Archuleta County
Development Services—Planning Department
1122 HWY 84
P. O. Box 1507
Pagosa Springs, Colorado 81147
970-264-1390
Fax 970-264-3338

21 December 2016

Naomi Azulai
BP America Production Company
380 Airport Rd,
Durango, CO 81303
naomi.azulai@bp.com

Re: Minor Oil & Gas Permit PLN16-145 BP Carmelita Gallegos A3

Dear Ms. Azulai;

This letter serves as conditional approval of your Land Use Permit application for the above referenced minor oil & gas facility. The proposal will add a 2nd well on an expansion of an existing well pad, on property owned by Arboles Series of Cruz Properties LLC., an approx. 86 acre parcel in the SWSE Section 17, T32N R5W NMPM, addressed as 185 Candlelight Ct, just north and west of Navajo State park in the Arboles area. The property is zoned Agricultural/Ranching (AR).

New addresses were assigned to the oil and gas facilities on this site. The BP access will be addressed as 191 Candlelight Ct and the Southland Royalty site as 455 Candlelight Ct. You or the property owner can come into our office and pick up two new fire address signs to be posted at the road, at no charge.

All oil and gas development shall proceed in compliance with Section 9.2 of the *Archuleta County Land Use Regulations*, as demonstrated in the application materials received complete 11/28/16, and subsequently updated, with the following conditions:

1. Notice shall be provided to this department prior to commencement of work on the well site, and when construction is complete.
2. Any outdoor lighting during drilling or production shall comply with Section 5.4.4 of the Land Use Regulations, with fixtures fully shielded unless written documentation is provided in advance that this requirement is in conflict with OSHA requirements. Unshielded security lights are permitted with a 5-minute timer. Lighting must be directed away from residential areas (Sec. 9.2.7.3(3)j).
3. The applicant shall take whatever steps that are necessary to minimize dust pollution generated during the construction and subsequent operation of the well, along the private well access roads, and in any disturbed areas of ground, in and around the well pad site.
4. Performance security (Sec. 9.2.6.6 of the *Archuleta County Land Use Regulations*) is covered by the existing blanket bond.

Our new Emergency Management Director, Mike LeRoux reviewed the material and has no objections. It would be a good idea for your local emergency response contact to meet him when convenient.

This permit covers work commencing within one (1) year from this date. Please contact the Planning Department if you have any questions, 970.264.8383 or jshepard@archuletacounty.org

Sincerely,

John C. Shepard, AICP
Planning Manager

Att.

Cc: Arboles Series of Cruz Properties LLC, Magna, UT

LAND USE PERMIT APPLICATION

TO SUBMIT THIS APPLICATION, COMPLETE AND DELIVER WITH THE APPROPRIATE FEE & SUBMITTAL REQUIREMENTS. FOR QUESTIONS CALL 970-264-1390 AND ASK FOR PLANNING

BY MAIL TO:
Archuleta County Planning Department
PO Box 1507
Pagosa Springs, CO 81147

IN PERSON TO:
Planning Department
1122 HWY 84
Pagosa Springs, CO 81147

TYPE OF REQUEST:

	CONDITIONAL USE PERMIT (CUP)
	USE BY RIGHT PERMIT (UBR)
	PLANNED UNIT DEVELOPMENT (PUD)
	CONCEPT REVIEW
	GENERAL DEVELOPMENT PLAN
	VESTED RIGHTS
	MINOR LOT LINE ADJUSTMENT (MLLA)
	PLAT AMENDMENT
	LOT CONSOLIDATION
	LOT UNCONSOLIDATION
	SIGN PERMIT
	RE-ZONING
✓	OIL AND GAS (MINOR or MAJOR please circle)
	SAND AND GRAVEL (MINOR or MAJOR please circle)
	TEMPORARY USE PERMIT (TUP)
	SUBDIVISION (MINOR or MAJOR please circle)
	SKETCH PLAN (SUBDIVISION)
	PRELIMINARY PLAN (SUBDIVISION)
	FINAL PLAT (SUBDIVISION)
	SUBDIVISION EXEMPTION PLAT (Final Plat)
	VARIANCE (GENERAL or ADMIN please circle)
	NOTICE OF ACTIVITY – GEO THERMAL

GENERAL INFORMATION:

PROJECT: Carmelita Gallegos A3

PROJECT NUMBER: PLN16-145

PROJECT ADDRESS: 185 Candlelight ct. Arboles, Co 81121

ASSESSOR'S PARCEL NO. 616117400006

CURRENT ZONING: AR PROPOSED ZONING: ____

CURRENT USE: Agricultural / Oil & Gas

PROPOSED USE: Agricultural / Oil & Gas

PROJECT DESCRIPTION:
Expand the Carmelita Gallegos A1 pad to accomodate the proposed Carmelita Gallegos A3 Well.

APPLICANT:
BP America Production Company (Naomi Azulai)

MAILING ADDRESS: 380 Airport Road, Durango CO 81303

PHONE: 970.375.7511 cell: _____ EMAIL ADDRESS: naomi.azulai@bp.com

REPRESENTATIVE: _____

MAILING ADDRESS: _____

PHONE: _____ cell: _____ EMAIL ADDRESS: _____

PROPERTY OWNER (IF DIFFERENT FROM APPLICANT): Arboles Series of Cruz Properties LLC

MAILING ADDRESS: 2987 Melanie Ann ct. Magna, UT 84044 PHONE: (801) 918-7058

(NOTARIZED AGENT AUTHORIZATION FORM SIGNED BY ALL PROPERTY OWNERS IS REQUIRED AND MUST ACCOMPANY THIS APPLICATION IF APPLICATION IS MADE BY OTHER THAN OWNER(S) OF RECORD.)

APPLICATION RECEIVED BY: _____ DATE RECEIVED: 11/22/16

AMOUNT REQUIRED: $ 1,500 DATE PAID: 11/22

APPLICATION DEEMED COMPLETE BY _____ ON: 11/28/16

Continued on reverse

LAND USE PERMIT APPLICATION
CONTINUED

THE UNDERSIGNED AUTHORIZES THE LAND USE ADMINISTRATOR(S) TO PROCEED WITH PROCESSING THIS APPLICATION UNDER THE REQUIREMENTS SET BY THE ARCHULETA COUNTY LAND USE REGULATIONS.

☑ **(Required if checked)** THE LANDOWNER GIVES PERMISSION FOR COUNTY STAFF TO ACCESS THE PROPERTY FOR INSPECTION OF THE DETAILS OF THIS APPLICATION.

(Required if checked) THE UNDERSIGNED ACKNOWLEDGES THAT THE APPLICANT IS RESPONSIBLE FOR PROVIDING THE COUNTY WITH THE LIST OF NAMES OF THE ADJACENT PROPERTY OWNERS LOCATED WITHIN **500 FEET** OF ALL BOUNDARIES OF THE PROPERTY AND PROVIDE **ADDRESSED STAMPED ENVELOPES** FOR ALL THESE PROPERTY OWNERS PURSUANT TO THE REQUIREMENTS AS SET FORTH IN THE LAND USE REGULATIONS.

(Required if checked) THE UNDERSIGNED ACKNOWLEDGES THAT MINERAL ESTATE OWNERS/LESSEES WERE NOTIIFED IN ACCORDANCE WITH C.R.S 24-65.5-101-105. LAND USE PERMIT APPLICATIONS REQUIRING MINERAL ESTATE OWNERS/LESSEES NOTIFICATION. THIS NOTIFICATION REQUIREMENT IS STRICTLY THE APPLICANT'S RESPONSIBILITY.

APPLICANT'S INITIALS _____

OWNER'S SIGNATURE AS ACKNOWLEDGEMENT: _____ for BP

APPROVED
21 Dec 16

Land Use Permit Application
Minor Oil and Gas
Archuleta County, Colorado

Carmelita Gallegos A 3

SWSE Sec. 17, T32N, R5W N.M.P.M.

Carmelita Gallegos A 3 Table of Contents

Archuleta County Section 9.2.5

Submittals for Oil and Gas Permits - Checklist

Tab	Submittal Requirement	Comments
A	(1) Completed Application Form	Includes Documentation of paid taxes
B	(2) Narrative	
C	(3) Emergency Contact	
C	(4) Contact Information	
C	(5) Extent of Activities	
C	(6) Disclosure of Violations	
D	(7) Site Plan	
E	(8) Vicinity Map	
F	(9) Weed & Disturbance Plan	
G	(10) Visual Mitigation Plan	Most of the requirements listed under section b. of (2) Visual mitigation plan in Archuleta County regulations are addressed in the exibit in Tab G. Some of the listed requirements are covered in other sections of the application and some are not applicable to this application.
H	(11) Wildlife Mitigation Procedures	
I	(12) Noise Mitigation Procedures	
J	(13) Road Impact Plan	
K	(14) Color Photos	
L	(15) Grading Plan	
M	(16) Emergency Response Plan	
N	(17) Right of Access	
O	(18) CDPHE General Permit	
P	(19) Evidence of Notification	
Q	(20) Water Management Plan	
R	(21) Waste Management Plan	
S	(22) Acceptable Verifiable Proof of Insurance	

LAND USE PERMIT APPLICATION

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	LOT CONSOLIDATION
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GENERAL INFORMATION:

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PROJECT NUMBER: _____

PROJECT ADDRESS: 185 Candlelight ct. Arboles, Co 81121

ASSESSOR'S PARCEL NO. 616117400006

CURRENT ZONING: _____ PROPOSED ZONING: _____

CURRENT USE: Agricultural / Oil & Gas

PROPOSED USE: Agricultural / Oil & Gas

PROJECT DESCRIPTION:
Expand the Carmelita Gallegos A1 pad to accomodate the proposed Carmelita Gallegos A3 Well.

APPLICANT:
BP America Production Company (Naomi Azulai)

MAILING ADDRESS: 380 Airport Road, Durango Co 81303

PHONE: 970.375.7511 cell: _____ EMAIL ADDRESS: naomi.azulai@bp.com

REPRESENTATIVE: _____

MAILING ADDRESS: _____

PHONE: _____ cell: _____ EMAIL ADDRESS: _____

PROPERTY OWNER (IF DIFFERENT FROM APPLICANT): Arboles Series of Cruz Properties LLC

MAILING ADDRESS: 2987 Melanie Ann ct. Magna, UT 84044 PHONE: (801) 918-7058

(NOTARIZED AGENT AUTHORIZATION FORM SIGNED BY ALL PROPERTY OWNERS IS REQUIRED AND MUST ACCOMPANY THIS APPLICATION IF APPLICATION IS MADE BY OTHER THAN OWNER(S) OF RECORD.)

APPLICATION RECEIVED BY: _____ DATE RECEIVED: _____

FEE AMOUNT REQUIRED: $ _____ DATE PAID: _____

APPLICATION DEEMED COMPLETE BY _____ ON: _____

Continued on reverse

Tax Account

ATTENTION: If paying after August 31st, please call for additional fees. Thank you.

Summary

Account Id	*R017831*
Parcel Number	*616117400006*
Owners	*ARBOLES SERIES OF CRUZ PROPERTIES LLC*
Address	*2987 MELANIE ANN CT* *MAGNA, UT 84044*
Situs Address	*185 CANDLELIGHT CT*
Legal	*RURAL Sec: 17 Twn: 32 Rng: 5W A TRACT OF LAND LOCATED IN SE4 RURAL Sec: 20 Twn: 32 Rng: 5W A TRACT OF LAND LOCATED IN NE4*

Inquiry

As Of 11/14/2016

Payment Type
- ○ *First*
- ◉ *Full*

Total Due $0.00

Update

Value

Area Id		***Mill Levy***
11H - SCHOOL DIST 11, FIRE		*36.1320000*
	Actual	***Assessed***
NOT INTEGRAL TO AG-LAND - 1177	*5,600*	*450*
NOT INTEGRAL TO AG-RESIDENTIAL IMP - 1277	*71,350*	*5,680*
FLOOD IRRIGATED LAND - 4117	*740*	*210*
MEADO HAY LAND - AG - 4137	*19,660*	*5,700*
GRAZING LAND - AG - 4147	*410*	*120*
FARM/RANCH WASTE LAND - 4167	*30*	*10*
AG SUPPORT BUILDINGS - 4279	*30,780*	*8,930*
Total Value	*128,570*	*21,100*
Taxes		*$762.40*

*The amounts of taxes due on this page are based on **last year's** property value assesments.*
For current year values visit the Archuleta County Assessor's site.

Tax Account

ATTENTION: If paying after August 31st, please call for additional fees. Thank you.

Summary

Account Id	*O017836*
Parcel Number	*616117400006*
Owners	*BP AMERICA PRODUCTION CO*
Address	*PO BOX 3092* *HOUSTON, TX 77253-3092*
Situs Address	*185 CANDLELIGHT CT / COUNTY RD 982*
Legal	*API: 05-007-06124 WELL: IGNACIO BLANCO NAME: CARMELITA GALLEGOS A NUMBER: #1 RURAL Sec: 17 Twn: 32 Rng: 5W 185 CANDLELIGHT CT / COUNTY RD 982*

Inquiry

As Of 11/14/2016

Payment Type
- ○ *First*
- ◉ *Full*

Total Due $0.00

Update

Value

Area Id		***Mill Levy***
11H - SCHOOL DIST 11, FIRE		*36.1320000*
	Actual	***Assessed***
PRODUCING GAS/PRIMARY - 7130	*48,568*	*42,500*
Taxes		*$1,535.60*

*The amounts of taxes due on this page are based on **last year's** property value assesments.*
For current year values visit the Archuleta County Assessor's site.

CARMELITA GALLEGOS PAD EXPANSION
To Accommodate the Proposed Carmelita Gallegos A 3 Well
SW/4 SE/4 SECTION 17, T32N, R5W NMPM
(Arboles Series of Cruz Properties LLC - Parcel 616117400006)

PROJECT NARRATIVE AND REVIEW CRITERIA

The project location is approximately 14 miles south-east of Ignacio on an existing access road to the Carmelita Gallegos A1 pad. The site is accessed from Candlelight Ct off of CR 982 in Arboles, CO. Please see the attached Vicinity map.

BP America Production Company (BP) is applying for a Minor Oil & Gas Facility Permit from Archuleta County to expand the existing Carmelita Gallegos A 1 Pad to accommodate the proposed Carmelita Gallegos A3 well. The Carmelita Gallegos A 1 well was spud on 10/1/1987 with first production recorded on 1/8/1988. Carmelita Gallegos A 1 is currently an active, producing well.

The surface hole of the proposed Carmelita Gallegos A 3 will be located in SE/4 SECTION 17, T32N, R5W NMPM. The well will be drilled directionally. The bottom holes from multiple laterals are planned to be drilled westward with the bottom hole locations in the SW/4 of Section 17. The well entire well is planned to be drilled in the drilling window of S/2 of Section 17.

The proposed facilities that will be installed on the expanded site include:

- Wellhead with artificial lift
- Produced water tank(s)
- Separator
- Meter house
- Flowlines
- and Various supporting equipment

The estimated number of site visits by vehicles is outlined in the Road Impact Plan under Tab J.

The earth work planned is a cut – fill balance as shown on the Construction Layout Plan under tab L (Grading Plan).

As shown in the enlarged view of well pad on the Site Plan under Tab D, the existing access road will be rerouted through the proposed expansion to provide access to the Carmelita Gallegos A 3 well and continue to serve as access to the Carmelita A 1 well and the Southland Royalty Company pad. Both Candlelight Ct and the access road to the pad from Candlelight Ct are private roads. BP will improve the condition of the access road and the portion of Candlelight Ct between the CR 982 and the access road turn-off during pad construction and after drilling and completion operations are complete. The road improvements consist of adding gravel and blading.

There will be lighting on location during drilling and completion operations. The lights will be directed away from occupied structures unless a safety of the workers is compromised.

There is no plan to install gas powered engines on this pad. The artificial lift will be operated using an electric motor estimated to be about 40hp. In the event that LPEA is delayed in providing a service upgrade to the site, BP may choose to install a temporary generator with a gas powered engine until electric service is upgraded to accommodate the new well.

Emergency Contact Information

BP Durango Operations Control Center
PH: 970-247-6916

Contact Information

BP America Production Company
Durango Operations Center
380 Airport Road
Durango, CO 81303
PH: 970-247-6800

BP America Production Company
Corporate Office
501 Westlake Park Boulevard
Houston, TX 77079
PH: 281-366-2000

Extent of Operations

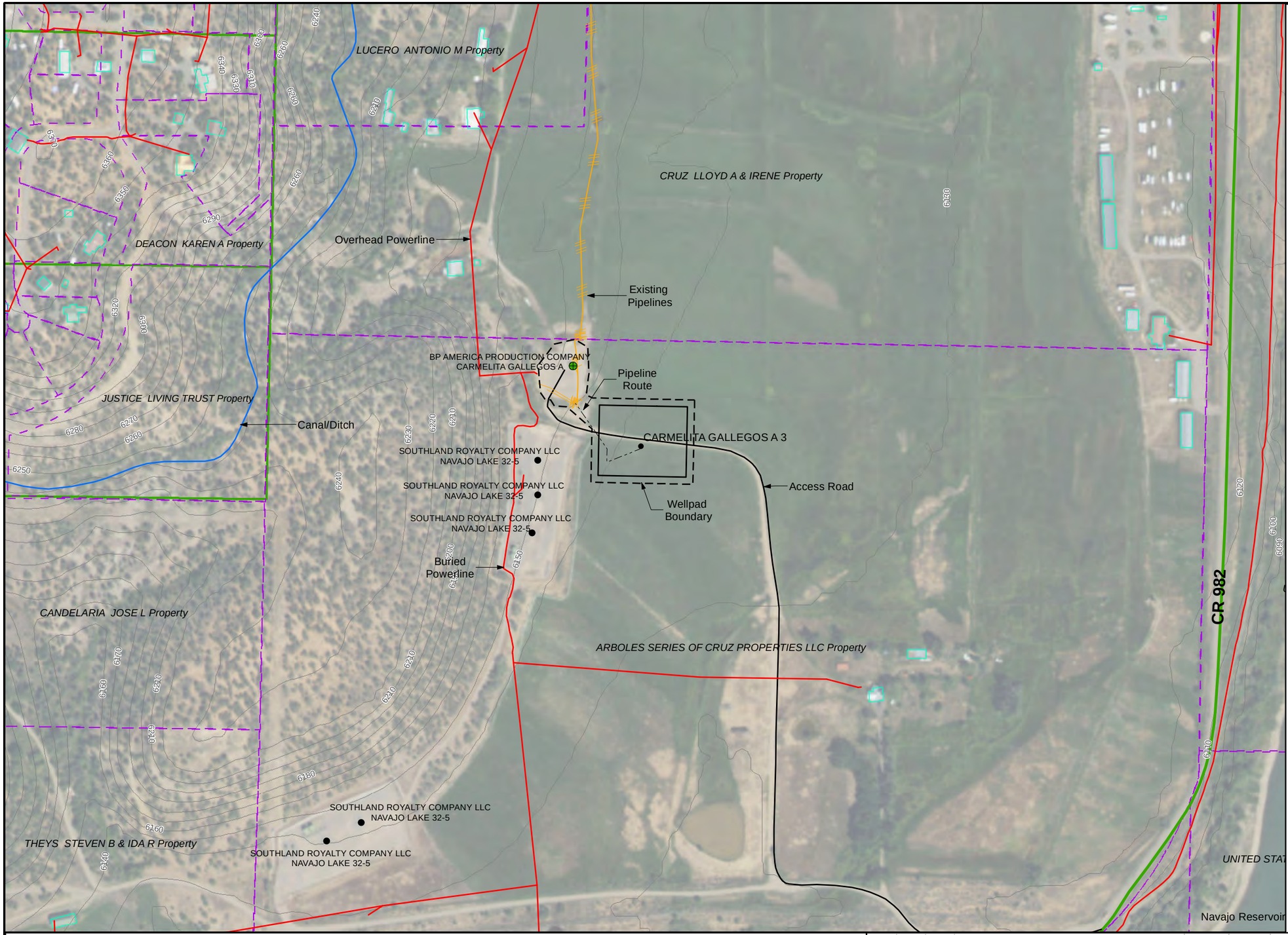
BP America Production Company is a wholly-owned subsidiary of BP, plc which is a global integrated energy company. BP America Production Company operates approximately 1,400 oil and gas wells in the Colorado San Juan Basin, including 17 wells in Archuleta County, CO; and over 1380 wells in La Plata County, CO. BP also operates approximately 2,540 wells in the New Mexico portion of the San Juan Basin, primarily in San Juan and Rio Arriba Counties.

Violation History

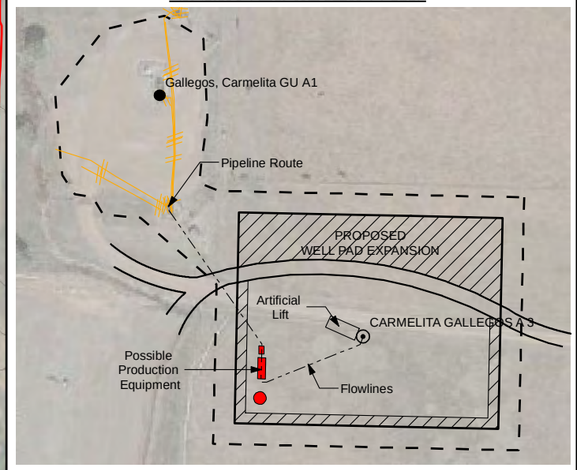
BP America Production Company is an operator in good standing with the Colorado Oil and Gas Conservation Commission.

Over the past 5 years, BP has received 5 Notices of Alleged Violation from the COGCC. All NOAV's have been resolved.

Alleged Violation Date	Document #	Facility ID	Status	Company Name
8/31/2015	200437191		Closed	Produced water spill from flowline
8/26/2015	200437370	442581	Closed	Failure to provide 24-hour notice of well spud
3/30/2015	200429174	441424	Closed	Produced water spill from flowline
3/2/2013	200376280	432079	Closed	Noise from compressor
8/30/2011	200319999	215434	Closed	Herbicide application caused vegetation damage to adjacent property



ENLARGED VIEW OF WELL PAD



CARMELITA GALLEGOS A 3:
LAT: 37.013091
LONG:-107.411816
SW¼SE¼ SECTION 17, T32N R05W

RECLAMATION PLAN:
* RE-SEED
* RE-GRADE
* RE-PLANT

PIPELINES:
EXISTING EASEMENT

ROADS:
EXISTING EASEMENT

DIRECTIONS TO SITE:
FROM JUNCTION HWY 172 & HWY 151
EAST ON HWY 151 FOR 16.2 MILES
RIGHT ON CR 982 FOR 1.6 MILES
RIGHT ON ACCESS FOR 0.2 MILES
RIGHT ON ACCESS FOR 0.3 MILES
TO WELLSITE

PAD:
PROPOSED PAD: 0.8 ACRES

N

1:3,390

0 285 570 Feet

State Plane, NAD83
Colorado South (Feet)

PLEASE NOTE THAT THE WELLPAD EQUIPMENT, WELLPAD SIZE, PIPELINE ROUTE AND ACCESS ROAD ARE ALL APPROXIMATE LOCATIONS, AND ARE SUBJECT TO CHANGE DUE TO SAFETY, LANDOWNER CONCERNS OR OTHER FACTORS BEYOND OUR CONTROL. IT IS BP'S INTENTION TO OPERATE WITHIN ALL APPLICABLE RULES AND REGULATIONS.

