therefore, it will have minimal potential to endanger public safety.

Significant Adverse Environmental Impacts

The specified variances requested from Rule 1004.(a) for the Lorencito 3-18-34-66 well pad and access road are minor requests which are unlikely to result in any significant adverse environmental impact. The location has been remediated of all oil and gas equipment and waste that could potentially impact the environment in accordance with COGCC rules. The location has been reclaimed to meet the conditions for final land use as set by the surface owner. Pioneer is not requesting any variance from the reclamation requirements of the 1000-series rules for any aspect of reclamation of the gas operations at the location that could potentially result in a significant adverse environmental impact.

- ✓ The Lorencito 3-18-34-66 location is not within an “Urban Mitigation Area” as defined in the COGCC definitions. *Verified in Form 2A, COGIS Database

- No Urban Mitigation Areas within ½ mile
 - Nearest Urban Mitigation Area Over 1 mile
- ✓ The Lorencito 3-18-34-66 location is not within a Sensitive Wildlife Habitat or a Restricted Surface Occupancy Area. *Verified in Form 2A, COGIS Database
 - No Sensitive wildlife habitats within ½ mile
 - Nearest Sensitive Wildlife Habitat is Over 1 Mile
 - No Restricted Surface Occupancy Areas within ½ mile
 - Nearest Restricted Surface Occupancy Area Over 1 Mile
- ✓ The Lorencito 3-18-34-66 location is not within a zone defined in COGCC Rule 317B.*Verified in Form 2A, COGIS Database
 - Nearest Rule 317B area Over 1 Mile
- ✓ The Lorencito 3-18-34-66 location is not in a designated wetlands area and did not require any Army Corp of Engineers Section 404 Permit. *Verified in Form 2A, COGIS Database
 - No designated wetlands areas within ½ mile
 - Nearest designated wetlands area Over 1 Mile
- ✓ The Lorencito 3-18-34-66 location has no likely receptors i.e., water wells within ½ mi, surface waters, Public Water Supply Systems etc. *Verified in Form 2A, COGIS Database-Water Resources Layer
 - Nearest permitted Water Well-2909' (based on SEO database)
 - No permitted water wells within ½ mile
 - Nearest live surface water-320' (USGS 24K series topo map waterway)
 - 1 live surface water bodies within ½ mile
- ✓ Variance from compliance with the specific sections of Rule 1004.(a) which have been requested for this location have minimal potential result in any significant adverse environmental impact as the location has achieved soil stabilization and contains no environmentally hazardous materials or features. The Lorencito 3-18-34-66 location is not on Colorado Parks and Wildlife land or within RSO or SWH area, there is one perennial, surface water body within a ½ mile radius of the location; however, the features of the location for which a variance has been requested, pose no substantial risk of impacting the surface water bodies in any way; therefore, the variances requested for this location will have minimal potential to result in any significant adverse environmental impact.

Field-Wide Reclamation and Best Management Practices

Pioneer has created a Field-Wide Final Reclamation Plan which documents the process for evaluating the potential impacts of the variance requests. This document also provides important information concerning the reclamation objectives for every Pioneer location subject to the COGCC 1003 and 1004 rules. Pioneer uses this plan to meet the reclamation performance standards described in COGCC Rule 1003 and 1004. Pioneer's reclamation practices are adapted to the site specific conditions, environmental constraints, and the landowner preferences. Included in the Field-Wide Reclamation Plan are the procedures and practices Pioneer employs for all areas of the location for which Pioneer is not seeking variance from the reclamation requirements under COGCC 1004. Pioneer has provided our *Raton Basin Field-Wide Reclamation and Best Management Practices* to COGCC Reclamation Staff. This document was provided to COGCC Reclamation Staff to accompany Pioneer's Reclamation variance requests under Rule 1001.c.