

**Access Environmental, LLC
106 South White Tail Drive
Franktown, Colorado 80116-8825**

May 31, 2016

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

RE: Red River Ranch 502.b Variance Request for Reclamation at Pond A and Access Road

Dear Mr. Lepore:

Access Environmental, LLC is providing assistance to Red River Ranch Holdings LLC (RRRH) related to reclamation matters and is submitting this variance request regarding Pond A (Facility 286150) and its access road to the Colorado Oil and Gas Conservation Commission (COGCC) on behalf of RRRH. RRRH is both the operator of the coalbed methane (CBM) operation in Las Animas County, Colorado that included Pond A and the surface owner of the property on which the CBM operation has been developed.

Pond A was constructed as a multi-well production pond that stored water produced by a number of coalbed methane wells prior to direct discharge of the water into Lorencito Canyon. The pond was operated under COGCC Centralized E&P Waste Management Facility Permit #292832, and the water was discharged under CDPHE Permit CO-0048089.

RRRH has made a good-faith effort to comply with key elements of Rule 1004 on final reclamation at this location and has, in fact, completed most final reclamation requirements, including:

- interim reclamation measures that involved cleanup of the location, reduction of the amount of disturbed areas adjacent to the pond, revegetation of disturbed areas that were no longer needed, and reduction of the access road to a two-track road;
- removal of all debris, rubbish, supplies, and waste materials, other than gravel;
- continuing implementation of RRRH's stormwater program; and
- monitoring reclamation progress.

However, RRRH intends to retain the following assets at this location that have continuing utility to ranch operations:

- Pond - The pond holds a small amount of water and will be retained in its current condition for the benefit of wildlife and native vegetation.

- Access Road - The access road will be retained in its current condition for use as a prescribed burn fire break, game retrieval, staging of hunters, and temporary parking of ranch trucks and other equipment.
- Water Gathering System - The water gathering system that was used to pipe water from wells to the ponds can be used to pipe water from sources to locations where it could be used for firefighting, wildlife water supply, irrigation, and other water uses. Valves and valve boxes away from the pond will be retained to facilitate operation of the water gathering system.

The Las Animas County Oil and Gas Inspector has indicated that no county permits are required to retain these assets. A copy of his e-mail regarding Las Animas County permits is attached to this letter.

As surface owner of the property and as allowed under COGCC Rule 1001.c, RRRH requests variances from the following Rule 1004 requirements in order to protect the retained assets:

- With respect to production and special purpose pit closure, Rule 1004.b states: "... all such pits must be back-filled to return the soils to their original relative positions...." - The pond will not be backfilled or graded back to its original topographic contours. Recontouring of the pond would eliminate the pond's ability to retain water, support riparian and wetland vegetation, and serve as a source of water for wildlife. The outlet structure will be retained so that RRRH can regulate water levels in the pond if needed.
- With respect to re-contouring, Rule 1004.a states: "As applicable, ... restoration ... of well sites, associated production facilities, and access roads shall be performed to the same standards as established for interim reclamation under Rule 1003." - The pond will not be re-contoured. Recontouring of the pond would eliminate the pond's ability to retain water, support riparian and wetland vegetation, and serve as a source of water for wildlife. Recontouring of the land surrounding the pond is not necessary, as its topography has not been disturbed.
- With respect to gravel, Rule 1004.a states: "All debris ... shall be removed within three (3) months of plugging a well.... All other ... waste material shall be removed." - The gravel that remains on the access road will be left in place to facilitate its planned use for game retrieval, staging of hunters, and temporary parking of ranch trucks and other equipment.
- With respect to revegetation, Rule 1004.a states: "As applicable, ... revegetation of well sites, associated production facilities, and access roads shall be performed to the same standards as established for interim reclamation under Rule 1003." Also, Rule 1004.d states: "Final reclamation of all disturbed areas shall be considered complete when all activities disturbing the ground have been completed, and all disturbed areas have been either built upon, compacted, covered, paved, or otherwise stabilized in such a way as to minimize erosion, 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, or equivalent permanent, physical erosion reduction methods have been employed." - The pond area is now well vegetated, and RRRH believes that the terrestrial revegetation work that has taken place to date has produced a vegetative cover that is more than adequate to stabilize the location and, within a reasonable period of time, create a vegetative cover

comparable in composition and density to adjacent undisturbed areas. However, the terrestrial vegetative cover that has been established may not yet reflect pre-disturbance forbs, shrubs, and grasses and may be less than 80 percent of pre-disturbance levels in some parts of the location.