ON PLAN	ELEMENTS
a.	APPROPRIATE STANDARD SCALE
b.	TITLE BLOCK, KEY AND NORTH ARROW
c.	SECTION, TOWNSHIP AND RANGE
d.	EXISTING EQUIPMENT (W/ IMPROVEMENTS)
e.	PROPOSED EQUIPMENT(W/ IMPROVENTS)
f.	INTERMEDIATE PIPELINE ROUTE
g.	ACCESS ROAD ENTRANCE ONTO WELLPAD
h.	ATTACHMENT SHOWING CROSS-SECTIONS
i.	HYDRO W/ 100' OF FACILITY
j.	

LEGEND:

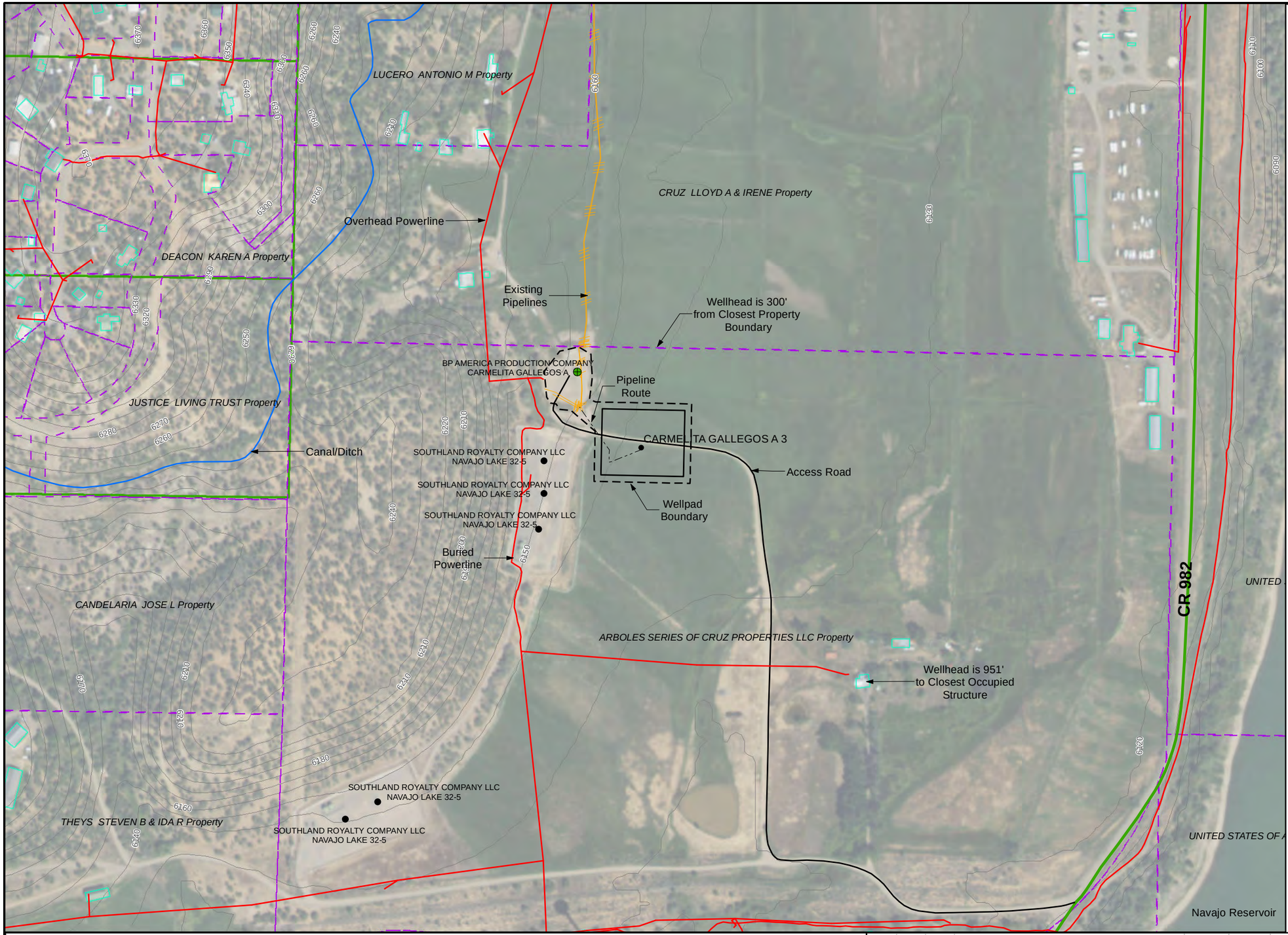
- PARCELS
- SUBDIVISION BOUNDARY
- TEMPORARY USE AREA
- GAS & WATER PIPELINES
- EXISTING PIPELINES
- HYDRO
- ACCESS ROAD
- TRANS LINE
- STRUCTURES
- BP WELLS
- PAD
- PRODUCTION EQUIPMENT

REV	BY	DATE	REVISION	CHECKED	APPROV	DATE

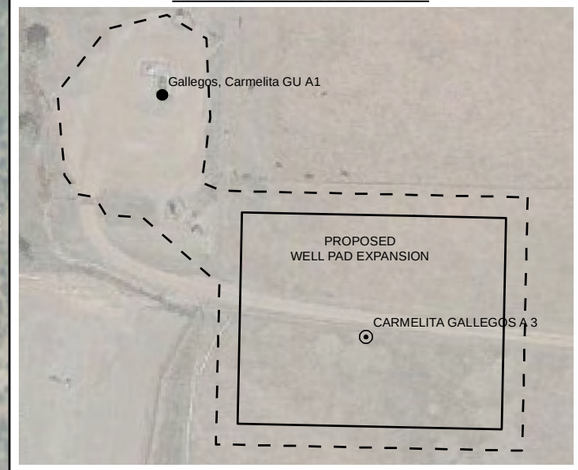
BP America
San Juan North
Durango, Colorado

CARMELITA GALLEGOS A 3
ARCHULETA COUNTY SITE PLAN

DATE	SCALE	PROJ #	
9/27/16	AS NOTED		Archuleta County, Colorado
DB	ENGINEER	FILE	REV
DHH	PC		A



ENLARGED VIEW OF WELL PAD



CARMELITA GALLEGOS A 3:
LAT: 37.013091
LONG:-107.411816
SW¼SE¼ SECTION 17, T32N R05W

RECLAMATION PLAN:
* RE-SEED
* RE-GRADE
* RE-PLANT

PIPELINES:
EXISTING EASEMENT

ROADS:
EXISTING EASEMENT

DIRECTIONS TO SITE:
FROM JUNCTION HWY 172 & HWY 151
EAST ON HWY 151 FOR 16.2 MILES
RIGHT ON CR 982 FOR 1.6 MILES
RIGHT ON ACCESS FOR 0.2 MILES
RIGHT ON ACCESS FOR 0.3 MILES
TO WELLSITE

PAD:
PROPOSED PAD: 0.8 ACRES

N

1:3,600
0 305 610 Feet

State Plane, NAD83
Colorado South (Feet)

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ON PLAN	ELEMENTS
a.	APPROPRIATE STANDARD SCALE
b.	TITLE BLOCK, KEY AND NORTH ARROW
c.	SECTION, TOWNSHIP AND RANGE
d.	WELLPAD BOUNDARY
e.	PROPOSE PIPELINE ROUTE
f.	EXISTING PIPELINE ROUTES
g.	CURRENT SURFACE OWNERSHIP OF ALL PROPERTIES
h.	EXISTING & PROPOSED ACCESS; TIE TO CR OR HWY
i.	SETBACKS TO PROPERTY AND OCCUPIED STRUCTURE
j.	HYDRO W/ 100' OF FACILITY

LEGEND:

- PARCELS
- SUBDIVISION BOUNDARY
- TEMPORARY USE AREA
- GAS & WATER PIPELINES
- EXISTING PIPELINES
- HYDRO
- ACCESS ROAD
- TRANS LINE
- STRUCTURES
- BP WELLS
- PAD
- PRODUCTION EQUIPMENT

REV	BY	DATE	REVISION	CHECKED	APPROV	DATE

BP America
San Juan North
Durango, Colorado

CARMELITA GALLEGOS A 3
ARCHULETA COUNTY VICINITY MAP

DATE	SCALE	PROJ #		REV
9/27/16	AS NOTED		Archuleta County, Colorado	A
DB: DHH	ENGINEER: PC	FILE		

BP America Production Company
San Juan North
Weed Control Plan

INTRODUCTION

In accordance with the Colorado Noxious Weed Act (Title 35; Article 5.5) and under directives of the "Rules Pertaining to the Administration and Enforcement of the Colorado Noxious Weed Act" (8 CCR 1203-19) ("Weed Rules") prepared by the Colorado Department of Agriculture; Plant Industry Division, BP America Production Company proposes the following plan for eradication, control and suppression of noxious weeds within their pipeline right of ways, roadways, well sites, compressor sites, transfer stations, and other BP owned facilities and properties.

SPECIES IDENTIFIED FOR MANAGEMENT

The "Weed Rules" provide three designations for weed species within the State of Colorado; "A" species designated by the Commissioner for eradication within the State, "B" species of which the Commissioner requires implementation of a weed management plan to control and suppress their spread, and "C" species which the Commissioner requires implementation of a noxious weed plan to support statewide control through integrated management.

CONTROL MANAGEMENT PLAN

General Methods

Noxious weeds can be managed by using a combination of control methods including prevention, mechanical, cultural, biological, and chemical.

Prevention involves planting weed free seed, mulching with weed free material, cleaning machinery before moving between sites and controlling weeds prior to their setting seed. Most important, it involves the use of land management practices that minimizes soil disturbance and compaction. It involves short duration, intensive grazing practices that takes half and leaves half of the plant un-grazed. It allows for enough time for plant recovery (re-growth) before more grazing is scheduled. It evaluates the health of a grass plant community and provides for sufficient nutrients and water to optimize plant health and growth.

Mechanical control involves mechanical methods, i.e.: shoveling, mowing, and cultivation.

Cultural controls include over seeding with native plants or desirable grasses and a structured grazing plan.

Biological control incorporates releasing beneficial insects which feed only on certain noxious weeds and well managed grazing practices that target specific weeds.

Chemical control involves the judicious use of herbicides to compliment all control methods and provide an effective noxious weed management program. “

Strategy

New Facilities-Revegetation:

Bare-ground application of chemical controls will occur following clean-up, but prior to re-seeding, on project sites with identified significant weedy species establishment before construction operations, as determined by a qualified third party contractor or authorized BP personnel.

All disturbed areas of facilities not used as working surfaces or otherwise surfaced with weed free materials shall be top-soiled and seeded with a native grass seed-mix as specified by the land-owner, BP or interested government agency. Seed application will be followed by the application of mulch, or weed-free straw crimped to promote seed establishment through moisture retention, and resistance to wind and water erosions.

Newly vegetated areas will be allowed at least one full growing season following successful germination and growth in order to achieve hardiness before chemical herbicides are used in the vegetated areas.

Existing Facilities-Chemical Control:

Control of noxious weeds at existing facilities will be achieved primarily by use of herbicides. Weed control operations will only be performed by Colorado approved Weed Control Contractors. The contractor will treat each facility in SJN (excluding ‘no spray’ areas and leases from the San Juan National Forest) during the growing season.

Bare Ground (Sterilant) Control:

1. Areas such as well heads, well pad and pipeline surface equipment, building foundations and other areas where unrestricted access and fire suppression are desired will be controlled by annual use of a chemical sterilant. Chemical application will generally be limited to the confines of barricades, cattle panels or other such work area delineators that are not part of the driving surface. For undefined work areas such as unrestricted wellheads, spraying should be limited to a ten (10’) foot radius around the equipment.

2. The graveled traffic and work areas will not be bare ground sprayed. When present, these weeds will be treated during the spot spraying phase.

Spot Spraying (Selective) Control:

1. Spot spraying should include any areas within the perimeter of the well pad, including the interim reclamation, any transition between work areas and interim areas, and access roads. Native shrubs, such as rabbit brush and sage, shall not be sprayed.

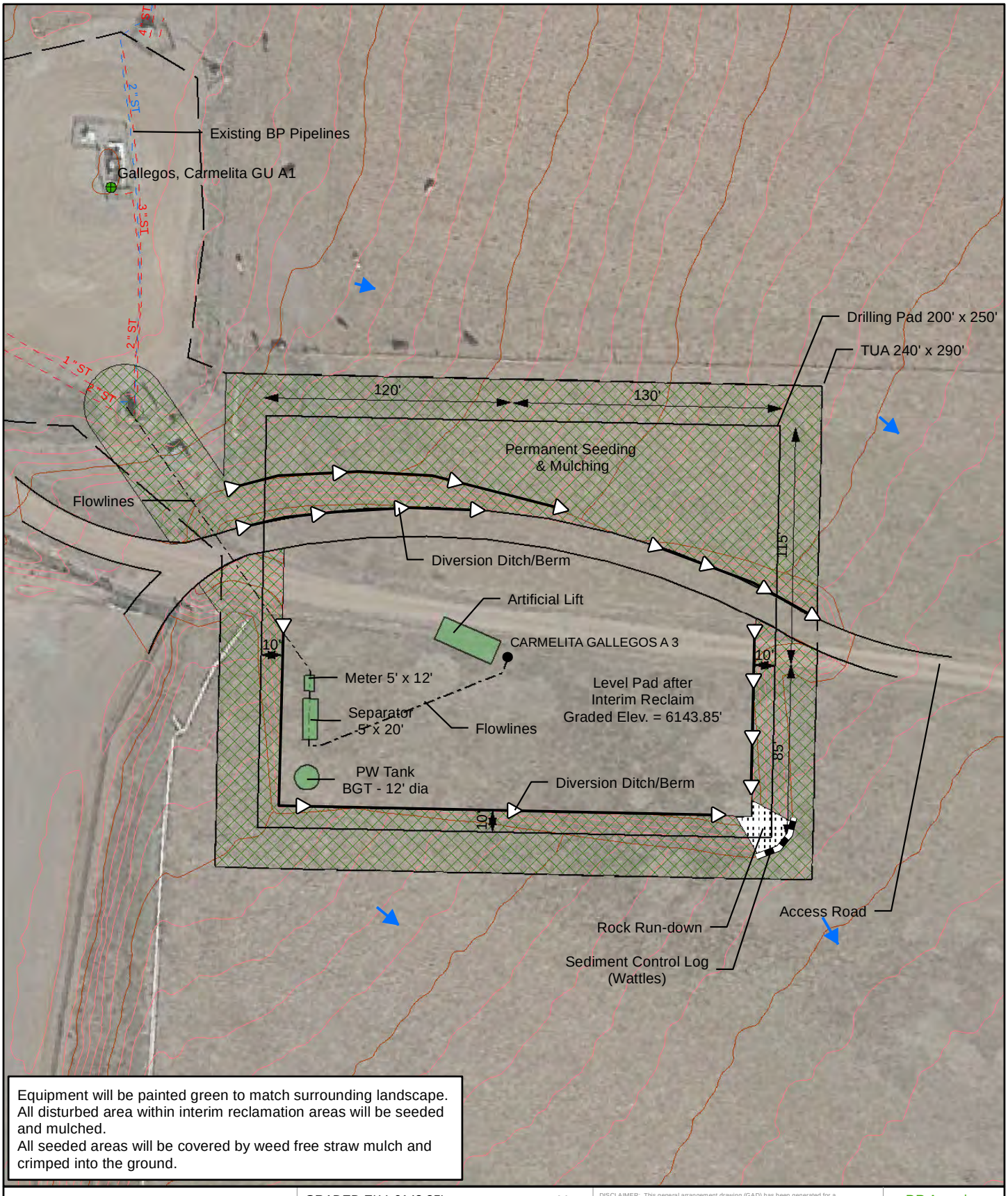
2. Spraying along access roads should be limited to weeds immediately adjacent to the road. There should be no overspray into private land. Trees and native shrubs, such as sage and rabbit brush, should not be sprayed.

3. During spot spraying operations, any weeds found growing in bare ground treatment areas should also be treated.

Chemical control products can also vary depending on contractor preference and as chemicals and chemical mixes improve for the weed species in this area.

Audit of Weed Control Program Effectiveness

BP facilities are frequently inspected by BP's FEA's. All locations are also routinely visited by BP Well Technicians who have been trained to report weed infestation. If necessary, additional action will be taken to reach management objectives.



Equipment will be painted green to match surrounding landscape.
All disturbed area within interim reclamation areas will be seeded and mulched.
All seeded areas will be covered by weed free straw mulch and crimped into the ground.

- Proposed Well
- Diversion Ditch
- Flow Direction
- Sediment Control Log
- Permanent Seeding & Mulching
- Rock Rundown

GRADED ELV. 6143.85'
LAND TYPE: FEE
LAT: 37.01309109 N
LONG: 107.41181641 W
SE¼ SEC 17, T32N R 05W

N

1:780

0 55 110 Feet

BP America
San Juan North
Durango, CO

CARMELITA GALLEGOS A 3

Visual Mitigation Plan

11/21/2016	SCALE AS NOTED	PROJ #	REV 0
DB -	ENGINEER	FILE	Archuleta County, Colorado

BP AMERICA PRODUCTION COMPANY

San Juan Basin Colorado
Wildlife Mitigation Plan

MARCH 2011

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BP AMERICA PRODUCTION COMPANY
WILDLIFE MITIGATION PLAN
SAN JUAN BASIN (COLORADO)
March 2011

Executive Summary

This Wildlife Mitigation Plan (WMP) addresses impacts to wildlife from BP America Production Company's (BP) proposed development activities for mineral interests it owns in the San Juan Basin of Colorado encompassing approximately 102,000 acres (**Figure 1**). The WMP is the culmination of an 18-month collaborative effort among BP, the Colorado Division of Wildlife (CDOW), and The Nature Conservancy (TNC) to develop a plan to mitigate anticipated wildlife impacts within the guidelines provided by the Colorado Oil and Gas Conservation Commission's (COGCC) Rules of Practice and Procedure (Rules) governing oil and gas development activities in Colorado. This plan is specifically designed and customized for the San Juan Basin of southwest Colorado.

COGCC Rules identify sensitive wildlife habitats (SWHs) and restricted surface occupancy (RSO) areas for wildlife, and provide for consultation with CDOW for facilities proposed within these areas. The Rules also allow companies like BP to prepare a WMP to address the impacts associated with one or more planned facilities. Once approved by CDOW, a WMP satisfies any consultation requirement with CDOW that may otherwise be required for each facility within SWHs and RSO areas [Rule 1202.d. (2)], resulting in streamlined permitting for individual facilities addressed in the WMP.

BP and CDOW began discussing options for a WMP for BP's planned development activities in the San Juan Basin as early as October 2008. In May of 2009, BP hired TNC to assist CDOW with analyzing the species and habitats that would be impacted by BP's proposed development activities, and to prepare a landscape model for evaluating possible sites on which to conduct mitigation projects to offset unavoidable impacts. A Project Team comprised of representatives from BP, CDOW, and TNC was formed at that time to oversee the analysis and to develop inputs for TNC's landscape model. TNC's modeling efforts are described in detail in Appendices A and B, and the results of the modeling are incorporated into this WMP.

BP, CDOW, and TNC (the Project Team) solicited input from La Plata and Archuleta Counties, the USFS, the BLM, and the US Army Corps of Engineers (USACE) when developing the list of species and habitats to include in the WMP, and when identifying suitable mitigation areas. CDOW ultimately selected 11 high priority mitigation areas in La Plata and Archuleta County from a broad range of possible sites identified through TNC's modeling and consultation with other agencies. This document describes: (1) how the species and habitats were identified for inclusion in the WMP, (2) how impacts from BP's proposed facilities were estimated, (3) how high priority mitigation areas were selected, and (4) how mitigation projects will be implemented within those areas to offset unavoidable adverse impacts.

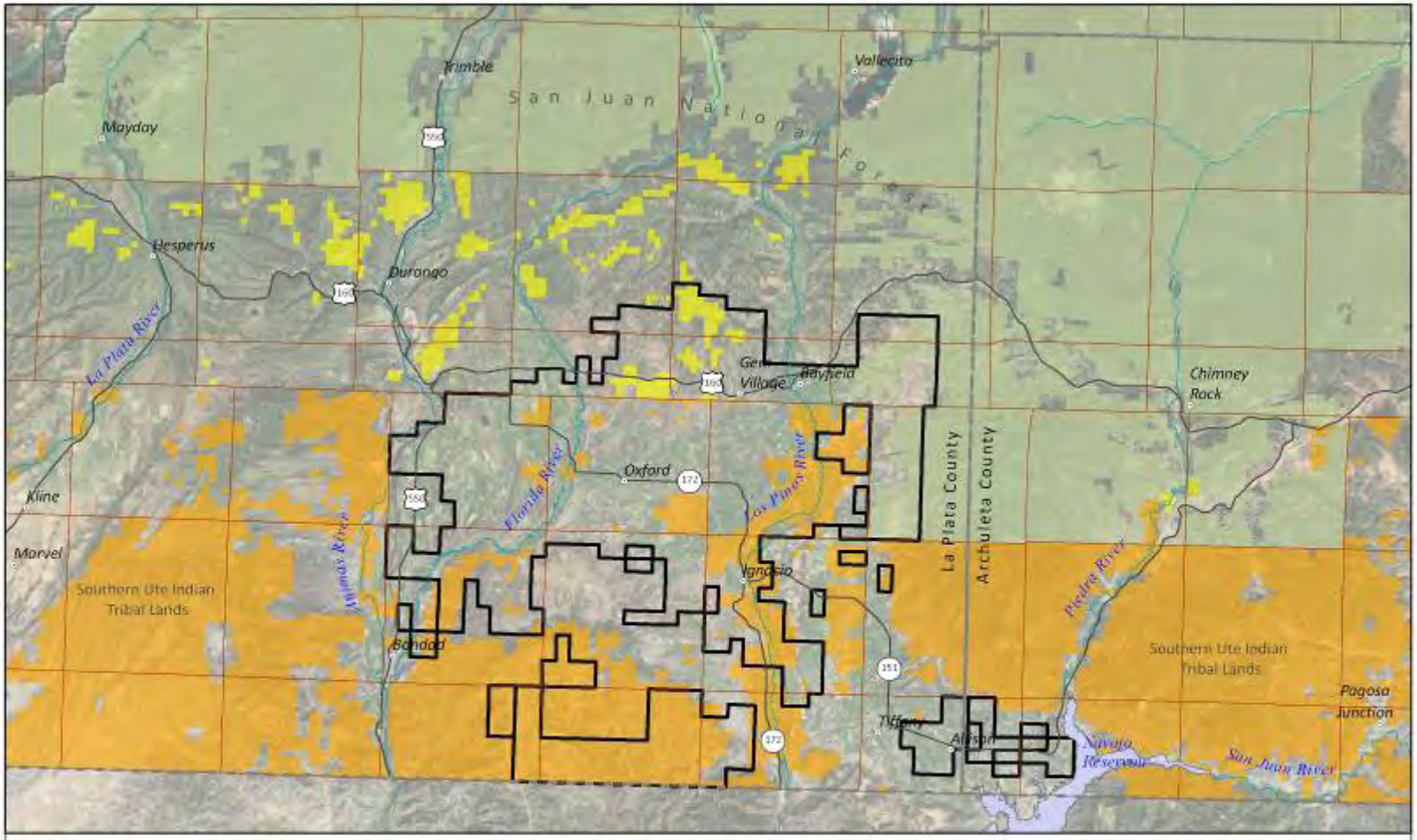


Figure 1 - BP's Development Area in the San Juan Basin

I. Scope of Wildlife Mitigation Plan

a. Geographic Scope and Jurisdiction

This WMP applies only to BP's proposed oil and gas facilities regulated by COGCC and/or La Plata and Archuleta Counties, proposed on private, County, State, or Federal lands located within the San Juan Basin, Colorado. Unless explicitly stated in the WMP, the commitments made in the WMP by BP and CDOW in no way alter previous commitments made to County, State, or Federal regulatory agencies. The Southern Ute Indian Tribe was approached and informed about this WMP. The Tribe is not participating, as the WMP was prepared specifically to satisfy COGCC Rule 1202.d. (2) and County permitting requirements. The WMP does not address BP's activities on Tribal lands, and Tribal lands were not included in the evaluation of possible mitigation sites.

b. Number of Facilities Addressed and Duration of WMP

This WMP addresses the impacts to wildlife resources from the 68 proposed BP well locations and ancillary facilities (well pads, pipelines, and roads) described on **Exhibit 1** and in **Table 1**. BP anticipates constructing these facilities within the next two years, but may have up to six years to develop these facilities under this WMP. Both BP and CDOW envision a high likelihood of amending this WMP to address future proposed development. Although BP may not fully develop its entire leasehold in the San Juan Basin, there are approximately 1,000 undeveloped well locations (under existing spacing orders) within BP's development area shown on **Figure 1**.

c. Species addressed in the WMP

CDOW and TNC assembled a list of potential target species and habitats for the WMP based on species and habitats likely to be impacted by BP's proposed development. CDOW and TNC solicited input on the list of species and habitats from La Plata County, Archuleta County, the USFS, the BLM, and the USACE. Although many of the species and habitats of concern incorporated on the list are not specifically regulated by COGCC, BP agreed to address these species and habitats during development of the WMP. Thus, although impacts to species and habitats not regulated by COGCC were evaluated, they were not used when determining the quantity of mitigation necessary to offset impacts (Section II below). Impacts to species and habitats not regulated by COGCC were taken into consideration **only during the selection of potential onsite and offsite mitigation areas** (Section III below).

Some of the COGCC- Rule Series 1200 (Protection of Wildlife Resources), regulated and non-regulated species were addressed individually, while others were nested within the associated ecotype or habitat for the impact analysis.

i. Species and habitats addressed individually include:

A. Bald eagle (nest sites – COGCC, 1200 Series Rules)
B. Golden eagle (nest sites – COGCC, 1200 Series Rules)
C. Osprey (nest sites – COGCC, 1200 Series Rules)
D. Lazuli bunting
E. Elk (winter concentration areas – COGCC, 1200 Series Rules)
F. Mule deer (critical winter range – COGCC, 1200 Series Rules)
G. Bluehead sucker
H. Flannelmouth sucker
I. Roundtail chub
J. Gunnison's prairie dog
K. Riparian and wetland habitats
L. Pinyon-juniper woodlands
M. Intermountain basin big sagebrush shrubland
N. Intermountain basin semi-desert shrub steppe
O. Intermountain basin semi-desert grassland
P. Rocky Mountain Gambel oak mixed montane shrubland
Q. Rocky Mountain lower montane riparian woodland and shrubland
R. Rocky Mountain ponderosa pine woodland

ii. Species that were nested within the ecotype or habitat that they are associated with are described below:

A. Species Nested under Mule Deer Critical Winter Range:
- *Puma concolor* (Mountain Lion)

B. Species nested under Gunnison's Prairie Dog:
- *Athene cunicularia hypugaea* (Western Burrowing Owl)

C. Species nested under Colorado Plateau Pinyon-Juniper Woodland:
- *Dendroica nigrescens* (Black-throated Gray Warbler)
- *Empidonax wrightii*(Gray Flycatcher)
- *Baeolophus ridgwayi* (Juniper Titmouse)
- *Gymnorhinus cyanocephalus* (Pinyon Jay)
- *Vireo vicinior* (Gray Vireo)

D. Species nested under Intermountain Basin Big Sagebrush:
- *Amphispiza belli* (Sage Sparrow)

E. Species nested under Rocky Mountain Ponderosa Pine Woodland:
- *Patagioenas fasciata* (Band-tailed Pigeon**)**

F. Species nested under Riparian/Wetlands:
- *Bufo boreas boreas* (Boreal Toad)
- *Rana pipiens* (Northern Leopard Frog)
- *Melanerpes lewis* (Lewis' Woodpecker)
- *Empidonax traillii extimus* (Southwestern Willow Flycatcher)
- *Coccyzus americanus occientalist* (Western Yellow-billed Cuckoo)
- *Zapus hudsonius luteus* (New Mexican Jumping Mouse)

- *Speyeria nokomis* (Nokomis Fritillary)
- *Juniperus scopulorum* / *Artemisia tridentata* Woodland
- *Populus angustifolia - Juniperus scopulorum* Woodland
- *Populus angustifolia / Alnus incana* Woodland
- *Populus angustifolia / Crataegus rivularis* Woodland
- *Populus tremuloides / Cornus sericea* Forest
- *Salix ligulifolia* Shrubland
- *Populus angustifolia / Salix ligulifolia / Shepherdia argentea* Woodland
- *Populus angustifolia / Betula occidentalis* Woodland
- *Populus angustifolia / Rhus trilobata* Woodland

Some species and habitats were not specifically evaluated in the WMP. However, they were addressed by selecting onsite or offsite mitigation opportunities that benefit these species in addition to the species and habitats specifically evaluated in the WMP. These species and habitats include:

i. Birds
   A. Merriam's Turkey
   B. Mexican Spotted Owl
   C. Peregrine Falcon

ii. Mammals
   A. Black Bear

The WMP does not include species and habitats of concern that: (1) current data does not show the species as occurring in the potential impact areas; (2) the core habitat of the species was not likely to be highly impacted within the development area (e.g., higher elevation species); and/or (3) potential mitigation or protection actions for the species were not identifiable. These species include:

i. Birds
   A. Grace's Warbler
   B. Gray Flycatcher
   C. Black-necked Stilt
   D. Mourning Dove
   E. Northern Goshawk
   F. Olive-sided Flycatcher
   G. Prairie Falcon
   H. Swainson's Hawk
   I. White-tailed Ptarmigan
   J. Northern Harrier

ii. Mammals
   A. Black-footed Ferret
   B. Allen's Big-eared Bat
   C. Arizona Myotis
   D. Bighorn Sheep
   E. Canada Lynx
   F. Fringed Myotis

iii. Fish
   A. Colorado River Cutthroat
   B. Greenback Cutthroat

II. Evaluation of Species, Habitats, and Impacts

a. Determining the Types and Extent of Potential Impacts

Oil and gas development typically progresses from a single exploratory well through an initial production phase to infill development. Well density, human activity and impacts to wildlife and wildlife habitat increase as development progresses. The development timeline is variable and dependent upon many factors and could last decades. Some oil and gas fields in the continental United States have been producing for over 100 years. Commercial exploration and production of natural gas in the San Juan Basin has been occurring since 1921, and is projected to extend for an additional 30 years or more.

Once well pad density increases beyond one well pad per section, avoidance and minimization measures alone may not be sufficient to maintain pre-existing habitat utilization patterns for many species. Noise and other indirect disturbances from roads, wells, ancillary facilities and their associated human activities often force wildlife to use sub-optimal habitats, resulting in decreased survival rates and productivity. As well density and human activity increase cumulative effects on wildlife occur and mitigation priorities shift from site-specific impact avoidance and minimization to large scale habitat restoration and/or habitat offsets (habitat replacement) to compensate for unavoidable adverse impacts.

For this WMP, TNC conducted an evaluation of habitats that would be potentially impacted by BP's proposed development activities utilizing a GIS methodology provided by CDOW (see Appendix B). The methodology evaluates both direct and potential indirect impacts to the target species identified in Section I. "Direct Impacts" are those related to physical land disturbance and vegetation removal resulting in habitat loss. "Indirect Impacts" extend beyond physical disturbance and vegetation removal. Indirect impacts reduce habitat functionality by affecting wildlife behavior, displacing wildlife to lower quality habitats, and decreasing productivity and/or survival rates. Indirect impacts may also limit wildlife access to otherwise productive habitats because of their proximity to development and associated human

activities. Indirect impacts include habitat fragmentation from roads, wells, and ancillary facilities.

Although negative effects to wildlife resources from indirect impacts are well documented in scientific literature, the Project Team concluded that due to the extent of existing development and diverse land uses in the project area (which is almost entirely on private lands), it would be difficult to develop a credible methodology to quantitatively assess the incremental indirect impacts from BP's proposed facilities.

BP implements voluntary Best Management Practices (BMPs) as standard operating practices that minimize indirect wildlife impacts to the extent practical. These BMPs reduce, but do not eliminate, the indirect impacts associated with each new facility, further complicating the Projects Team's ability to determine the extent of indirect impacts associated with each new facility. The site-specific operational BMPs implemented by BP at each new facility include:

- *Produced water gathering system*
    - Each new facility is tied into a field-wide produced water gathering system for water disposal. This water gathering system results in a significant reduction in truck traffic and consolidation of water handling facilities;

- *Well automation systems*
    - BP's well automation system reduces on road truck traffic for the purpose of operating individual well sites and limits human presence on locations once drilling and completion has taken place;

- *Closed-loop drilling systems*
    - BP's closed-loop drilling system reduces the risk to wildlife as it replaces the "reserve pit" with a drill cuttings storage pit, minimizing wildlife exposure to drilling fluids. The closed-loop drilling system also greatly reduces the number of truck visits to the location after drilling is complete for the purpose of removing standing liquids from the pit.

- *Use of multiple well pad sites*
    - The use of multiple well pad sites results in a reduction of heavy equipment traffic due to fewer rig mobilizations and de-mobilizations, and reduces traffic-related disturbance to wildlife. Multiple well pads are required by COGCC orders and La Plata County Memoranda of Understanding (MOU's). There are provisions for exceptions to these rules, such as those dictated by topographical constraints, natural resource constraints (wetlands), the proximity of utilities, geologic factors where issues concerning distances between wells are present, other site conditions beyond the control of BP, and environmental and human health and safety concerns.

- *Use of wildlife friendly seed mixes*
    - BP has and will continue to use habitat specific wildlife friendly seed mix for interim remediation of well pad, pipe line right of way and areas adjacent to non-well locations;

- *Pre-construction biological surveys and compliance with CDOW raptor nest buffer guidelines*
    - BP regularly conducts pre-construction raptor nest and Federal threatened and endangered (T&E) species surveys at infill well pad expansions as well as new construction sites. These biological surveys are conducted prior to final surveying for a project. The purpose of the biological surveys is to implement avoidance strategies where possible and minimize potential impact to nesting raptors and T&E species. These surveys result in modifications to facility design, minor site location adjustments, and operational awareness that reduce direct and indirect impacts when a habitat of concern is identified. BP has previously conducted these biological surveys, even before adoption of HB 1298 and outside of the context of a WMP to support compliance with the Bald and Golden Eagle Protection Act, the MBTA and ESA concerns. Where active raptor nests are identified, BP coordinates with CDOW on site-specific avoidance strategies that meet the intent of CDOW's raptor nest buffer guidelines;

- *Bald and Golden eagle nest and roost screening, day rig activity*
    - BP exercises diligence to screen completion, workover and non-drilling rig activity using the COGCC 1200 Series Rule map of Bald and Golden eagle Restricted Surface Occupancy areas as well as other known nests and roosts prior to commencing rig work. If rig work is scheduled within a CDOW-recommended avoidance buffer during a recommended seasonal closure, BP coordinates with CDOW on site-specific avoidance strategies that meet the intent of CDOW's raptor nest buffer guidelines.

In addition to the site-specific operational BMPs identified above, as part of this WMP BP has undertaken several additional measures to begin to address the cumulative indirect impacts from their operations in the San Juan Basin. These measures include:

- *Habitat Prioritization Landscape Modeling*
    - BP funded landscape modeling for the purpose of identifying and prioritizing the largest remaining blocks of connected wildlife habitats and corridors in the San Juan Basin. The modeling is being used to identify priority areas to focus efforts to protect, enhance, and restore wildlife habitats in order to mitigate incremental cumulative impacts (both direct and indirect) on a landscape scale. The initial results of this modeling effort have been incorporated into Section III and IV of this WMP, and will be used to guide implementation of on the ground habitat mitigation projects to offset habitat loss from development;

- *Funding for evaluating wildlife species behavioral* and population response to gas well development within the San Juan Basin, Colorado.

  BP has committed up to $475,000 over the next six years to evaluate the effects of natural gas development on wildlife in the San Juan Basin. BP and the CDOW are working on the study plan and design details.

The remainder of the WMP focuses on the replacement of habitats directly impacted by BP's development activities. Although discussed in Section II.b., below, indirect impacts were considered in Appendices A and B only for evaluating *potentially* impacted species and habitats and for the modeling associated with identifying suitable onsite and offsite mitigation areas. ***Only the estimated direct impacts (actual land disturbance and vegetation removal) from BP's proposed facilities were used for calculating the initial goals for mitigation of unavoidable adverse impacts.***

b. Mitigation Goals for WMP

The amount of replacement habitat necessary to offset direct unavoidable adverse impacts from BP's proposed activities must compensate for the amount of habitat that is directly removed during development, plus the loss of habitat functionality within that landscape. Thus, the amount of habitat necessary to offset direct development impacts is only met when the replacement habitat is quantitatively and functionally equivalent to the impacted habitat for the affected species. This approach to mitigation requires that: (1) there is suitable replacement habitat remaining to support the desired populations of species impacted, and (2) the replacement habitat is preserved for as long as the habitat to be replaced is impacted.

The Project Team believes that there is suitable replacement habitat remaining in the San Juan Basin to support desired populations of the species identified in Section I, and that the preservation of replaced habitats to offset BP's development activities can be accomplished through the implementation of this WMP. The WMP is focused on mitigating the direct impacts from habitat removal through establishing functionally equivalent habitat offsets, recognizing that this approach does not address indirect impacts or the overall cumulative effects associated with BP's development activities. Therefore, ***the overall mitigation goal for this WMP is to offset the direct habitat loss from BP's proposed facilities, taking into account both the quantity and functional value of habitat being lost.***

The direct impacts from habitat removal associated with BP's proposed development activities over the next two years are summarized in **Table 1** below. BP anticipates constructing these facilities within the next two years, but may have up to six years to develop these facilities under this WMP. Due to the variable nature of the business environment for natural gas development in the San Juan Basin, both BP and CDOW agree that Table 1 may be modified during the implementation of the WMP to account for modifications in BP's plan of development that require changes to facilities included in Table 1. In the event that facilities are added or deleted from

Table 1, the mitigation goal for this WMP will be adjusted to account for the direct habitat loss associated with these facilities.

Table 1
Estimated Direct Habitat Loss (Vegetation Removal) from Proposed Facilities

	Pad			Access Road	Pipeline	Ownership
Wellsite	New/ Expansion	Pad Type	New Disturbance (Acres)[1]	New Disturbance (Acres)[1]	New Disturbance (Acres)[1]	Min/Surf
James GU A #2	New	SGL	1.83	0.50	6.27	Fee/Fee
Klusman Ranches GU #3	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Lewis GU #2	New	SGL	1.83	0.32	N/A	Fee/Fee
Martinez, GU A #2, #4	New	DBL	1.83	0.75	7.33	Fee/Fee
Morrison, Hubert GU A #4	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Neleigh GU 01-07 #4	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Sitton Federal GU #4	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Taylor GU 21-23 #3	Expansion	TPL	1.17	N/A	N/A	Fee/Fee
Weaselskin GU #3, #4	Expansion	TPL	1.17	N/A	N/A	Fee/Fee
Baird GU A #2, #4	New	DBL	1.83	0.38	2.17	Fee/Fee
Barnes GU A #3	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Barnes, John GU A #3	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Craig GU #3	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Daughetee, LA GU #3, #4	Expansion	TPL	1.17	N/A	N/A	Fee/Fee
Dry Creek Federal GU #2	New	SGL	1.83	0.89	0.99	Fee/Fed
Dunavant GU 1-15U #3	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Farmer GU #4	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Gosney GC A #3, #4	Expansion	TPL	1.17	N/A	N/A	Fee/Fee
Groff GU A #3	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Hungerford GU A PLA-6 #4	Expansion	TPL	1.17	N/A	N/A	Fee/Fee
James GU A #5	Expansion	TPL	1.17	N/A	N/A	Fee/Fee
Jones GU #4	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Jones, Lawrence GU A #4	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Klusman GU A #3	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Klusman Ranches GU #4	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Lamke GU A #3	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Maestas GU A #4	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Mankins, Howard GU #4	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Mason, Arthur GU A #4	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
McCarville GU C #3	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
McCarville GU C #4	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Pan Am GU C #2, #4	Expansion	TPL	1.17	N/A	N/A	Fee/Fee
Patrick, Gary GU #2, #4, Sparks GU B #2, #4	New	QPL	1.83	0.77	2.24	Fee/Fee
Paul Martin SWD	New	SGL	1.83	N/A	N/A	Fee/Fee
Phillips GU A#3	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Ray, Billy GU #4	Expansion	DBL	1.17	N/A	N/A	Fee/Fee

Short, Alva GU A #3	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Short, Lyle GU A #3	New	SGL	1.83	0.73	N/A	Fee/Fee
Short, Lyle GU A #4	Expansion	QPL	1.17	N/A	N/A	Fee/Fee
Southern Ute GU AK #3, #4	New	DBL	1.83	0.04	0.62	Fee/Fee
Southern Ute GU DD #2, #3, #4	New	TPL	1.83	N/A	N/A	Fee/Fee
Spanish Fork GU A #4	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Ute GU AA #4	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Clary GU #3	Expansion	DBL	1.17	0.53	N/A	Fee/Fee
Clary GU #4	Expansion	DBL	1.17	0.16	N/A	Fee/Fee
Dekay GU A #4	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Dustin GU 09-01 #3	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
McCarville GU B #4	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Ray, Billy GU #3	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Southern Ute 32-09; 06-02 #2	New	SGL	1.83	0.84	1.74	Fee/Fee
Tinker GU 02-09 #4	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
2008LP001 Fee	New	N/A	N/A	N/A	8.19	No Tribal
2008LP012/014	New	N/A	N/A	N/A	9.99	No Tribal
2008LP018 BH Trail	New	N/A	N/A	N/A	16.53	Tribal cut out
2008Lp020/0224/030/41	New	N/A	N/A	N/A	12.97	No Tribal
2008LP022	New	N/A	N/A	N/A	3.99	No Tribal
2008LP039	New	N/A	N/A	N/A	0.00	Line Bored
2009Lp008	New	N/A	N/A	N/A	4.41	No Tribal
2009LP014	New	N/A	N/A	N/A	3.87	No Tribal
2009WL001	New	N/A	N/A	N/A	6.06	No Tribal
2010LP013	New	N/A	N/A	N/A	3.66	No Tribal
Brinks Draw	New	N/A	N/A	N/A	13.09	Tribal cut out
2008 LP040	New	N/A	N/A	N/A	0.15	No Tribal
Sparks Patrick	New	N/A	N/A	N/A	2.30	No Tribal
			76.44	**+ 5.92**	**+ 106.59**	**= 188.94**

TOTAL HABITAT LOSS FROM DIRECT DISTURBANCE = 188.94 ACRES

[1] Total acres of new disturbance include areas that will have interim reclamation

The above goals are to be modified by Section III (below) based on the functional value of the habitat where the impacts occur, and the functional value of the mitigation project proposed to offset the impacts.

III. Mitigation Program and Offsets for Unavoidable Impacts

a. TNC Evaluation of Potential Mitigation Sites

i. Evaluation of Potential Onsite Mitigation Areas

In cooperation with CDOW, TNC conducted an analysis of important wildlife habitat and resources within the development area. The purpose was to identify high quality habitats within the area in order to encourage BP to minimize or avoid future development in or near those areas to the extent possible, and to identify any opportunities for onsite mitigation. TNC's onsite analysis

highlighted high quality habitats, and known locations of selected RSO and SWH species.

TNC used a habitat evaluation protocol, previously used by CDOW when evaluating proposed well locations in the San Juan Basin. This protocol examined 9 habitat qualities or factors that increase the importance of habitat for mule deer and other species of concern within the San Juan Basin. Using a 30 meter grid overlaid on the development area, TNC counted the number of factors present within a 0.25 mile buffer of each individual grid cell. These factors included:

A. Documented high mule deer density during winter months;
B. Sagebrush habitat;
C. Riparian habitat;
D. Pinyon habitat;
E. Irrigated agriculture;
F. South-facing slopes;
G. Absence of residential or industrial development;
H. Absence of existing well pad or producing pad (assuming a 2-acre footprint); and
I. Distance (at least 1640 ft) from State highway or County road.

TNC also documented those areas having 7-8 factors present where habitat quality could be increased through sagebrush or other native habitat restoration in the surrounding area. Finally, TNC included known onsite locations of the following RSO and SWH species, selected in consultation with CDOW staff for avoidance:

A. Bald Eagle active nest sites;
B. Bald Eagle winter roost site;
C. Golden Eagle active nest sites;
D. Osprey active nest sites; and
E. Riparian and wetlands areas.

The detailed methodology and results of this onsite analysis are presented in Appendix A. **Figure 2** below shows the results of this analysis to prioritize habitats within the development area.