- With respect to access roads, Rule 1004.a states: "All access roads to plugged and abandoned wells and associated production facilities shall be closed, graded and recontoured. Culverts and any other obstructions that were part of the access road(s) shall be removed. Well locations, access roads and associated facilities shall be reclaimed. As applicable, compaction alleviation, restoration, and revegetation of ... access roads shall be performed to the same standards as established for interim reclamation under Rule 1003." - Revegetation has reduced the access road to a two-track road. However, the access road will be retained in its current reduced-size condition, without grading, recontouring, ripping, and further revegetation to facilitate its planned use as a prescribed burn fire break and for game retrieval, staging of hunters, and temporary parking of ranch trucks and other equipment.

In support of this request and consistent with the requirements of COGCC Operator Guidance on Rule 1001.c: Reclamation Variances and Waivers (revised December 17, 2015), RRRH is submitting a Form 4 requesting approval of the above variances. Attachments to that Form 4 provide information needed to support COGCC's evaluation of whether public health, safety, and welfare will be protected and significant adverse environmental impacts prevented if variances of specified reclamation rules are granted and also provide a variance agreement regarding topsoil protection and reclamation.

RRRH believes that granting the requested variances will not violate the basic intent of the Oil and Gas Conservation Act and is consistent with Rule 1001.c.

Reclamation of this location is one element in the overall reclamation of CBM facilities at Red River Ranch, including wellsites, ponds, compressor station, access roads, and pipelines. During CBM development, RRRH constructed 8.1 miles of new roads, much of which served not only CBM operations but also general ranch use. Making use of the new roads, RRRH was then able to reclaim 14.5 miles of roads, for a net decrease of 6.4 miles of road. Total initial disturbance required for construction of the 44 wellsites and compressor station was limited to approximately 27 acres, and that disturbance has been reduced through interim and final reclamation.

Please let me know if you have any questions about any aspect of this request.

Sincerely,

A handwritten signature in blue ink that reads "Jack Sosebee". The signature is fluid and cursive, with the first name "Jack" and last name "Sosebee" clearly legible.

Jack Sosebee
Senior Scientist

From: [Robert Lucero](#)
To: ["Jack Sosebee"](#)
Subject: RE: Las Animas County Permits for Red River Ranch CBM Facilities
Date: Thursday, September 22, 2016 1:12:05 PM

The infrastructure that you want to remain in place for possible future use will not require any type of county permits at this time.

From: Jack Sosebee [mailto:jack.sosebee@comcast.net]
Sent: Wednesday, September 21, 2016 11:39 AM
To: Bob Lucero <robert.lucero@lasanimascounty.org>
Subject: Las Animas County Permits for Red River Ranch CBM Facilities

Good morning, Mr. Lucero

As you are aware, Red River Ranch CBM operations ceased in March 2012. All CBM wells have been plugged and abandoned, and Red River Ranch has completed most of the reclamation activities required by COGCC Rule 1004. However, Red River Ranch intends to retain certain assets that have continuing utility to ranch operations, including:

- Some Well Pads and Access Roads – Some of the well pads and access roads will be retained in their current conditions for use as a prescribed burn fire breaks, game retrieval, staging of hunters, and temporary parking of ranch trucks and other equipment.
- Water Gathering System - The water gathering system that was used to pipe water from the well to the ponds can be used to pipe water from sources to locations where it could be used for firefighting, wildlife water supply, irrigation, and other water uses.
- Electrical System - The underground electrical system that was used to provide power to the well pads is capable of distributing electrical service between parts of the ranch that have no other source of electrical power.
- Pond – The ponds hold a small amount of water and will be retained in their current condition for the benefit of wildlife and native vegetation.

Based on conversations that we have had, Red River Ranch will not require any permits from Las Animas County to retain the above assets. I would very much appreciate your confirming that conclusion.

Thank you.

Jack

Jack Sosebee
Designated Representative for Red River Ranch
9407 East Chenango Avenue
Greenwood Village, CO 80111
cell: 303-921-9176