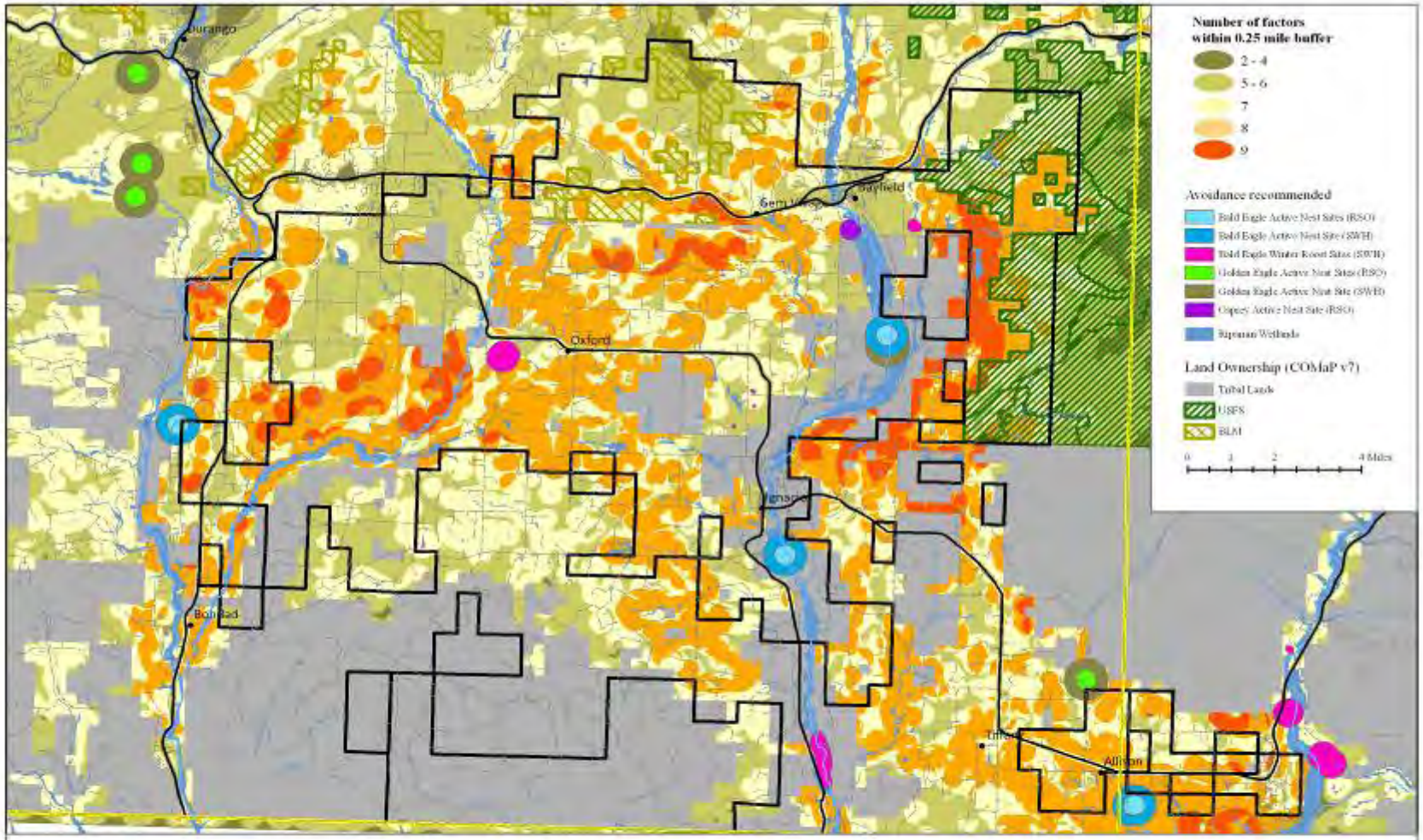


Figure 2 - Onsite Analysis

Onsite Analysis Factors

- Documented high mule deer density during winter months **
- Sagebrush habitat at or adjacent to well location
- Riparian habitat at or adjacent to well location
- South facing slopes at or adjacent to well location
- three distinct cover types (sage, pinyon, and irrigated ag) within 0.25 miles
- absence of residential or industrial development within 0.25 miles
- absence of existing well pad or producing pad (2-acre footprint)
- distance from state highway or county road

** Mule Deer Density: CDOW mapped mule deer observed during winter helicopter classification from 2004 to 2008. These data were collected to estimate age and sex ratios by flying areas of relatively higher density of deer. Density is represented for the areas flown because frequency of encounter and group size are recorded and incorporated. High and medium density areas are defined as that part of the winter range where 50% of the individuals were observed (High Density) or where 90% of the individuals were observed (Medium Density). These areas include what CDOW believes are currently the most important mule deer winter habitat areas within the DAU. They are generally a portion of previously mapped winter and severe winter range.

ii. Evaluation of Potential Offsite Mitigation Areas

TNC used a decision support software called Marxan (Ball and Possingham 2000) to identify potential mitigation sites to offset anticipated direct and indirect impacts to wildlife habitat and resources (see Kiesecker et al. 2009 for example). Marxan attempts to optimize the trade-offs between conservation and the cost of achieving those goals by converging on a set of potential sites that achieve conservation goals while minimizing those factors likely to make management more challenging and costly. TNC included the following inputs into Marxan:

A. GIS layers representing SWH and RSO wildlife resources as well as other selected conservation targets;
B. Mitigation goals represented by the acres of direct and potential indirect impacts to wildlife habitat and resources calculated at three different scales of expected development;
C. A cost surface representing urban development, roads, oil and gas wells, pipelines, transmission lines, and mine locations in the project area; and
D. A boundary length modifier intended to promote Marxan solutions which cluster the selected sites. A more fragmented network of potential sites would have a greater overall boundary length and would likely lead to less desirable fragmentation of important wildlife habitat.

TNC also removed Tribal lands and the area within the proposed development field from consideration for offsite mitigation sites. With these parameters, TNC generated a set of potential offsite mitigation sites for the following development scenarios:

A. Site-specific development footprint (anticipated development within the next 2 years) with sites selected to mitigate for potential impacts in the county in which they occur;
B. Intermediate development footprint (development build-out based on well sites where infill is possible in future years) with sites selected to mitigate for potential impacts in the county in which they occur; and
C. Broad development footprint (assuming all areas within development area boundary are impacted) with sites constrained to mitigate for potential impacts in the county in which they occur.

The complete analysis for evaluating offsite mitigation areas is contained in Appendix B. **Figure 3** below shows an example set of potential offsite mitigation sites selected to offset impacts from the intermediate development footprint (scenario “B” above). Note that TNC also generated a set of potential offsite mitigation sites for each development scenario unconstrained by county. These results are discussed in detail in Appendix B.

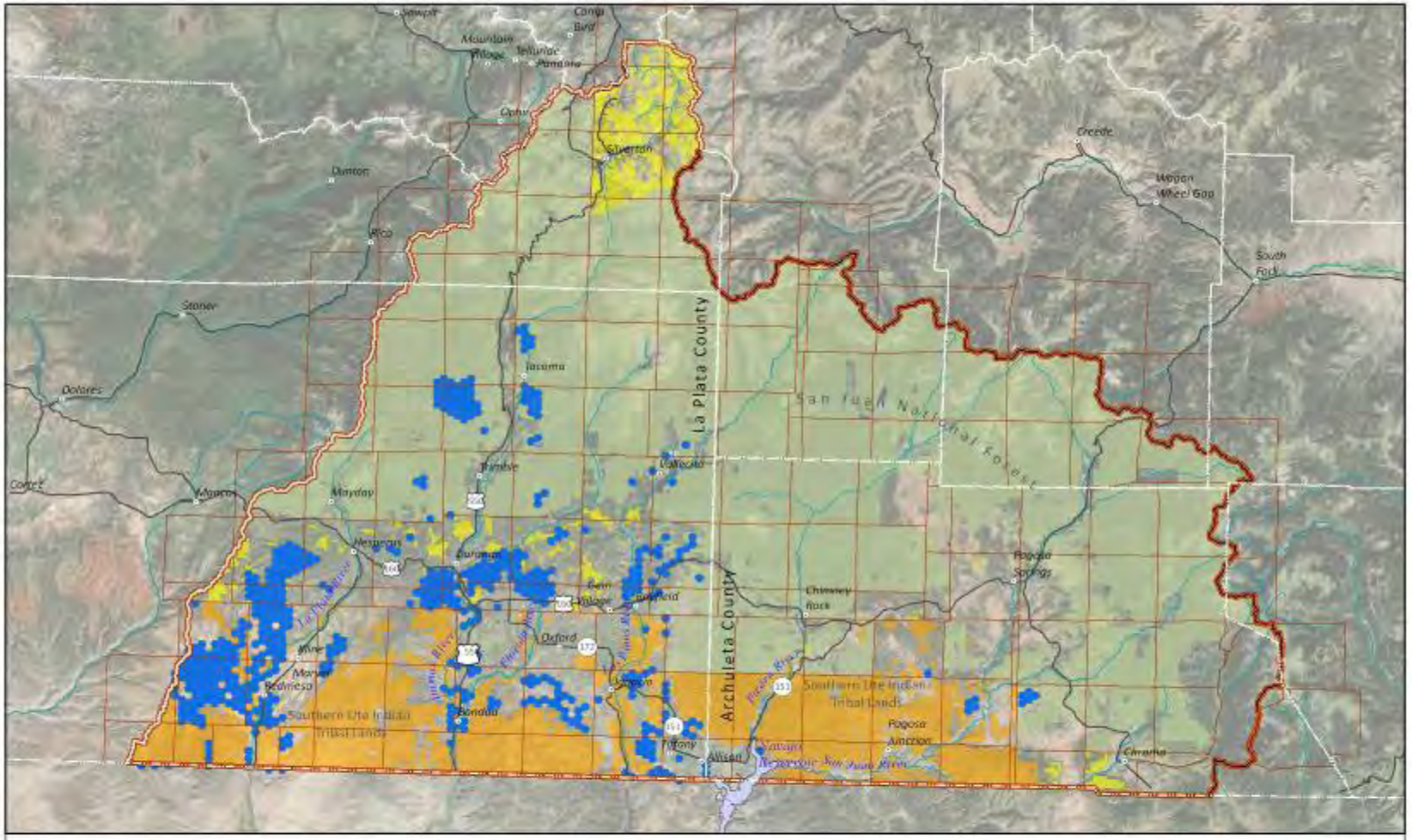


Figure 3 -
Intermediate Development Scenario,
Solution Constrained by County

While the "intermediate development footprint" and "broad development footprint" were used to enhance the variety and number of possible mitigation sites selected by model, the actual mitigation goals for this WMP **only** include the acreage calculated for the "site-specific development" estimated direct habitat loss (as describe in **Table 1**). These "footprints" were not intended to represent actual disturbance, but instead were used to maximize the identification of mitigation sites through modeling.

b. Prioritization of Potential Mitigation Sites

For this WMP, CDOW believes that the most effective mitigation strategy to maintain existing wildlife populations is to identify priority mitigation areas on a landscape scale and implement habitat preservation, creation, restoration, and enhancement projects within these areas based on the level of incremental habitat loss occurring throughout the San Juan Basin.

This type of mitigation identifies priority areas for multiple species that are protected from oil and gas development and other land use changes to the extent necessary to preserve existing and future wildlife use. The mitigation areas should be sufficient to ensure viable populations at landscape scale by maintaining local populations and connectivity among populations, while allowing greater levels of development to proceed outside of protected areas without population-level adverse impacts to wildlife resources. The conservation value of a particular mitigation area reflects its contribution to the sustainability of wildlife populations measured at the regional scale.

With this in mind, CDOW selected 11 priority mitigation areas throughout the San Juan Basin, using both the onsite and offsite evaluation of potential mitigation areas conducted by TNC. Priority mitigation areas were selected within and outside BP's existing and projected development areas in order to preserve existing north-south migratory movements by big game and the continued use of key habitat areas by other wildlife species within the San Juan Basin. The priority mitigation areas identified for this WMP are identified in **Figure 4** below. The intent of the WMP is to offset direct impacts from BP's proposed facilities (regardless of where they are located within the San Juan Basin) with specific mitigation projects implemented within the identified high priority mitigation areas.

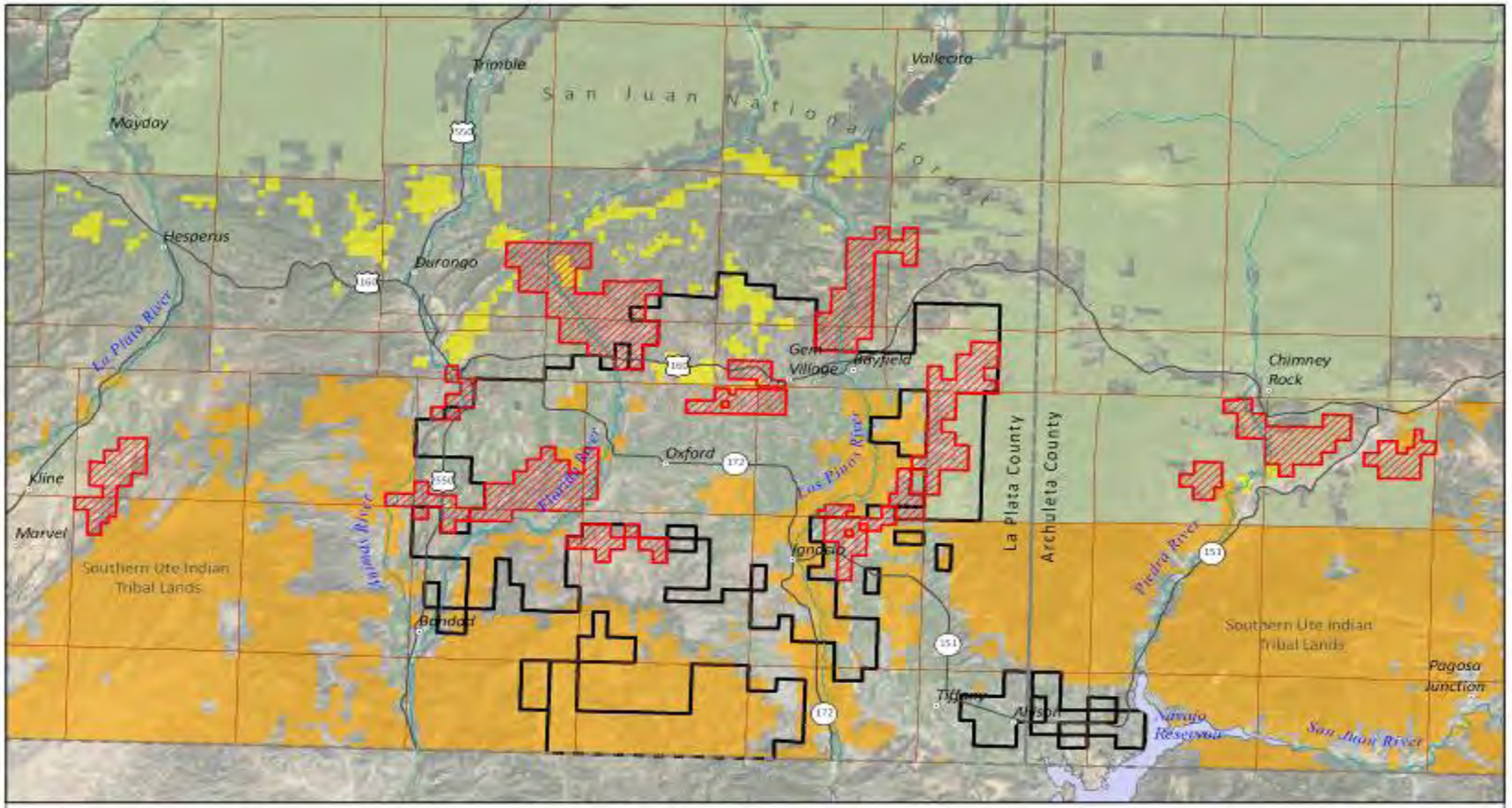


Figure 4 - San Juan Basin Priority Mitigation Areas

The overarching goals for all priority mitigation areas and individual mitigation projects implemented under the WMP include:

i. Preserving existing high quality habitats by limiting additional habitat loss and non-compatible land use changes, and

ii. Improving habitat conditions as necessary in order to obtain functional wildlife habitat for mitigation offsets.

Building on the general goals above, CDOW will develop a site-specific set of land cover, habitat quality, and land conservation goals for each priority mitigation area. Facilitating the donation of conservation easements or other land interests that preserve wildlife compatible land uses, where appropriate, will be a priority within these areas. Seasonal avoidance and geographically targeted development within these areas is also important to reduce the footprint of human activity and impacts to wildlife.

Habitat creation, restoration, and enhancement projects may be used to improve habitat conditions as part of a mitigation project. Any habitat improvement projects will focus on factors that limit populations, and must be approved by CDOW on a case-by-case basis. In the San Juan Basin, the availability of winter forage is considered a limiting factor for big game, and the availability and continuity of undeveloped riparian habitats year-round is considered a limiting factor for many of the other target species addressed in the WMP. Landowner participation in mitigation projects within the priority mitigation areas is voluntary.

c. Implementation of Offsets (Mitigation Projects)

Implementation of mitigation projects to offset impacts will be supervised by an "Implementation Team" comprised of two representatives from CDOW and two representatives from BP. The Implementation Team will: (1) identify suitable projects to offset impacts, (2) assess the functional habitat value of the mitigation project as compared to the functional habitat loss resulting from impacts associated with proposed facilities, and (3) track impact, mitigation, and mitigation off-set acres on an annual basis. The Implementation Team will review the annual monitoring reports required for each mitigation site and annually review the status of the mitigation goals and mitigation offsets completed under the WMP (Section III.d.).

i. Identification of Individual Mitigation Projects

Potential offset mitigation properties will be identified cooperatively by members of the WMP Implementation Team. Any member of the WMP Implementation Team may bring a potential mitigation property to the attention of the remainder of the Team. When a parcel is identified as a potential mitigation property, the WMP Implementation Team will schedule an onsite inspection to informally investigate the property, discuss property attributes,

existing and desired conditions, and constraints. If all members of the WMP Implementation Team agree that it is worthwhile to pursue the property as offset mitigation, CDOW will prepare a brief ***Project Description*** that identifies that attributes of the property and its potential as mitigation. The following information will be included in the ***Project Description***:

- ***Site and Mitigation Project Information***
  - Project name
  - Location of the site (regional map) and legal description
  - Details of site (e.g., size, topography, soils, present vegetation, existing site conditions, etc.)
  - Mitigation acreage goals remaining for WMP
  - Existing condition of the property and desired conditions
  - Proposed mitigation acreage for the site per Section III.c. above and justification—including specific execution information related to any proposed habitat treatments, such as seed mix, seeding rates, application and manipulating practices, and estimated time-frame to reach site goals
  - Proposed general success criteria for any treatments

- ***Site Map***

  Shall be no larger than 11 x 17 (unless a different scale is requested by the WMP Implementation Team), including:
  - Landmarks, including property boundary(s) and existing features
  - General habitat types referenced in the mitigation goals for the site

Upon review of the ***Project Description***, BP will make the final determination to pursue or decline the property, along with any proposed habitat improvements, as a mitigation project to offset impacts.

ii. Adjustment of Mitigation Goals

The Implementation Team will apply the following adjustments to mitigation goals to account for the functional habitat loss resulting from direct impacts in priority areas, successful interim reclamation, and the functional habitat value of the specific mitigation projects being implemented to offset impacts.

A. Adjustment of Mitigation Goals Based on Direct Impacts in Priority Areas

Due to the quality of the existing habitat within identified high priority mitigation areas, and the specific focus in this WMP on maintaining and improving habitat quality within these areas, direct impacts occurring in high priority mitigation areas will be offset by equivalent mitigation projects at a 5:1 ratio (mitigation area to area of direct habitat loss). The estimated direct habitat loss described in **Table 1** above is revised below in **Table 2** to reflect mitigation goals based on the high functional value of habitat lost in priority areas. Note that habitats impacted outside of high priority

mitigation areas will be offset by mitigation projects at a 1:1 ratio (mitigation area to area of direct habitat loss).

Table 2
Estimated Functional Direct Habitat Loss from Proposed Facilities

	Pad			Access Road	Pipeline	Ownership
Wellsite	**New/ Expansion**	**Pad Type**	**New Disturbance (Acres)[1]**	**New Disturbance (Acres)[1]**	**New Disturbance (Acres)[1]**	**Min/Surf**
James GU A #2	New	SGL	1.83	0.50	6.27	Fee/Fee
Klusman Ranches GU #3	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Lewis GU #2	New	SGL	1.83	0.32	N/A	Fee/Fee
Martinez, GU A #2, #4	New	DBL	1.83	0.75	7.33	Fee/Fee
Morrison, Hubert GU A #4	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Neleigh GU 01-07 #4[2]	**Expansion**	**DBL**	**5.85**	**N/A**	**N/A**	**Fee/Fee**
Sitton Federal GU #4	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Taylor GU 21-23 #3	Expansion	TPL	1.17	N/A	N/A	Fee/Fee
Weaselskin GU #3, #4	Expansion	TPL	1.17	N/A	N/A	Fee/Fee
Baird GU A #2, #4	New	DBL	1.83	0.38	2.17	Fee/Fee
Barnes GU A #3	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Barnes, John GU A #3	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Craig GU #3	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Daughetee, LA GU #3, #4	Expansion	TPL	1.17	N/A	N/A	Fee/Fee
Dry Creek Federal GU #2	New	SGL	1.83	0.89	0.99	Fee/Federal
Dunavant GU 1-15U #3	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Farmer GU #4	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Gosney GC A #3, #4	Expansion	TPL	1.17	N/A	N/A	Fee/Fee
Groff GU A #3	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Hungerford GU A PLA-6 #4	Expansion	TPL	1.17	N/A	N/A	Fee/Fee
James GU A #5	Expansion	TPL	1.17	N/A	N/A	Fee/Fee
Jones GU #4	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Jones, Lawrence GU A #4[2]	**Expansion**	**DBL**	**5.85**	**N/A**	**N/A**	**Fee/Fee**
Klusman GU A #3	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Klusman Ranches GU #4	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Lamke GU A #3	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Maestas GU A #4	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Mankins, Howard GU #4	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Mason, Arthur GU A #4	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
McCarville GU C #3	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
McCarville GU C #4	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Pan Am GU C #2, #4	Expansion	TPL	1.17	N/A	N/A	Fee/Fee
Patrick, Gary GU #2, #4, Sparks GU B #2, #4	New	QPL	1.83	0.77	2.24	Fee/Fee
Paul Martin SWD	New	SGL	1.83	N/A	N/A	Fee/Fee
Phillips GU A#3[2]	**Expansion**	**DBL**	**5.85**	**N/A**	**N/A**	**Fee/Fee**
Ray, Billy GU #4	Expansion	DBL	1.17	N/A	N/A	Fee/Fee

Short, Alva GU A #3	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Short, Lyle GU A #3	New	SGL	1.83	0.73	N/A	Fee/Fee
Short, Lyle GU A #4	Expansion	QPL	1.17	N/A	N/A	Fee/Fee
Southern Ute GU AK #3, #4	New	DBL	1.83	0.04	0.62	Fee/Fee
Southern Ute GU DD #2, #3, #4[2]	**New**	**TPL**	**9.15**	**N/A**	**N/A**	**Fee/Fee**
Spanish Fork GU A #4	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Ute GU AA #4	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Clary GU #3	Expansion	DBL	1.17	0.53	N/A	Fee/Fee
Clary GU #4	Expansion	DBL	1.17	0.16	N/A	Fee/Fee
Dekay GU A #4	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Dustin GU 09-01 #3	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
McCarville GU B #4	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Ray, Billy GU #3	Expansion	DBL	1.17	N/A	N/A	Fee/Fee
Southern Ute 32-09; 06-02 #2	New	SGL	1.83	0.84	1.74	Fee/Fee
Tinker GU 02-09 #4[2]	**Expansion**	**DBL**	**5.85**	**N/A**	**N/A**	**Fee/Fee**
2008LP001 Fee	New	N/A	N/A	N/A	8.19	No Tribal
2008LP012/014	New	N/A	N/A	N/A	9.99	No Tribal
2008LP018 BH Trail	New	N/A	N/A	N/A	16.53	Tribal cut out
2008Lp020/0224/030/41	New	N/A	N/A	N/A	12.97	No Tribal
2008LP022	New	N/A	N/A	N/A	3.99	No Tribal
2008LP039	New	N/A	N/A	N/A	0.00	Line Bored
2009Lp008	New	N/A	N/A	N/A	4.41	No Tribal
2009LP014	New	N/A	N/A	N/A	3.87	No Tribal
2009WL001	New	N/A	N/A	N/A	6.06	No Tribal
2010LP013	New	N/A	N/A	N/A	3.66	No Tribal
Brinks Draw	New	N/A	N/A	N/A	13.09	Tribal cut out
2008 LP040	New	N/A	N/A	N/A	0.15	No Tribal
Sparks Patrick	New	N/A	N/A	N/A	2.30	No Tribal
			102.48	**+ 5.92**	**+ 106.59**	**= 214.98**

FUNCTIONAL HABITAT LOSS FROM DIRECT DISTURBANCE = 214.98 ACRES

[1] Total acres of new disturbance include areas that will have interim reclamation credited back once completed.
[2] Bold text reflects a 5x multiplier for development occurring in priority mitigation areas with high functional value.

B. Adjustment of Mitigation Goals Based on Interim Reclamation

BP has an extensive interim reclamation program, reclaiming areas not needed on an ongoing basis for production operations once construction of a new facility is complete. Interim reclamation includes a variety of seed mixes intended to meet BP's stormwater requirements and to return these areas to productive wildlife habitat as quickly as possible (Appendix C).

Nearly all of BP's proposed facilities addressed in this WMP are located within mule deer critical winter range or elk winter concentration areas. Sage and other shrubs are a critical component of mule deer winter range. Mule deer shift their diets to predominately shrubby vegetation following fall frosts. In winter, shrubs may comprise 75 percent or more of their diet.

Thus, establishing a healthy shrub component is important in returning interim reclaimed areas to productive winter wildlife habitat.

BP will monitor interim reclamation areas to determine when they develop sufficient sage and other suitable winter forage for big game in order to provide productive winter habitat. Appendix D contains performance criteria that will be used by the WMP Implementation Team for adjusting the mitigation goals contained in **Table 2** to provide BP credit on an acre-per-acre basis for successful completion of interim reclamation. The performance criteria in Appendix D ensures that credit for interim reclamation will be provided once these reclaimed areas become productive winter wildlife habitat.

C. Adjustment of Mitigation Goals Based on Functional Value of Mitigation

For the purposes of this WMP, the Project Team identified three factors to assess the functional value of each proposed mitigation project: 1) type and longevity of habitat protection, 2) presence of wetlands, riparian areas, or other critical surface water features, and 3) geographic location with respect to identified priority mitigation areas.

Type and Longevity of Habitat Protection. Protecting or limiting impacts from future development on existing, high quality, functioning habitats is a priority of this WMP. As such, all mitigation projects implemented under this WMP to offset long term habitat impacts will require some form of habitat protection. Protection of existing high quality habitat may not have the greatest population or landscape-level wildlife response to mitigation actions. However, it is a priority under the WMP due to the amount of functioning high quality habitat that exists within the affected area to maintain objectives for the wildlife populations and herd units affected by development.

Examples of potential habitat protection mechanisms include:

1. Conveyance of surface and/or mineral rights on a parcel containing high quality mule deer winter range to a conservation organization or land trust through restrictive covenant or other forms of deed restriction (Note that CDOW will not acquire any surface or mineral rights under this WMP).
2. Purchasing development rights from a private landowner for varying terms;
3. Providing supplemental funds to assist private landowners wishing to place their property in a program to provide quality wildlife habitat for a term not less than 15 years.

Long term protection of existing high quality habitats has higher functional value for impacted wildlife than short term protection. With this in mind, mitigation goals will be adjusted for mitigation projects that protect wildlife use of existing high quality habitat based on the type and tenure of habitat protection as describe in **Table 3** below:

Table 3 - Adjustment of Mitigation Goals for Type of Land Protection

Type of Land Protection	Mitigation Adjustment (ratio of mitigation project acres/acres of impacted habitat)
Perpetuity (restrictive covenant limiting both surface and mineral development)[1]	0.5:1
Perpetuity (surface restrictive easement only)[1]	1:1
Long Term Surface Lease (20 yrs or greater)	3:1
Long Term Surface Lease (15-19 yrs)	5:1

[1] For the purposes of this WMP, protecting the surface in perpetuity means a restrictive covenant on the surface estate that runs with the land, restricting mineral development to one well pad per 160 acres, and allowing no more than one additional building envelope on properties larger than 80 acres in size (no additional building envelopes for properties less than 80 acres). Restriction on mineral development means foregoing mineral development in perpetuity on the same parcel subject to a restrictive covenant on the surface.

Wetlands, Riparian Areas, or Other Critical Surface Water Features. The presence of wetlands, riparian areas, and other critical surface water features provide essential habitat elements that also raise the functional value of wildlife habitat for the target species identified in this WMP. With this in mind, mitigation goals will also be adjusted as described in **Table 4** below for mitigation projects that include wetlands, riparian areas, or other critical surface water features:

Table 4 - Adjustment of Mitigation Goals for Including Wetlands, Riparian Areas, or Other Critical Surface Water Features in Mitigation Project

Feature that Adds Functional Habitat Value	Mitigation Adjustment (ratio of mitigation project acres/acres of impacted habitat)
Wetland, Riparian Area, or other Critical Surface Water Feature[1]	0.75:1 (based on acres of actual wetland, riparian area, or other water feature size – not parcel size).

[1] For the purposes of this WMP, wetland = wetland per USACOE 1987 Manual and applicable Regional Supplement (without regard to regulatory jurisdiction); riparian area = 2010 mapped FEMA 100 year floodplain, or if the floodplain is unmapped, 300 ft. from centerline of any USGS mapped perennial stream. The presence of "other critical surface water features" that qualify for this adjustment will be determined by CDOW on a site-specific basis based on the value of the surface water feature for wildlife in the context of the entire property and surrounding lands.

CDOW gave each of the mitigation components described in **Tables 3 and 4** a relative functional value to assist in calculating the impact offset value of a particular mitigation project. The intent is to provide BP an incentive to

implement mitigation projects with the highest ecological value. Thus, BP can achieve the same level of impact offset by completing a small mitigation project with relatively high ecological value as it could by completing a larger mitigation project with relatively low ecological value.

Several examples illustrating how the functional value of mitigation projects and mitigation goal adjustments would be determined under this WMP are described below:

Example #1 Project Facts - The mitigation goal for habitat loss associated with direct disturbance from proposed facilities is **100 acres**. BP and CDOW agree to implement a preservation project to protect in perpetuity 160 acres of combination sage meadow, wetland, and riparian habitat that currently provides excellent habitat for mule deer and is located within one of the priority conservation/mitigation areas identified in the WMP. The 160 acres contains 5 acres of functioning wetlands (per USACOE 1987 Manual and 2008 Supplement) that are maintained from water rights associated with the property that will be retained in perpetuity. It also contains 45 acres of riparian habitat based on the 2010 FEMA 100 yr floodplain map. The 160 acres will be protected with an appropriate restrictive covenant on the surface that limits any new development to one building site and one well pad per 160 acres.

Example #1 Mitigation Goal Adjustments –

1) *Type and Longevity of Habitat Protection* - The project will protect 160 acres of existing high quality habitat in perpetuity with a surface conservation easement. The mitigation adjustment (ratio of mitigation project acres/ acres of impacted habitat) is 1:1 (see Table 3). Since the ratio is 1:1, no additional mitigation acres are credited or subtracted from the 160 acre project.
2) *Presence of Wetlands, Riparian Areas, or Other Critical Water Features* – The project contains 5 acres of jurisdictional wetlands that will be maintained in perpetuity and an additional 45 acres of riparian habitat. The mitigation adjustment for the 50 combined acres of wetland and riparian habitat is 0.75:1 (see Table 4). Put another way, the 50 acres of wetlands and riparian habitat is worth 50 x 1/.75 = 66.67 acres of mitigation due to its functional value. Thus the wetland/riparian portion of the project is worth an additional (66.67-50 = 16.67 acres) of mitigation due to the functional value of the wetland area.

Example #1 Summary - The 160 acre preservation project would have a functional value as mitigation for 160 + 16.67 = 176.67 acres of direct habitat loss. Since the mitigation goal to offset habitat loss is 100 acres, the project exceeds the mitigation goal by 76.67 acres, leaving a "bank" of the additional 76.67 acres of mitigation value to offset future habitat losses.

Example #2 Project Facts - The mitigation goal for habitat loss associated with direct disturbance from proposed facilities is **100 acres**. BP and CDOW agree to purchase a 21 year lease on a 320 acre private parcel within a priority area that contains dry land pasture. The lease terms would remove all grazing and require that the property be managed solely as wildlife habitat. BP and CDOW agree that in order for the property to function as wildlife habitat, approximately 160 of the 320 acres would be seeded with sage and native grasses and forbs, and invasive species control would be implemented for three years.
Example #2 Mitigation Goal Adjustments – *Type and Longevity of Habitat Protection* - The project will lease 320 acres for wildlife habitat for 21 years, requiring 160 acres of seeding and invasive species control. The mitigation adjustment (ratio of mitigation project acres/ acres of impacted habitat) is 3:1 for a 21 year lease (see Table 3).
Example #2 Summary - The 320 acre, 21 year habitat lease within a priority area would have a functional value as mitigation for 320 x 1/3 = 106.7 acres of permanent direct habitat loss. Since the mitigation goal to offset direct habitat loss is 100 acres, the project exceeds the mitigation goal by 6.7 acres, leaving a bank of 6.7 acres of mitigation value to offset future habitat losses.

d. Monitoring and Reporting Requirements

Once a property has been identified as a mitigation parcel, and BP has accepted a ***Project Description*** for the property, a ***Biological Baseline Report (BBR)*** will be completed prior to implementation of the mitigation project in order to quantify the existing condition and relevant features of the property and its wildlife conservation values. The purpose of the **BBR** is to establish a starting point from which the success or failure of the mitigation project can be measured, and to provide establishment of appropriate on-going monitoring protocols for the variables that will be used to assess the progress of the project through time. The BBR must be approved by all members of the Implementation Team.

The components of the **BBR** for individual mitigation projects may vary depending on the specific type of mitigation project being implemented, but in all cases the **BBR** should: (A) assess the existing condition of major ecological components of the mitigation site based on existing information, and where existing information is lacking, compile appropriate quantitative information, and (B) establish a monitoring plan to assess whether the objectives and goals of the mitigation actions are being achieved. The monitoring plan should:

i. Identify specific, measurable goals (success criteria) for the mitigation site based on the habitat components existing at the site and the desired condition of the specific habitat components that are the focus of the mitigation project;
ii. Identify the monitoring protocols and frequency of monitoring required to determine whether the success criteria have been met;
iii. Establish a timeline for achieving the identified success criteria for the mitigation site. The monitoring plan should include annual goals that must be met each year to move towards ultimately achieving the success criteria, and

remedial actions that will be taken if the annual goals are not achieved. A monitoring report format should also be established.

Monitoring will be used to assess progress toward maintaining and/or achieving the objectives of individual mitigation projects that have been selected by the WMP Implementation Team. Periodic monitoring of the site will occur per the monitoring schedule outlined in the **BBR.** Failure to meet the identified success criteria for the mitigation site within the timeline established in the **BBR** may result in loss of mitigation credit for the project or delayed mitigation credit until success criteria have been met. In evaluating success criteria, modifications or adjustments may be necessary if negative conditions beyond the control of BP occur, including, but not limited to, acts of God, acts of the government, unusually severe weather and any other significant and unforeseeable events.

The periodic monitoring data shall be compiled in a site-specific ***Periodic Monitoring Annual Report* (*PMAR*)**. This report shall be reviewed and approved by the Implementation Team in accordance with section III c (above). Components of the report should include information such as:

- ***Site and Mitigation Project Information***
  - Project name
  - Indication of monitoring period and report number (i.e. first annual report, second annual report, third, etc.)
  - Details of site (e.g. present vegetation, existing site conditions, etc.).
  - Dates of implementations and milestones.
  - List of equipment and methods employed at the site
  - List of problems and implemented and proposed remedial measures.
  - Any proposed subsequent year monitoring schedule alterations.
  - Any proposed alterations to mitigation site success criteria.
  - A current year quantitative data summary.
  - Tabulated quantitative and qualitative data of subsequent annual reports versus success criteria and goals from the **BBR.**
  - Summary—including a qualitative assessment of mitigation site progress.
  - Implementation Team's signatures of approval.
  - Appended periodic monitoring field forms.

- ***Site Map***

  Shall be no larger than 11 x 17 unless a different scale is requested by the WMP Implementation Team and including:
  - Landmarks, indicating revised and altered property boundary(s) and site features.
  - Existing habitat types and areas of treatments and alterations (if any).
  - Locations of any established and newly proposed photographic record stations and long-term sample points or plots for measuring success criteria.

Following approval of the **PMAR** it shall be appended to the **BBR.** The Implementation Team shall meet quarterly to review the status of individual mitigation projects, and annually to review the status of the WMP. BP will provide CDOW an annual summary of facilities developed under the WMP, interim reclamation efforts for those facilities (including the monitoring of interim reclamation success per Appendix D), and mitigation projects implemented to offset unavoidable adverse impacts from developed facilities. This summary will include:

i. Updates to **Table 1** and **Exhibit 1** that identify facilities that have already been developed, and the acres of direct habitat impacts from those facilities;
ii. Any areas of interim reclamation completed per the criteria in Appendix D; and;
iii. The status and mitigation goals for mitigation projects implemented to offset adverse impacts.

Modifications or reprioritization of specific mitigation opportunities, goals, and projects will be discussed during the annual WMP review.

IV. Responsibilities of the Parties

The following summarizes the implementation responsibilities of BP and CDOW (the Parties), and the General Terms of this Plan.

a. BP's Responsibilities

For the facilities describe in **Table 1** and on **Exhibit 1**, BP agrees to continue to implement its impact avoidance and minimization measures outlined in Section II.a., and to implement mitigation offsets for unavoidable adverse impacts as described in this document in a timely manner.

BP agrees to assign two BP staff to the WMP "Implementation Team" described in Section III.c. The Implementation Team will meet quarterly to identify suitable projects to offset impacts and assess the functional habitat value of the mitigation projects utilizing the procedures outlined in this document. The Implementation Team will also review the monitoring reports required for each mitigation site and annually review the status of the mitigation goals and mitigation offsets completed under the WMP. Although CDOW may bring mitigation proposals to the Implementation Team for review, it will be BP's primary responsibility to bring mitigation proposals to the Implementation Team for review.

BP agrees to prepare the **BBR**, conduct periodic monitoring as required in the BBR, and prepare the PMAR for each mitigation site until each project is deemed complete by the WMP Implementation Team. In addition, BP agrees to annually prepare a written summary of the construction status of facilities described in **Table 1** and on **Exhibit 1**.

Due to the sensitivity and irreplaceable nature of RSO resources, the mitigation offsets contemplated in this document do not adequately address these resources. For the facilities describe in **Table 1** and on **Exhibit 1**, BP agrees to observe the RSO buffer restrictions contained in COGCC Rules. If BP cannot reasonably comply with the RSO buffer restrictions for a particular facility, BP agrees to enter into an individual consultation with CDOW on that facility under Rule 306.c. to evaluate options for avoidance, minimization, and mitigation.

b. CDOW's Responsibilities

Per COGCC Rule 1202.d. (2), CDOW agrees to waive its Rule 306.c. consultation process with respect to the facilities described in **Table 1** and on **Exhibit 1**, provided that BP remains in compliance with this document and is making good faith efforts to complete the mitigation commitments described herein in a timely manner. Accordingly, within five days of electronic notice of the posting of a Form 2A, CDOW shall inform COGCC in writing that CDOW waives consultation on the Form 2A. If the Form 2A includes an RSO area, CDOW shall inform BP and COGCC within five days that an individual consultation is required under Rule 306.c.

CDOW agrees that this document shall be used to satisfy any requests from La Plata County or Archuleta County for BP to consult with CDOW regarding the facilities described in **Table 1** and on **Exhibit 1**, or for BP to submit a CDOW-approved mitigation plan for these facilities.

CDOW agrees to assign two CDOW staff to the WMP "Implementation Team" described in Section III.c. The Implementation Team will meet quarterly to identify suitable projects to offset impacts and assess the functional habitat value of the mitigation projects utilizing the procedures outlined in this document. The Implementation Team will also review the annual monitoring reports required for each mitigation site and annually review the status of the mitigation goals and mitigation offsets completed under the WMP. CDOW agrees to assist BP with identifying mitigation proposals for review by the Implementation Team.

c. General Terms

The Parties agree that the WMP shall expire when the facilities, described in **Table 1** and **Exhibit 1,** are constructed, or six years from the signature date of this document, whichever occurs sooner. The parties agree that Table 1 and Exhibit 1 may be amended as necessary during the six year term of the WMP with approval from the Implementation Team. Obligations and commitments made under this WMP related to specific mitigation projects may extend beyond the expiration term of this document, until such projects are deemed complete by the Implementation Team.

Either of the undersigned parties may terminate their consent to this WMP upon 30 days written notice to the other party. Upon such termination, all future benefits and obligations of the parties under this WMP are terminated. Notwithstanding such

termination, the parties remain obligated and are required to continue to comply with the terms and conditions of this WMP, including mitigation projects to offset unavoidable adverse impacts, for any Form 2A that was approved during the effective period of this WMP.

The terms of this WMP may be extended to additional BP-proposed facilities and for additional duration with express written consent of both parties. The Parties agree that the terms of this WMP shall inure to the benefit and be binding upon the parties hereto and the parties' respective successors and assigns. Neither party may assign its rights or obligations under this WMP without express written consent of the other party. It is expressly understood and agreed by the parties that, except for the rights of enforcement by the COGCC, nothing in this WMP shall give or allow claim or right of action by a third party.

The signatories hereto warrant that they possess the legal authority to enter into this WMP and that they have taken all actions required by the respective parties' procedures, by-laws, or applicable institutional authority to execute this WMP and bind the party to its terms and conditions. The persons executing this WMP on behalf of the parties warrant that they have full authorization to execute this WMP.

d. Dispute Resolution

In the event of any dispute or disagreement arising from or relating to this WMP, the parties hereto shall use reasonable efforts to settle the controversy. To this effect, upon notice from one party to the other of a dispute or disagreement, they shall consult and negotiate with each other using the Implementation Team in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties.

V. Execution

BP America Production Company

By: _____ Date: 3/24/11
Print: BRYANT L CHAPMAN
Title: Vice President, Operations

Colorado Division of Wildlife

By: _____ Date: 3/25/11
Print: Thomas J. Spezze
Title: SW Regional Manager

Effective Date: _____
Expiration Date: _____

Noise Mitigation Procedures
Carmelita Gallegos A 3 (Proposed Well)
SWSE Sec. 17, T32N, R5W N.M.P.M.
Archuleta County, Colorado

There is no plan to install gas powered engines on this pad. The artificial lift will be operated using an electric motor estimated to be about 40hp. In the event that LPEA is delayed in providing a service upgrade to the site, BP may choose to install a temporary generator with a gas powered engine until electric service is upgraded to accommodate the new well.

BP adheres to the COGCC noise level regulations for agricultural/rural/residential zones (COGCC Rule 802). If needed, noise mitigation is employed.

bp

Road Impact Plan
Carmelita Gallegos A 3 (Proposed Well)
SWSE Sec. 17, T32N, R5W N.M.P.M.
Archuleta County, Colorado

Outlined below are the anticipated numbers and types of vehicles that will be accessing the proposed Carmelita Gallegos A 3 well with approximated weight class designations.

Site Construction Operations (lasting approximately 14 days):

- Approximately 4 tractor trailers hauling construction vehicles: Class 8 (33,000 pounds and up)
- Approximately 4 belly dump trucks: Class 8 (33,000 pounds and up)
- Approximately 2, ½-ton pickup trucks per day (Class 1: 0 – 6,000 pounds)
- Approximately 2, $^{3}/_{4}$-ton pickup trucks per day (Class 2: 6,001 – 10,000 pounds)

Drilling Operations (lasting approximately 14 days):

- Approximately 10, ½-ton pickup trucks per day (Class 1: 0 – 6,000 pounds)
- Approximately 20, $^{3}/_{4}$-ton pickup trucks per day (Class 2: 6,001 – 10,000 pounds)
- Approximately 2 water trucks per day: Class 7 vehicles (26,001 – 33,000 pounds)
- Approximately 22 Class 8 vehicles (33,000 pounds and up) on initial move in, and 1 additional daily after the first day. These include tractor trailers hauling equipment such as the rig, cementing unit, and tubular deliveries.

Completion Operations – after drilling (lasting approximately 5 days):

- Approximately 2, ½-ton pickup trucks per day (Class 1: 0 – 6,000 pounds)
- Approximately 4, $^{3}/_{4}$-ton pickup trucks per day (Class 2: 6,001 – 10,000 pounds)
- Approximately 1 water truck per day: Class 7 vehicles (26,001 – 33,000 pounds)
- Approximately 6 Class 8 vehicles (33,000 pounds and up) on initial move in and move out and 2 additional during operations. These include tractor trailers hauling equipment such as the rig, cementing unit, and tubular deliveries.

Fracturing Operations – ***if needed*** (over a 5-7 day period):

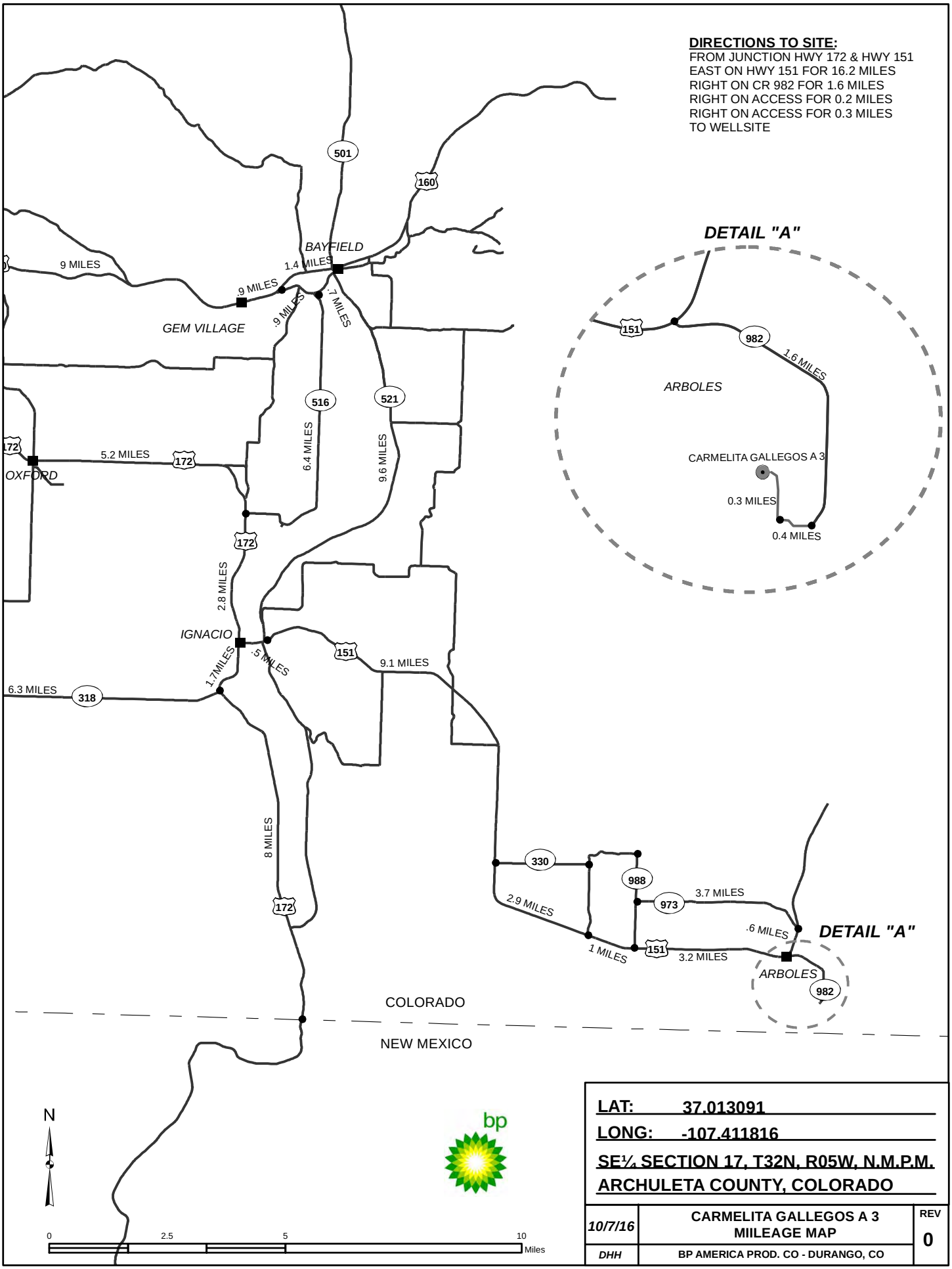
- Approximately 2, ½-ton pickup trucks per day (Class 1: 0 – 6,000 pounds)
- Approximately 2, $^{3}/_{4}$-ton pickup trucks per day, with the exception of day of frac requiring about 8 (Class 2: 6,001 – 10,000 pounds)
- Approximately 22 Class 7 vehicles (26,001 – 33,000 pounds)
    - 4 Wireline, Rig up, Crane on day 1-2
    - 10 Water trucks on day 2-4
    - 8 vehicles on day of frac
- Approximately 60 Class 8 vehicles (33,000 pounds and up) These include tractor trailers hauling equipment
    - 5 Rig up trucks (Frac tanks) on day 1-2
    - 40 Water trucks on day 2-4
    - 15 vehicles on day of frac

Ongoing Production Operations:

- $^{3}/_{4}$-ton pickup trucks (Class 2: 6,001 – 10,000 pounds) will be accessing the well pad about once a day for about 1 month following first delivery of the well. The frequency will taper gradually until it levels out to about once a week at around six months following first delivery.
- A work-over rig is may be at the well pad every two to five years, barring technical issues with the well, in which case a work-over rig will be arriving on site as necessary. The maximum weight of a work-over rig is about 110,000 lbs. The work-over rig typically stays on a well from one to five days, and then moves off. Two to three tractor trailers hauling tubular deliveries will access the site over the course of a work-over. About four $^{3}/_{4}$-ton pickup trucks (Class 2: 6,001 – 10,000 pounds) will arrive on site each day of work-over operations.

Existing Production Operations:

Existing production operations on the Carmelita Gallegos A 1mirror the above section: Ongoing Production Operations.


DIRECTIONS TO SITE:
FROM JUNCTION HWY 172 & HWY 151
EAST ON HWY 151 FOR 16.2 MILES
RIGHT ON CR 982 FOR 1.6 MILES
RIGHT ON ACCESS FOR 0.2 MILES
RIGHT ON ACCESS FOR 0.3 MILES
TO WELLSITE
DETAIL "A"
151
982
1.6 MILES
ARBOLES
CARMELITA GALLEGOS A 3
0.3 MILES
0.4 MILES
501
160
BAYFIELD
9 MILES
1.4 MILES
.9 MILES
.9 MILES
.7 MILES
GEM VILLAGE
516
521
6.4 MILES
9.6 MILES
172
5.2 MILES
172
OXFORD
172
2.8 MILES
IGNACIO
1.7MILES
.5 MILES
151
9.1 MILES
6.3 MILES
318
8 MILES
172
330
988
973
3.7 MILES
2.9 MILES
.6 MILES
DETAIL "A"
1 MILES
151
3.2 MILES
ARBOLES
982
COLORADO
NEW MEXICO
N
0
2.5
5
10
Miles
bp
LAT: 37.013091
LONG: -107.411816
SE¼ SECTION 17, T32N, R05W, N.M.P.M.
ARCHULETA COUNTY, COLORADO
10/7/16
CARMELITA GALLEGOS A 3
MIILEAGE MAP
REV
0
DHH
BP AMERICA PROD. CO - DURANGO, CO

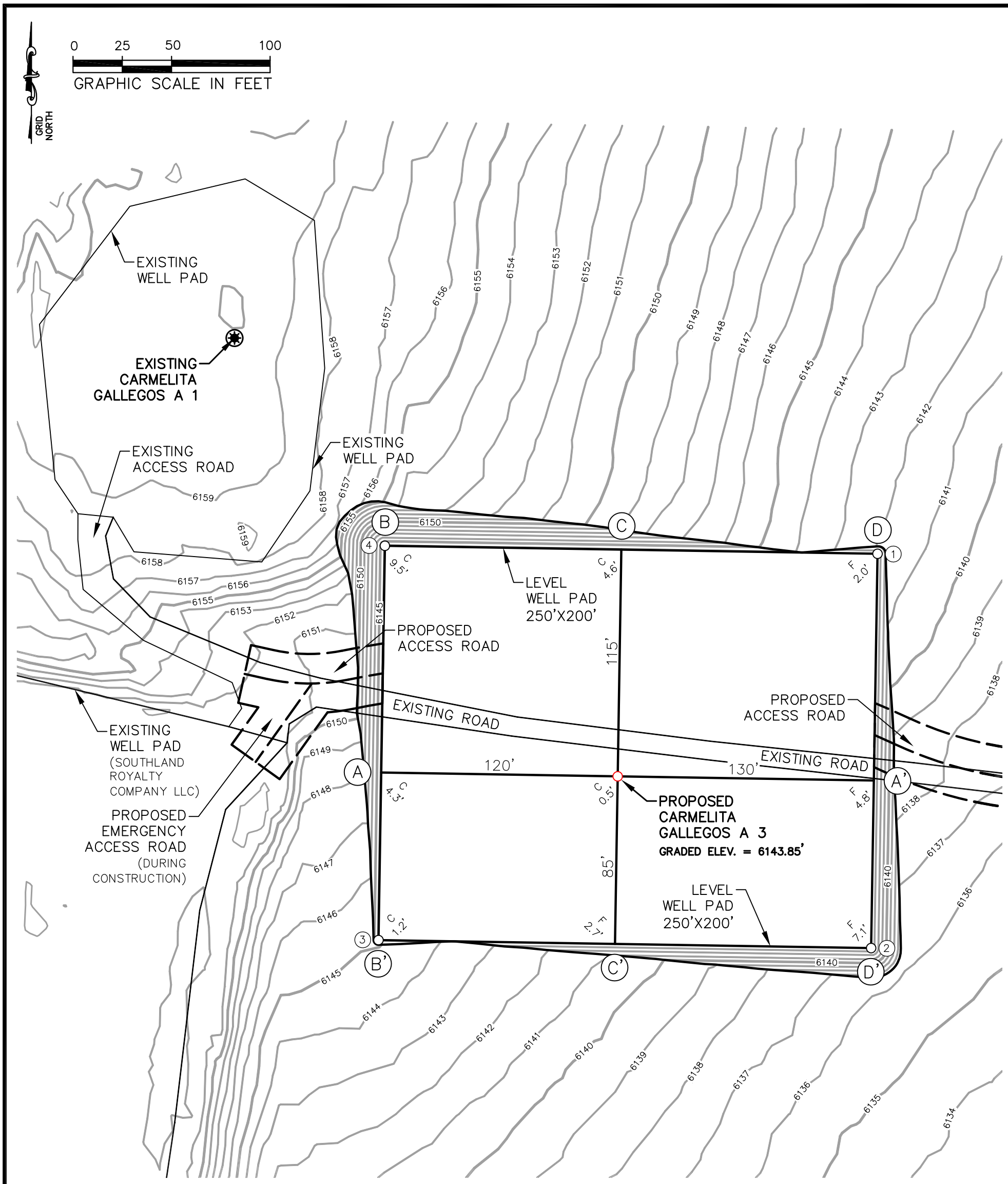
Carmelita Gallegos A 3 Well Pad Photos

Photo Looking North (10/17/2016)

Photo Looking East (10/17/2016)

Photo Looking South (10/17/2016)

Photo Looking West (10/17/2016)



EARTHWORKS
CUT: 3,726 CUBIC YARDS
FILL: 2,633 CUBIC YARDS
TOPSOIL: 1,093 CUBIC YARDS
NET EXPORT: 0 CUBIC YARDS

EXISTING PAD SIZE: 0.513 ACRES
PROPOSED EXPANSION SIZE: 1.349 ACRES
LEVEL PAD SIZE: 1.148 ACRES
TOTAL DISTURBED AREA: 1.862 ACRES

SURVEY NOTES

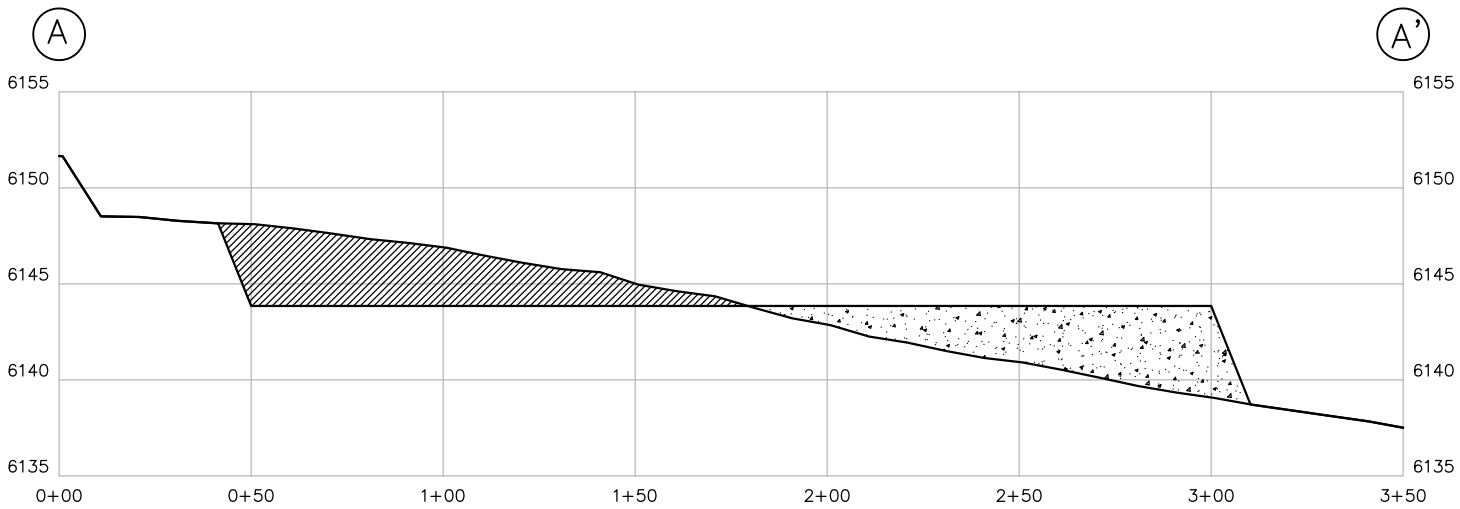
1. *BEARING BASIS FOR THIS SURVEY IS BASED ON THE NORTH AMERICAN DATUM OF 1983, COLORADO STATE PLANE COORDINATE SYSTEM, SOUTH COLORADO, ZONE 0503.*
2. *ELEVATION BASIS FOR THIS SURVEY IS BASED ON THE NORTH AMERICAN VERTICAL DATUM OF 1988 (GEOID12A).*
3. *CONSTRUCTION CUT/FILL, AREA, AND VOLUME CALCULATIONS ARE BASED ON LIDAR DATASET PROVIDED BY BP AMERICA PRODUCTION COMPANY. DATA WAS COLLECTED IN NOVEMBER AND DECEMBER OF 2015.*
4. *CONSTRUCTION SHALL ADHERE TO ALL LOCAL, STATE, AND FEDERAL REGULATIONS.*
5. *DETAILED CONSTRUCTION SPECIFICATIONS PROVIDED IN SCOPE OF WORK.*
6. *CONSTRUCTED SLOPES SHALL BE BUILT 2:1 UNLESS OTHERWISE NOTED.*
7. *ACTUAL SLOPE AND DIRECTION OF DRAINAGE WILL BE FIELD FIT.*

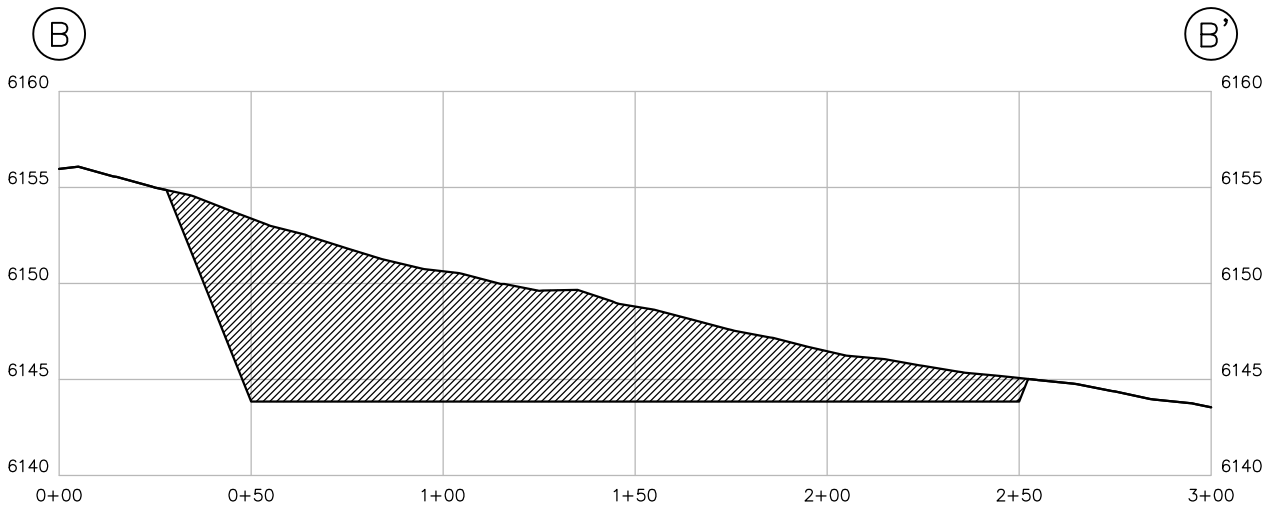
BP AMERICA PRODUCTION COMPANY
US LOWER 48 ONSHORE

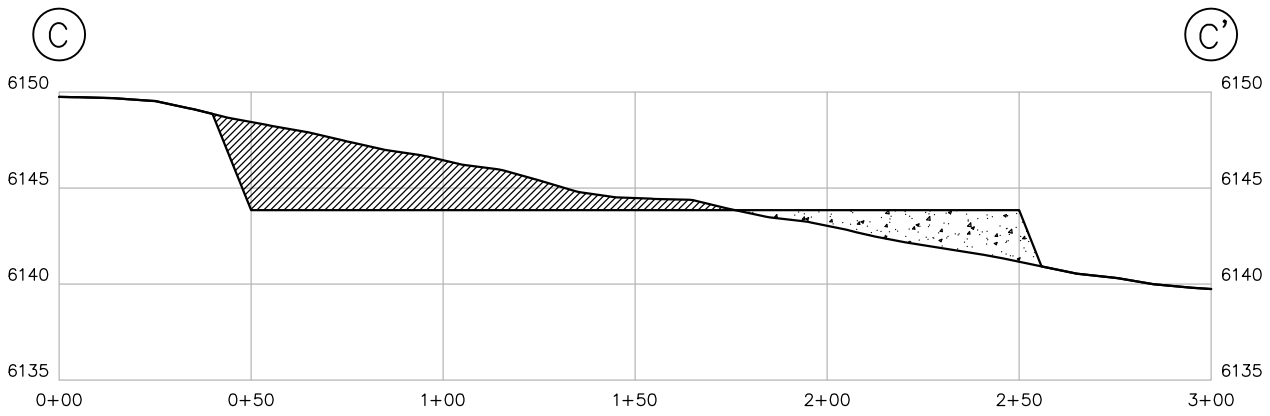
CONSTRUCTION LAYOUT PLAN

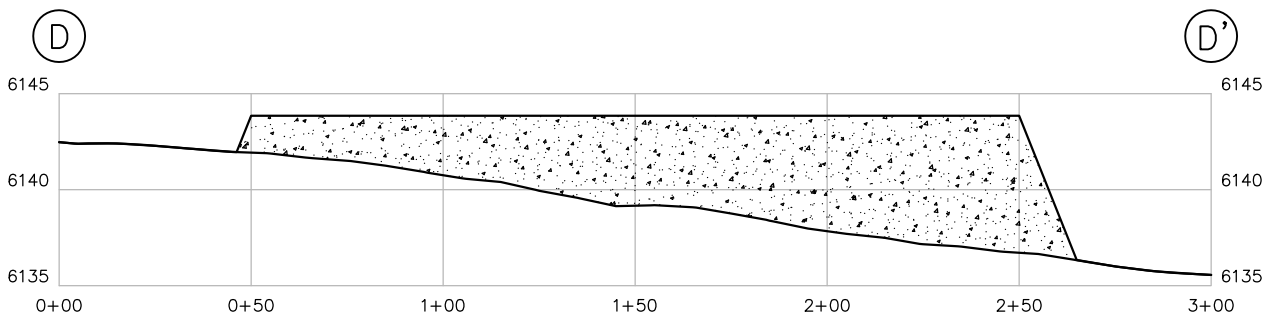
CARMELITA GALLEGOS A 3
PART OF
SECTION 17, TOWNSHIP 32N, RANGE 05W, N.M.P.M.
ARCHULETA COUNTY, COLORADO

DRAWN BY	CHECKED BY	SCALE	DATE	SHEET	REVISION
KAN/CFW	RLM	1"=50'	11/07/2016	1 OF 2	0









LEGEND
CUT
FILL

HORIZONTAL SCALE 1"=50'
VERTICAL SCALE 1"=10'

DRAWN BY	CHECKED BY	SCALE	DATE	SHEET	REVISION
KAN/CFW	RLM	N/A	11/07/2016	2 OF 2	0

BP AMERICA
PRODUCTION COMPANY
US LOWER 48 ONSHORE

CROSS-SECTION PLAN

CARMELITA GALLEGOS A 3
PART OF
SECTION 17, TOWNSHIP 32N, RANGE 05W,
N.M.P.M.
ARCHULETA COUNTY, COLORADO

Lower 48

Sept 2014

San Juan North
Incident Management Plan

SECTION 1
EMERGENCY RESPONSE

1.1 Purpose and Scope

It is the goal of BP to provide personnel with a safe and healthy workplace. This Incident Management Plan (IMP) applies to San Juan North (SJN) properties in Colorado that are operated by BP America Production Company. This document is intended to communicate emergency response requirements to employees in the event of an emergency situation. Emergencies include, but are not limited to, fires, chemical spills, natural gas leaks, explosions, medical emergencies, bomb threats, suspicious packages, and other events.

BP's Response Priorities:

- People
- Environment
- Property
- Business

BP's Response Philosophy:

- Over-react
- Assessment
- Response
- Stand-down

1.2 Description of Business Facility

Description of business facility
The North Asset includes the following facilities, in addition to a number of leases:

- **Florida River Compressor Facility**
  (970) 247-6925
  2906 County Road 307,
  Durango, CO 81303
  Latitude: 37° 09' 30" N
  Longitude: 107° 46' 37" W
  Prevailing southwesterly winds

- **Remote Office at Florida River (Taj)**
  2902 County Road 307,
  Durango, CO 81303
  Latitude: 37° 09' 30" N
  Longitude: 107° 46' 37" W
  Prevailing southwesterly winds

- **BP America Warehouse**
  (970) 247-6864
  325 County Road 309A
  Durango, CO 81303
  Prevailing southwesterly winds

- ***Bayfield Compressor Facility***

  (970) 247-6925
  6714 County Road 523,
  Bayfield, CO 81122
  Latitude: 37° 12' 55" N

Longitude: 107° 33' 51" W
Prevailing southwesterly winds

- **Durango Operations Center**
  (970) 247-6800
  380 Airport Road,
  Durango, CO 81303
  Latitude: 37°10' 58" N
  Longitude: 107° 45' 31" W
  Prevailing southwesterly winds

All individual well sites/facility locations for the Northern Asset are located on the Durango server I:\Local_Apps\wellhdr.mdb

1.3 Well Control Emergency Response Plan

Well Control Emergency Response is covered under a separate document titled "Well Control Response Guide" (WCRG). The WCRG is valid for North America Gas Onshore drilling, completions and well intervention operations. ***The WCRG is to be used in conjunction with the BP SJN IMP*** when a well control event occurs.

WCRG can be viewed via the following link
http://nagwellscollab.bpweb.bp.com/NAG%20Wells%20Controlled%20Document%20Library/Well%20Control/GWO%20NAG%204-6-1-0001%20Well%20Control%20Response%20Guide%20(WCRG).pdf

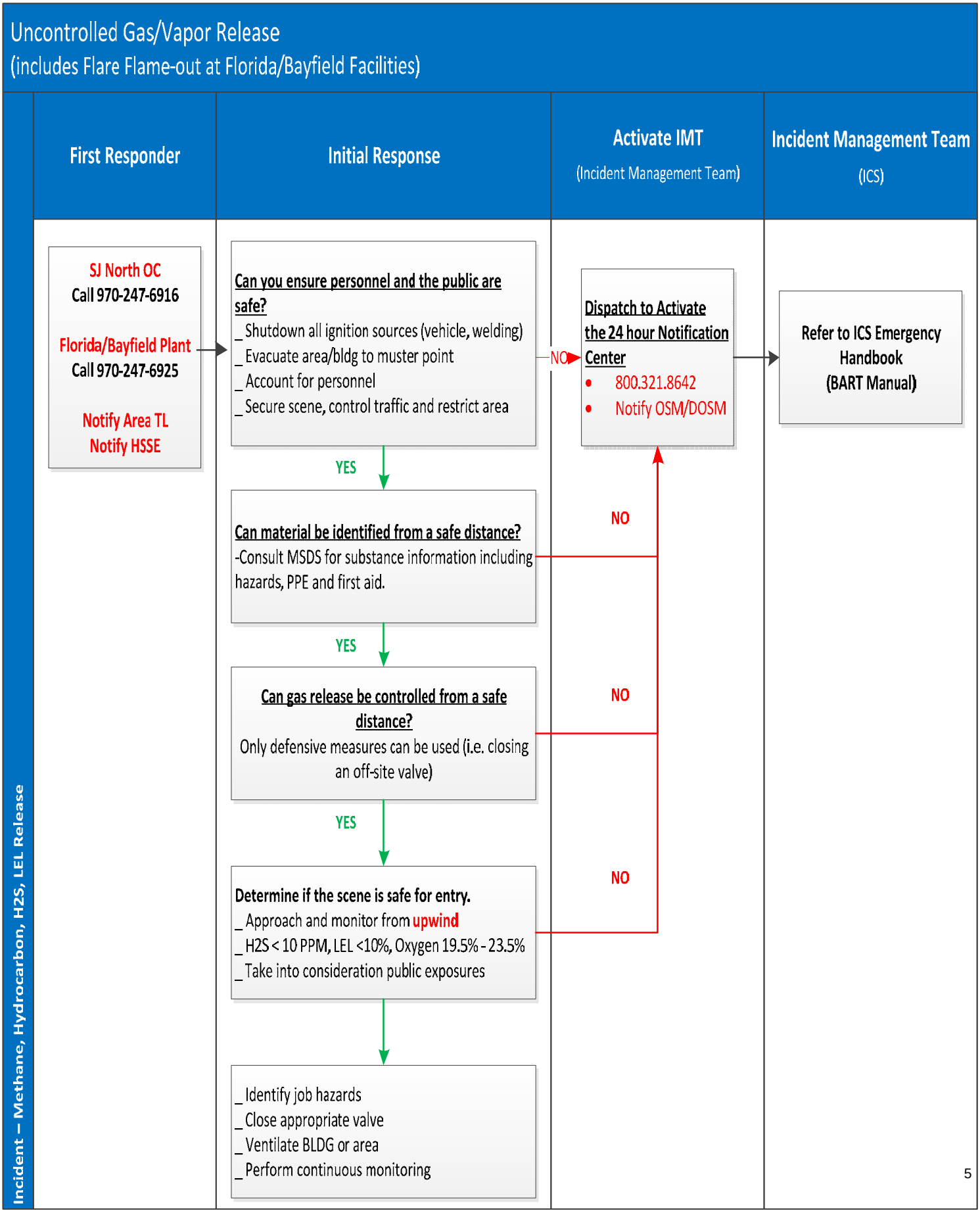
1.4 Initial Response Plans

The following response scenarios contain quick reference information and checklists for responding to emergency situations. Many elements of response to emergency situations are similar. These procedures are designed to be applicable to most emergencies that could affect personnel, a well site or the Operating Center (OC).
Initial response guides have been developed to assist personnel in the safe response to emergencies. Response guides include procedures for the following scenarios:

- Uncontrolled gas/vapor release
- Fire/explosion
- Chemical spill
- Serious injuries/fatalities
- Security
- Natural disasters.

1.5 Decontamination Requirements

- Do not walk through areas of obvious contamination and do not directly touch potentially hazardous substances without appropriate PPE
- Dispose hydrocarbon contaminated PPE in designated "Special Waste Bin" located and Florida Plant, SJN Warehouse, and SJS dumpster behind SJS OC
- If work clothing becomes contaminated including skin, change clothes as soon as possible (bag clothing) and shower
- Contact Team Leader and Safety Advisor to assess magnitude of exposure to employee (further medical evaluation may be necessary).


Uncontrolled Gas/Vapor Release
(includes Flare Flame-out at Florida/Bayfield Facilities)
First Responder
Initial Response
Activate IMT
(Incident Management Team)
Incident Management Team
(ICS)
Incident – Methane, Hydrocarbon, H2S, LEL Release
SJ North OC
Call 970-247-6916
Florida/Bayfield Plant
Call 970-247-6925
Notify Area TL
Notify HSSE
Can you ensure personnel and the public are safe?
_ Shutdown all ignition sources (vehicle, welding)
_ Evacuate area/bldg to muster point
_ Account for personnel
_ Secure scene, control traffic and restrict area
NO
YES
Dispatch to Activate the 24 hour Notification Center
• 800.321.8642
• Notify OSM/DOSM
Refer to ICS Emergency Handbook
(BART Manual)
Can material be identified from a safe distance?
-Consult MSDS for substance information including hazards, PPE and first aid.
NO
YES
Can gas release be controlled from a safe distance?
Only defensive measures can be used (i.e. closing an off-site valve)
NO
YES
Determine if the scene is safe for entry.
_ Approach and monitor from upwind
_ H2S < 10 PPM, LEL <10%, Oxygen 19.5% - 23.5%
_ Take into consideration public exposures
NO
_ Identify job hazards
_ Close appropriate valve
_ Ventilate BLDG or area
_ Perform continuous monitoring

Fire or Explosion

Methane, Methanol, Hydrocarbon, H2S, LEL

First Responder	Initial Response	Activate IMT (Incident Management Team)	Incident Management Team (ICS)

San Juan North
Call 970-247-6916

Florida/Bayfield Plant
Call 970-247-6925

Notify Area TL
Notify HSSE

Can you ensure personnel and the public are safe
_ Shutdown all ignition sources (vehicle, welding)
_ Evacuate area/bldg to muster point
_ Account for personnel
_ Secure scene, control traffic and restrict area

NO → **Dispatch to Activate the 24 hour Notification Center**
- 800.321.8642
- Notify OSM/DOSM

→ **Refer to ICS Emergency Handbook (BART Manual)**

YES

Can material be identified from a safe distance?
Consult MSDS for substance information including hazards, PPE and first aid.

NO

YES

Can fuel source be shut in from a safe distance without creating an additional hazard? Example:
- Drawing a flame into a tank through an enardo valve.

NO

YES

Determine if the scene is safe for entry
_ Approach and monitor from **upwind**
_ H2S < 10 PPM, LEL <10%, Oxygen 19.5% - 23.5%
_ Take into consideration public exposures

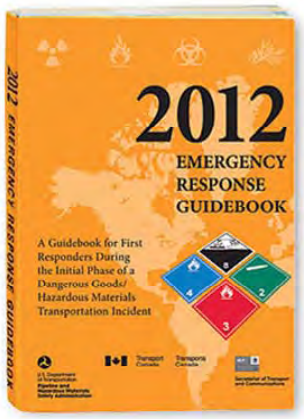
NO

_ Identify job hazards
_ Close appropriate valve
_ Ventilate BLDG or area
_ Perform continuous monitoring

Fluid Chemical Release

Condensate, Produced Water, Hydrocarbon

First Responder	Initial Response	Activate IMT (Incident Management Team)	Incident Management Team (ICS)
SJ North OC **Call 970-247-6916** **Florida/Bayfield Plant** **Call 970-247-6925** **Notify Area TL** **Notify HSSE**	**Can you ensure personnel and the public are safe?** _ Shutdown all ignition sources (vehicle, welding) _ Evacuate area/bldg to muster point _ Account for personnel _ Secure scene, control traffic and restrict area YES **Can material be identified from a safe distance?** Consult MSDS for substance information including hazards, PPE and first aid. YES **Can fluid release be shut in from a safe distance?** Only defensive measures can used (i.e. diking, closing an off-site valve, spill kits). YES **Determine if the scene is safe for entry** _ Approach and monitor from **upwind** _ H2S < 10 PPM, LEL <10%, Oxygen 19.5% - 23.5% _ Take into consideration public exposures _ Identify job hazards _ Close appropriate valve _ Ventilate BLDG or area _ Perform continuous monitoring	NO **Dispatch to Activate the 24 hour Notification Center** • 800.321.8642 • Notify OSM/DOSM NO NO NO	**Refer to ICS Emergency Handbook (BART Manual)**



Serious Injuries or Fatality

Methane, Methanol, Hydrocarbon, H2S, LEL

First Responder	Initial Response
SJ North OC Call 970-247-6916 Florida/Bayfield Plant Call 970-247-6925 Notify Area TL Notify HSSE	If injured personnel are a result of: - UNCONTROLLED GAS/VAPOR RELEASE - FIRE/EXPLOSION - SECURITY - NATURAL DISASTER SEE THOSE RESPONSE SHEETS OUTLINED IN THIS DOCUMENT
Provide the following information to 911/dispatch: __Name of caller __Location of emergency (building address or GPS) __Nature of emergency (bee sting, trauma, chemical, etc) __DO NOT enter high hazard area to assist victim (high LEL, toxics, confined space or other high risks) __Administer CPR or First Aid, if needed/possible __DO NOT move injured personnel unless in danger. Keep the victim lying down/comfortable until help arrives	

NOTE: Automated External Defibrillators (AED) are located:
San Juan North: Building A – Cafeteria and Gym; Building B – Cafeteria; Building C – Loft; In the Warehouse; Florida Plant Café and Taj

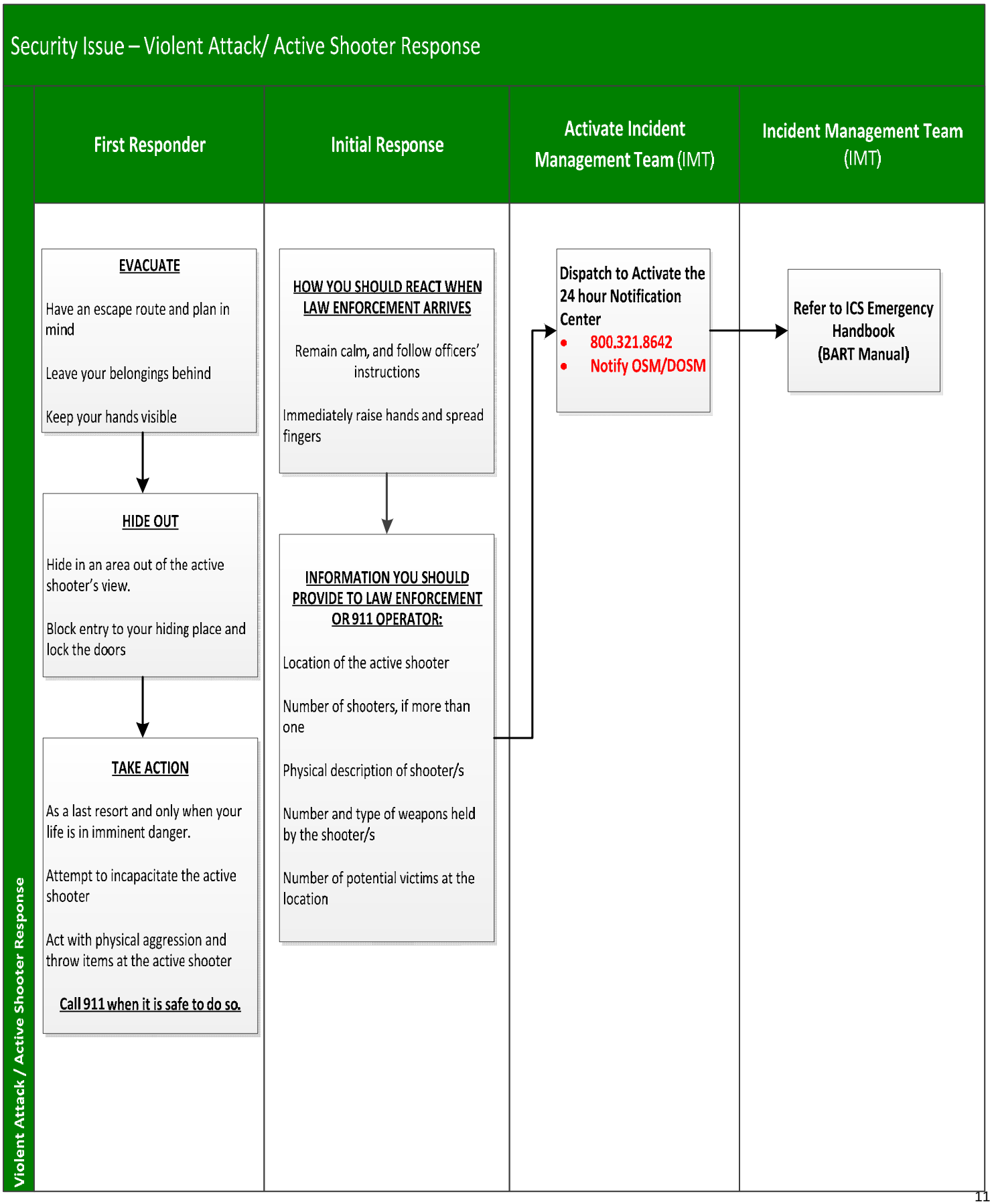
Security Issue

	Check List	Initial Response	Activate IMT (Incident Management Team)	Incident Management Team (ICS)
Bomb Threat	**Bomb Threat Checklist** 1. Remain calm in responding to the bomb threat caller. This could result in obtaining additional information. 2. Keep the caller on the line as long as possible. Ask him/her to repeat the message. Record every word spoken by the person. 3. It is always desirable that more than one person listens in on the call. Try to signal a coworker to come over and listen in on the call to ensure accuracy of the information. 4. If the caller does not indicate the location of the bomb and/or the time of possible detonation, ask him/her for this information. 5. Ask what the bomb looks like; ask for the description of the container or wrapping of the bomb, and what the bomb is made of. 6. Ask why the bomb was placed and who is responsible. 7. Ask for the caller's name and the location from which he or she is calling. 8. Inform the caller that the building is occupied and the detonation of a bomb could result in death or serious injury to many innocent people 9. Pay particular attention to background noises, such as motors running, music playing, and any other noise, which may give a clue as to the location of the caller. 10. Listen closely to the voice (male, female), voice quality (calm, excited), accents and speech impediments.	SJ North OC **Call 970-247-6916** Florida/Bayfield Plant **Call 970-247-6925** Notify Area TL Notify HSSE	**Dispatch to activate the 24 Hour Notification Center.** • 800.321.8642 • Notify OSM?DOSM	**Refer to ICS Emergency Handbook (BART Manual)**

Security Issue

Suspicious Package

Checklist	Initial Response	Activate IMT (if incident escalates)	Incident Management Team (ICS)
Suspicious Package Checklist • Do not approach or touch package • Do not panic. • Do not touch, smell, taste or try to analyze the substance. • Do not attempt to dilute the agent from a contaminated site. • Alert others to keep away from the area. • Turn off any circulating fans, air conditioners or heaters. • Keep the suspect letter or package confined to the immediate area to minimize the spread of contamination. • Wash hands with soap and water. • List all persons who have touched the letter or package; include contact information. • Inform OSM or delegate. • Place all items worn when in contact with the suspected mail in plastic bags and have them available for law enforcement agents. • As soon as practical, shower with soap and water. Notify the Center for Disease Control Emergency Response at (770) 488.7100 for answers to any questions. • Wait for trained medical assistance. Paying attention to incoming mail will go a long way in identifying suspicious mail and keeping our employees safe.	San Juan Control Room SJ North Call 970-247-6916 Notify Area TL Notify HSSE	Dispatch to Activate the 24 Hour Notification Center • 800.321.8642 • Notify OSM/DOSM	Refer to ICS Emergency Handbook (BART Manual)


Security Issue – Violent Attack/ Active Shooter Response
Violent Attack / Active Shooter Response
First Responder
Initial Response
Activate Incident Management Team (IMT)
Incident Management Team (IMT)
EVACUATE
Have an escape route and plan in mind
Leave your belongings behind
Keep your hands visible
HIDE OUT
Hide in an area out of the active shooter's view.
Block entry to your hiding place and lock the doors
TAKE ACTION
As a last resort and only when your life is in imminent danger.
Attempt to incapacitate the active shooter
Act with physical aggression and throw items at the active shooter
Call 911 when it is safe to do so.
HOW YOU SHOULD REACT WHEN LAW ENFORCEMENT ARRIVES
Remain calm, and follow officers' instructions
Immediately raise hands and spread fingers
INFORMATION YOU SHOULD PROVIDE TO LAW ENFORCEMENT OR 911 OPERATOR:
Location of the active shooter
Number of shooters, if more than one
Physical description of shooter/s
Number and type of weapons held by the shooter/s
Number of potential victims at the location
Dispatch to Activate the 24 hour Notification Center
800.321.8642
Notify OSM/DOSM
Refer to ICS Emergency Handbook (BART Manual)

Natural Disaster - Flooding, Snow fall, Wild fire, and/or High Winds

First Responder	Initial Response	H	Incident Management Team (ICS)
SJ North OC Call 970-247-6916 Florida/Bayfield Plant Call 970-247-6925 Notify Area TL Notify HSSE	**Ensure personnel and the public are safe** _ Leave equipment onsite in safe condition _ Evacuate area/bldg to muster point _ Account for personnel _ Secure scene, control traffic and restrict area **Determine if shutdown of equipment is required** _ Perform air monitoring to determine if site is safe for entry (H2S < 10 PPM, LEL <10%, Oxygen 19.5% - 23.5%) _ Identify job hazards _ Close appropriate valves	**Activate the 24 hour Notification Center** • 800.321.8642 • Notify OSM/DOSM	Refer to ICS Emergency Handbook (BART Manual)

Wild Fire, Tornado, Excessive Wind

CONSIDERATIONS

ALTERNATE INCIDENT COMMAND CENTER:

San Juan North Command Center

Primary: : Building "A" Dispatch Room

Alternate: Florida Plant Main Conference Room

ADDITIONAL RESOURCES:

__ Employees may be facing hardships related to natural disaster. If additional manpower/resources are needed, Durango and Farmington can share assets.

__ A list of resources/contractors and telephone numbers are located in section 3 of IMP.

__ A list of Well Head longitude/latitudes and addresses – located in IC room and dispatch.

SECTION 2
RESPONSE PROCESS

2.1 Incident Management Team (IMT) Activation & Organization

Activation of Incident Management Team
In the event of an incident that escalates beyond the capabilities of field personnel, the IMP must be invoked. This process is achieved by activation of the IMT through the BP Notification Center (See Table 1: Emergency Response Notification Guidelines).

BP 24/7 Notification Center
The BP Communicator is an emergency notification system hosted by the BP Notification Center in Naperville, Illinois. The BP Communicator is capable of contacting employees through a variety of devices, delivering a secure message and collecting their responses.

SJN has elected to utilize this system as part of its notification plan to activate the IMT in the event of an incident.

BP NAG Incident Response Organization
Three functional tiers exist that collectively constitute the BP Incident Response Organization:

- SJN Incident Management Team (IMT) – performs emergency response operations.
- NAG Business Support Team (BST) – conducts crisis response operations at the BP entity level
- BP Executive Support Team (EST) - Manages crisis response operations at the Group level.

The following additional teams support BP's tiered response structure as needed:

- Country Support Team (CST) – BP's CST is responsible for addressing issues at a country-wide level while supporting each level of the BP tiered response system.
- Mutual Response Team (MRT) – MRTs consist of trained and experienced BP response personnel who have been nominated and are approved for participation by the Group C&CM response manager.

Table 1: Emergency Response Notification/Activation Guidelines

Incident Management Team (IMT)	**1) Notify San Juan Dispatch of an emergency** • Durango OC - **970-247-6916** • Florida/Bayfield**- 970-247-6925** **2) Dispatch will notify the "BP Notification Center" (Appendix A)** • **1-800-321-8642 or 630-420-4357** • Activation guidelines posted in SJ Dispatch **3) Minimum ICS forms completed for incidents: (Appendix B)** • Initial Site Briefing (ICS 201 1-5) • Incident Potential Worksheet • Medical Plan • Safety Message (template-ICS 208) **4) BP Communicator Interaction Guide (Appendix C)** • What to do in the event you receive a call from the BP Communications system
Business Support Team (BST)	1) The Incident Commander will notify the VP Ops/Wells of the impacted function Shortly after IMT activation, 2) VP Ops/Wells will review Incident Potential and determine level of BST involvement required 3) BST Leader will activate BST members based on the needs of the incident

Executive Support Team (EST)	BST Incident Commander notifies
The BST Duty Manager is responsible for notifying the EST if the BST is activated.	**1.)** 1-800-321-8642 or London: 011 44 207 496 5555 **2.)** The EST was formerly known as the Group Crisis Team (GCT) **3.)** The EST is comprised of senior executives and manages issues arising from an incident that could have group-wide implications.

2.2 SJN Incident Command Organizational Assignment List

When the IMT is activated, the team will assemble at the Incident Command post. The Incident Commander will select his/her team. The size of the team may expand or contract based on incident need/size.

2.3 Long Term Response

Long-term or large-scale responses create issues that usually do not apply in short-term response actions. The capacity to provide resources, including qualified personnel, supplies and equipment may be exceeded or strained. Early resource planning can help to maintain a peak response. The Mutual Response Team (MRT) can provide resources (personnel and response equipment) during a long-term response.

2.4 Incident Command Post (ICP)

The Incident Command Post is located at:
Primary: 380 Airport Rd. Building A – Dispatch Room with break out rooms located in leadership team area
Alternate: Florida River Plant Conference Room

Incident Command Post Set Up
The Command Post is set up with the following:

4.) White Board
   - ICS 201 1-5, medical plan, ICS 208 are posted on white board. Additional ICS forms are available if needed.

5.) IC security – control access and manage accountability

6.) Documentation / Visual Aid / Communication Equipment
   - Poster printer, overhead projector, LED screens, phones, radios, computer, chargers, GIS, cables

7.) Colored vests worn to identify members of the IMT.
   - White - Command Staff
   - **Blue** – Planning Section
   - **Red** – Operations Section
   - **Orange** – Logistics Section
   - **Green** – Finance Section

- Office Supplies
- Section Chief kits
- Library
   - BP Documents - SPCC, Incident Management Plan, BART Manuals, Incident Potential Worksheet and Level 1 & 2 Risk Assessments, Phone / Notification list, Well Control Response Guide, OMER manuals.
   - ICS forms 81/2 x 11 and poster size.
   - Resource Books - DOT 2012 Emergency Response Guidebook, and NIOSH Pocket Guide to Chemical Hazards
   -

2.5 Command Post Security

ICP requires a security badge for entry. In addition, a security representative will ensure personnel sign in/out upon entering/leaving the ICP

SECTION 3
NOTIFICATIONS & CONTACTS

3.1 Emergency/Agency contacts

Prompt notification is vital to an incident or crisis response. To aid responders in making the appropriate notifications several contact lists are included in this section.

3.2 Contact Information

All contact/notification information is located in Appendix G

SECTION 4
EMERGENCY EVACUATION, ACCOUNTABILITY, OR SHELTER-IN-PLACE

4.1 Emergency Evacuation and Accounting of Personnel

Durango OC Campus:

- A combination fire alarms and floor wardens will be used to evacuate the building and prompt personnel to gather at muster point.
    - All visitors and SJS personnel will sign in/out at the reception desk before entering the building
    - A roster listing all employees that have a desk or touch down in the office building is located in the reception copy room on the south wall
    - During evacuation the receptionist will bring the visitor sign in/out log and building roster to the muster point and head count will be taken.

Florida River Facility Office & Facility Personnel

Evacuation

- Building fire alarms and/or plant alarms will be used to evacuate the office space and plant personnel and prompt them to gather at muster point.

Accounting for Personnel

- All employees and visitors will sign in/out at the reception desk before entering the building
- Visitors will be given a numbered visitor's tag to wear that will be noted next to their name on the sign in sheet
- During evacuation the receptionist will bring the sign in/out log to the muster point and head count will be taken.

Bayfield Facility

Evacuation

- Facility Alarms will be used to evacuate the plant and prompt personnel to gather at muster point

Accounting for Personnel

- All personnel will be required to call the Florida control room before entering the Bayfield plant. The control room operator maintains a roster of all personnel entering the plant and will make contact with individuals to make sure they have evacuated.

Well-sites, CDP's, Water Treatment/Disposal

- In the event an emergency evacuation must take place in the field, all personnel will evacuate to the nearest muster point identified on their task risk assessment ERP.

4.2 Sheltering in place

Florida Facility control room operators may, at times, stay behind in the control room while evacuation of building and plant are taking place. Blast walls surrounding the office building will provide protection for the control room operators, while they safely shut down the plant. Continuous LEL monitoring will take place inside the control room and the operators will leave the area and proceed to the muster point if the LEL's reach 1% or greater

4.3 Muster Points

See Appendix E

4.4 Florida / Bayfield Facilities Alarms

FLORIDA / BAYFIELD EVACUATION ALARMS

Alarm	Responsible Person	Evacuation Requirements	Detection	Location	Hazard
Amber beacon and plant evacuation siren	Control Room Operator	All personnel evacuate to Muster Point	10% LEL	Compressor or Amine building	Fire/or explosion
Amber and red beacon, evacuation siren			50% LEL	Compressor or Amine building	Fire/or explosion
Red beacon and plant evacuation siren			Fire	Compressor buildings	Fire/or explosion
Red/blue beacon and evacuation siren, local to ASP			Low Oxygen	Air separation plant	Risk of asphyxiation

SECTION 5
TRAINING AND EXERCISE

5.1 Training and Exercise Program

IMT training & competency assessment requirements

IMT Training Requirement	ICS 100-200 (online)	Exercise	IMP Plans Training	ICS Section Training
Frequency	Once	Annual	Every 3 years	Every 3 years
IMT Member	X	X	X	x
C&CM SPoC	X	X	X	x
Section Chief	X	X	X	x
Incident Commander	X	X	X	x

Drill/Exercise Requirements

	Notification exercise	Tabletop exercise	Limited exercise
IMP,IMT and OSCP	6 months	Annually	Every 2 years

.

3 Year Exercise Schedule Based on Major Accident Risk (MAR) scenarios (minimum requirement):

2014	2Q Notification Drill	Feb 2014
	4Q Notification Drill	Nov 2014
	4Q MAR Table Top Drill – PSV Failure / Vessel Overpressure - Florida	Nov 2014
2015	1Q Notification Drill	Feb 2015
	4Q Notification Drill	Nov 2015
	4Q MAR Table Top Drill – Well release	Nov 2015
2016	1Q Notification Drill	Feb 2016
	4Q Notification Drill	Nov 2016
	4Q MAR Table Top Drill - Pipeline strike	Nov 2016

5.2 IMP Maintenance, Evaluation and Continuous Improvement

Planning factors and assumptions of identified risks are determined and assessed by exercising the incident management plan. Major Accident Risks (MARs) are identified using the Risk Assurance Tool (RAT) and are reviewed annually.

The IMP is updated on an annual basis. Following exercises/drills and actual incidents, a post drill lessons learned assessment is conducted to identify improvements that can be made to the IMP and the training level of team members.

Drill and incident documentation, including lessons learned and associated action items will be uploaded to TRACTION. Action items will be tracked to completion.

5.3 Description of Working with Local Emergency Response

La Plata County has an extensive emergency response network. San Juan North has developed a relationship with local Fire and Rescue and continues to incorporate them into emergency response drills includes them in table top drills and attend scheduled Local Emergency Planning Committee meetings.

SURFACE USE AGREEMENT
Carmelita Gallegos A3

This Surface Use Agreement ("**Agreement**") is effective the 14th day of Sept, 2016 ("**Effective Date**"), between Arboles Series of Cruz Properties, LLC ("**Landowner**" whether one or more), with a mailing address of 3263 S. Julia Ln., Magna, Utah 84044 and BP America Production Company, a Delaware corporation, ("**BP**") with an office at 380 Airport Road, Durango, Colorado 81303. Landowner and BP are sometimes referenced in the Agreement individually as a "**Party**" and collectively as the "**Parties**".

Landowner owns the surface estate in a tract of land in Archuleta County, Colorado, more particularly described as ("**Property**"):

See Exhibit "A" for legal description, attached hereto and incorporated herein by reference.

BP is the owner of certain rights in one or more oil and gas leases underlying the Property and is the operator of the Carmelita Gallegos ("**Unit**"). The Property is located wholly or partially within the Unit boundaries and BP has plans to drill Unit wells, the Carmelita Gallegos A3 ("**Well**"), from a surface location on the Property.

Landowner and BP have engaged in a discussion of BP's plan for the drilling and operation of the Well on the Property, and the Parties now desire to enter into this Agreement principally in order to clarify BP's plan.

In consideration of the promise by BP to pay a certain sum of money to Landowner (the amount of which is set forth in a side letter agreement) to be paid at the time of construction and in consideration of the covenants contained in this Agreement, the Parties agree as follows:

A. Landowner Matters:

1. Monetary Payment. Landowner agrees that the recited payment constitutes (i) full payment for all current and future surface damages that may occur to the Property as a result of BP's operations and (ii) consideration for any rights granted herein by Landowner.

2. Landowner Use of Drillsite. BP will have exclusive use of the Drillsite, as defined below, at all times. Landowner shall not use the Drillsite for storage, access or any other purpose.

3. Permission to Raise, Move and Install Utility Lines. Landowner hereby grants permission for a local electrical service provider to raise, move and install utility lines on the Property if and when requested by BP in connection with the Well. Landowner agrees to execute utility easements provided by LPEA as may be requested in order to comply with this provision.

4. Setback of Buildings from BP Well Facilities. Landowner agrees to comply with all applicable local, state and federal laws, rules and regulations pertaining to distance setbacks between the Well and Well facilities, any future homes, buildings (including portable buildings) and other habitable structures located on the Property. Regardless of such setback distance requirements, Landowner agrees that all such future structures will be located a minimum distance of at least 200 feet away from the Well and any of the associated wellhead equipment, pipelines and facilities. Landowner waives any and all setback standards or similar requirements under any applicable state regulation or County or other local code, with respect to residential structures currently existing on the Property.

5. Waiver of Notice and Consultation. Landowner waives the right to receive any notices set forth in COGCC Rule 305, and Landowner further waives the right to the Drilling Consultation set forth in COGCC Rule 306.a. Landowner acknowledges the receipt from BP of the information brochure for surface owners described in the COGCC Rules. Landowner acknowledges and agrees that BP has complied with all notice and consultation requirements of COGCC Rules 305 and 306. Landowner also waives the right to receive notices under any applicable County or other local code, in connection with the matters addressed in this Agreement.

bp Return
BP America Production Company
Durango Operations Center
380 Airport Road
Durango, CO 81303

6. Landowner Use of Property. Landowner acknowledges that this Agreement is deemed to fully satisfy any obligation of BP to accommodate, whether under statute or common law, Landowner's use or legally potential use of the surface of the Property.

B. BP Matters:

1. Drillsite. BP estimates that the surface area that will actually be disturbed for the drill site of the Well ("**Drillsite**") will be up to approximately 2.0 acres. The Drillsite will be located approximately as shown on attached Exhibit "A".

2. Excess Material. BP may store material (*e.g.*, soil and gravel) excavated from the Property on the Drillsite to be used for construction and reclamation of the Drillsite. BP also may import material from off of the Property for construction and reclamation of the Drillsite. After constructing the Drillsite, should BP determine that there is material in excess of what is required for reclamation and which can reasonably be stored on the Drillsite, then BP may deliver said excess material to a location on the Property that is mutually acceptable to BP and Landowner. Any such excess material so delivered shall become the sole responsibility of Landowner, and BP shall have no further responsibility for said excess material. Should a mutually acceptable location on the Property not be found, then BP may remove such excess material from the Property.

3. Firewood. Should BP cut down or trim any trees on the Property during its operations and should Landowner so desire, BP will cut wood greater than 4 inches in diameter into firewood ranging from 12 to 18 inches in length and place such firewood in a pile (not stacked) just off of the Drillsite, road or pipeline route, as BP deems appropriate for Landowner's use. In BP's sole discretion, it may purchase firewood to satisfy the foregoing firewood obligation. All wood less than 4 inches in diameter will be chipped and spread on the Drillsite, access road, reclamation areas or pipeline route, as BP deems appropriate. Firewood will not in any case be split for the Landowner. Any such wood not requested to be cut into firewood by Landowner will be buried or chipped and spread on the Drillsite, access road, reclamation areas or pipeline route, as BP deems appropriate.

4. Survey Plats. Upon Landowner's request in writing, BP will provide to Landowner a copy of any survey plat obtained by BP depicting the Drillsite or any access roads, pipelines or facilities on the Property.

5. Recording of Agreement. BP may record this Agreement in the records of Archuleta County, Colorado. BP may also, in its sole discretion and without the joinder of Landowner, execute and record from time to time written declarations with accompanying survey plats, and any amendments to same, for the purpose of locating and describing the Drillsite, access roads, pipelines and other Well facilities.

6. Maintenance and Repair of Access Roads. BP will reasonably maintain any existing roads that are used by BP on the Property in their pre-existing condition or better, in BP's sole discretion. BP will maintain any new roads that may be constructed by BP on the Property to BP's standards. BP will make all necessary repairs to the roads caused by BP's use. However, BP will not be required to snow plow or otherwise clear any road of snow.

7. Burial of Pipelines. BP will, to the extent reasonably practicable, bury all water and gas pipelines to a minimum depth of 36 inches below the surface at the time of installation, unless subsurface conditions such as rock prohibit the installation of the line to that depth at a reasonable cost.

8. Reclamation.

   a. Initial Construction. After the drilling and completion of the Well, and the construction of any associated facilities such as the well pad, access roads and pipelines, those areas of land that BP will not use for continuing production operations will be reclaimed as required in applicable rules and regulations. Reclamation will be performed within a reasonable amount

of time after completion and first delivery of the Well and construction of any associated facilities, recognizing practical limitations of weather and season. BP does not guaranty seed germination.

b. Subsequent Surface Disturbance. All subsequent disturbances by BP to areas reclaimed under the preceding paragraph will be similarly reclaimed by BP within a reasonable amount of time, recognizing practical limitations of weather and season.

c. Final Abandonment. Any areas disturbed by BP, and which are required to be reclaimed, will be reclaimed by BP in accordance with applicable rules and regulations, unless Landowner desires that the roads and Drillsite remain in their then present condition and regulatory approval for same is obtained.

9. Indemnification. BP agrees to indemnify, defend and hold Landowner harmless from and against any and all expenses, losses or damages resulting from or relating to BP's operation and maintenance of the Well, facilities, access roads and pipelines; provided, however, BP will not indemnify, defend and hold Landowner harmless from such expenses, losses or damages to the extent resulting from or relating to, in whole or in part, the negligence or willful misconduct of Landowner or Landowner's employees, contractors, guests or invitees.

10. Temporary Parking. Landowner agrees that during times of construction or other significant work, BP may park vehicles in areas near the work site or along roads.

C. General Provisions:

1. Term. This Agreement is effective as of the Effective Date and will continue until (i) all oil and gas leases underlying the Unit expire, (ii) production from the Well and any additional wells producing from the Unit have permanently ceased and are permanently plugged and abandoned, (iii) any compressor on the Property is no longer being used and (iv) any Salt Water Disposal well in the Unit has ceased being used and is plugged and abandoned. After expiration, BP will have a reasonable period of time within which to remove such Well equipment and facilities from the Property as it deems appropriate or as required by applicable rules and regulations.

2. No Waiver of Other Rights. With the exception of those duties and obligations that each Party has specifically agreed to assume and perform in this Agreement, those duties and obligations which have been confirmed or clarified in this Agreement and the rights specifically granted to, waived or relinquished by a Party in this Agreement, this Agreement will not be construed to waive or relinquish any Party's legal rights in, to or under the Property, including but not limited to rights of access or other reasonable surface use, now owned or hereafter acquired by a Party under any oil and gas lease or other agreement or instrument pertaining to the Property. Nor does this Agreement, subject to the foregoing exceptions, waive the rights of either Party under any applicable laws, rules or regulations pertaining to the Property.

3. No Application to Other Wells. The rights, duties and obligations of the Parties and other confirmatory or clarifying matters regarding the Well and its related facilities in this Agreement pertain only to the Well, except that roads, pipelines and facilities may be utilized for other wells. This Agreement is not intended to, and will not be interpreted to, apply to any other well that may now be located or hereafter be drilled within the Unit, whether or not located on the Property. Each Party retains all of his/her/its legal rights with respect to such other well or wells, including, but not limited to, those legal rights referenced in the preceding paragraph.

4. Successors and Assigns. This Agreement will be binding upon and inure to the benefit of the Parties and their respective heirs, successors and assigns. In

addition, BP and any successor Well Operator may assign this Agreement to successive Operators of the Well. Assignment of this Agreement by either Party will act to terminate the assigning Party's duties, obligations and liabilities under this Agreement from and after the date that the non-assigning Party receives a true copy of the assignment, with the exception of any indemnity or monetary obligations accruing prior to such date.

5. Applicable Law. This Agreement will be interpreted under the laws of the state of Colorado.

6. Entire Agreement. This Agreement contains the final agreement, clarifications and confirmations of the Parties as to the matters addressed, and supersedes any and all prior oral or written negotiations, understandings and agreements regarding the Well and its related facilities, roads and pipelines. Except with respect to matters described below, this Agreement may not be modified unless the modification is in writing and is signed by Landowner and an authorized representative of BP.

7. Further Assurance. The Parties agree, at any time and from time to time, upon the reasonable request of either Party and without additional payment, to take or do all such further acts and things, and furnish and deliver all such further documentation and material (including any document or instrument requested by local, state or federal authorities) which, in the opinion of the requesting Party, may be necessary or useful in carrying out the purposes of this Agreement.

8. Regulatory Conditions. If BP is required by any regulatory agency as a condition of approval to either change the location of the well to be drilled or the configuration of the Drillsite, Landowner agrees that BP may unilaterally amend this agreement to conform to the new location(s) and/or configuration(s) as approved by the regulatory agency.

9. Counterparts. This Agreement may be executed in two or more original counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument. Electronically scanned or facsimile copies are acceptable.

10. Side Letter Agreement. This Agreement is subject to the terms of a Side Letter Agreement ("SLA") dated 9-14-2016, by and between Landowner and BP the terms of which are fully incorporated herewith.

This Agreement is executed by the Parties on the dates appearing in the acknowledgements below, but this Agreement is effective as of the Effective Date.

Arboles Series of Cruz Properties LLC

By: Bob Cruz

As: Agent

By: Tina Cruz

As: Agent

BP America Production Company

By: Debra Bacon

Debra Bacon, Attorney-in-Fact

STATE OF Utah)
) ss
COUNTY OF Salt Lake)

SUBSCRIBED AND SWORN TO before me this 14th day of Sept., 2016, by Bob Cruz as Agent for Arboles series of Cruz Properties, LLC

My commission expires: June 10, 2019

Notary Public

NOTARY PUBLIC
JULIETH RINCON
683758
COMMISSION EXPIRES
JUNE 10, 2019
STATE OF UTAH

STATE OF Utah)
) ss
COUNTY OF Salt Lake)

SUBSCRIBED AND SWORN TO before me this 14 day of Sept, 2016, by Tina Cruz as Agent for Arboles series of Cruz Properties, LLC

My commission expires: June 10, 2019

Notary Public

NOTARY PUBLIC
JULIETH RINCON
683758
COMMISSION EXPIRES
JUNE 10, 2019
STATE OF UTAH

STATE OF TEXAS)
) ss
COUNTY OF HARRIS)

SUBSCRIBED AND SWORN TO before me this 23 day of September, 2016, by Debra Bacon, Attorney-In-Fact for BP America Production Company, a Delaware corporation.

My commission expires: 4/17/19

Notary Public

DONNA TEAL
Notary ID # 125201110
My Commission Expires
April 17, 2019

Exhibit "A"

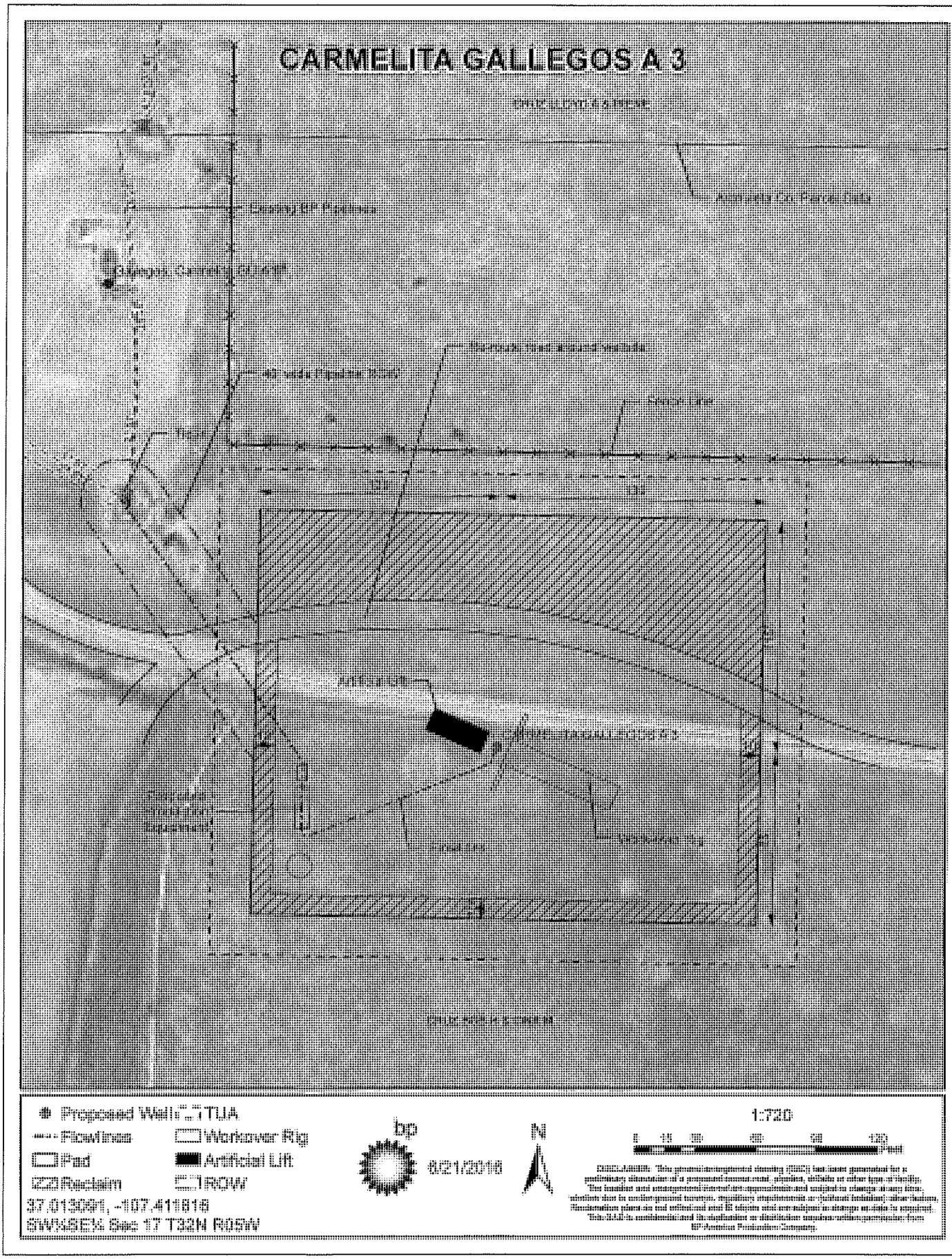
Attached to and made a part of that certain Surface Use Agreement dated 14th Sept. _____, 2016 between BP America Production Company and Arboles Series of Cruz Properties LLC.

The South one-half of the following described property, to-wit:

The SE/4 of Section 17 and the NE/4 of Section 20 in Township 32 North, Range 5 West, N.M.P.M. TOGETHER WITH all ditch and ditch rights, water and water right thereunto belonging, including but not by way of limitation 115 shares of stock of the Pine River Canal Company.

EXCEPTING HEREFROM a tract of 6 acres in the SE/4 NE/4 of Section 20, Township 32 North, Range 5 West, N.M.P.M., lying South of the San Juan River and more particularly described in a deed recorded in Book 81 at Page 77 of the Archuleta County records.

EXCEPTING HEREFROM also a attract of 18.65 acres, more of less heretofore reserved in the NW/4 SE/4 of Section 17, Township 32 North, Range 5 West, N.M.P.M., described as: BEGINNING at the Northwest Corner of the NW/4 SE/4 of Section 17, thence South along the West line 946 feet; thence East 858 feet to a point; thence North 946 feet to a point on the North line of NW/4 SE/4 of Section 17; thence West 858 feet to the point of beginning. EXCEPTING ALSO a tract of land consisting of 108 acres heretofore conveyed to the United States of America more particularly described in book 97 at pages 368-69 of the books on record in Archuleta County, Colorado.


CARMELITA GALLEGOS A 3
Proposed Well: CARMELITA GALLEGOS A 3
Flowlines
Pad
Reclaim
Workover Rig
Artificial Lift
ROW
37.013561, -107.411616
SW¼SE¼ Sec 17 T32N R05W
bp
6/21/2016
N
1:720
0 15 30 60 90 120
Feet

CERTIFICATION

CDPS GENERAL PERMIT

STORMWATER DISCHARGES ASSOCIATED WITH CONSTRUCTION

Construction Activity: The construction activity consists of construction of oil and gas related sites, including but not limited to drilling and production pads, compressor sites, disposal well sites, water transfer stations, etc.

This permit specifically authorizes: **BP America Production Company**

to discharge stormwater from the facility identified as Ignacio Blanco Field

which is located at: See map in file.
Ignacio/Bayfield, Co

latitude 37/10/00, longitude 107/42/28 in La Plata/Archuleta County

Animas River to: San Juan River

effective: 06/21/2005

Annual Fee: $449.00 **(DO NOT PAY NOW.** You will receive a prorated bill.)

bp

380 Airport Road
Durango, Colorado 81303

October 3, 2016

Via Certificate of Mailing

Re: Pre Application Notice for Proposed:
Carmelita Gallegos A 3 Natural Gas Well
SWSE Section 17, T32N, R5W N.M.P.M.

To Whom It May Concern:

You are invited to the pre-application meeting with Archuleta County Development Services on October 19, 2016 at 1:30 P.M. The meeting will be held at the Archuleta County Administration Building, 398 Lewis St., Pagosa Springs, Colorado.

BP America Production Company plans to construct a well pad as a tiered expansion of an existing pad to drill one natural gas well. Pursuant to the Archuleta County Oil and Gas Regulations, BP America Production Company is required to notify property owners within a quarter mile radius (1,320 feet) of the perimeter of the property parcel on which the facility is located of the pre-application meeting and comment period.

The proposed facility is on private property belonging to Arboles Series of Cruz Properties LLC (surface owner), Parcel Number 616117400006, located at 185 Candlelight Ct, Arboles, CO. The legal description of the parcel is included as EXHIBIT "A".

The applicant contact information is listed below:

APPLICANT
Naomi Azulai
BP America Production Co
380 Airport Road
Durango, CO 81303
(970) 375-7511

BP plans to submit the application no earlier than November 1, 2016, pending a successful pre-application meeting. Comments on the application should be submitted to Archuleta County Development Services within 10 business days of application submittal.

Contact information for Archuleta County Development Services – Planning Dept. is:
Archuleta County Development Services - Planning Dept.
PO Box 1507
Pagosa Springs, CO 81147
Phone: (970) 264-1390
Website: http://www.archuletacounty.org/

You may request written notification by the operator of the commencement of construction and drilling operations (if the application is approved) by advising the Department in writing of such request within fifteen (15) days from receipt of this notice.

Please note that county personnel may need to enter onto the above referenced property during review of the permit and thereafter upon reasonable notification to the operator and surface owner.

Attached is a vicinity map showing the location of the proposed facility. Should you have any questions regarding this facility or want additional information please contact Archuleta County Development Services at (970) 264-1390 or Miles Venzara (BP) at (970) 247-6877.

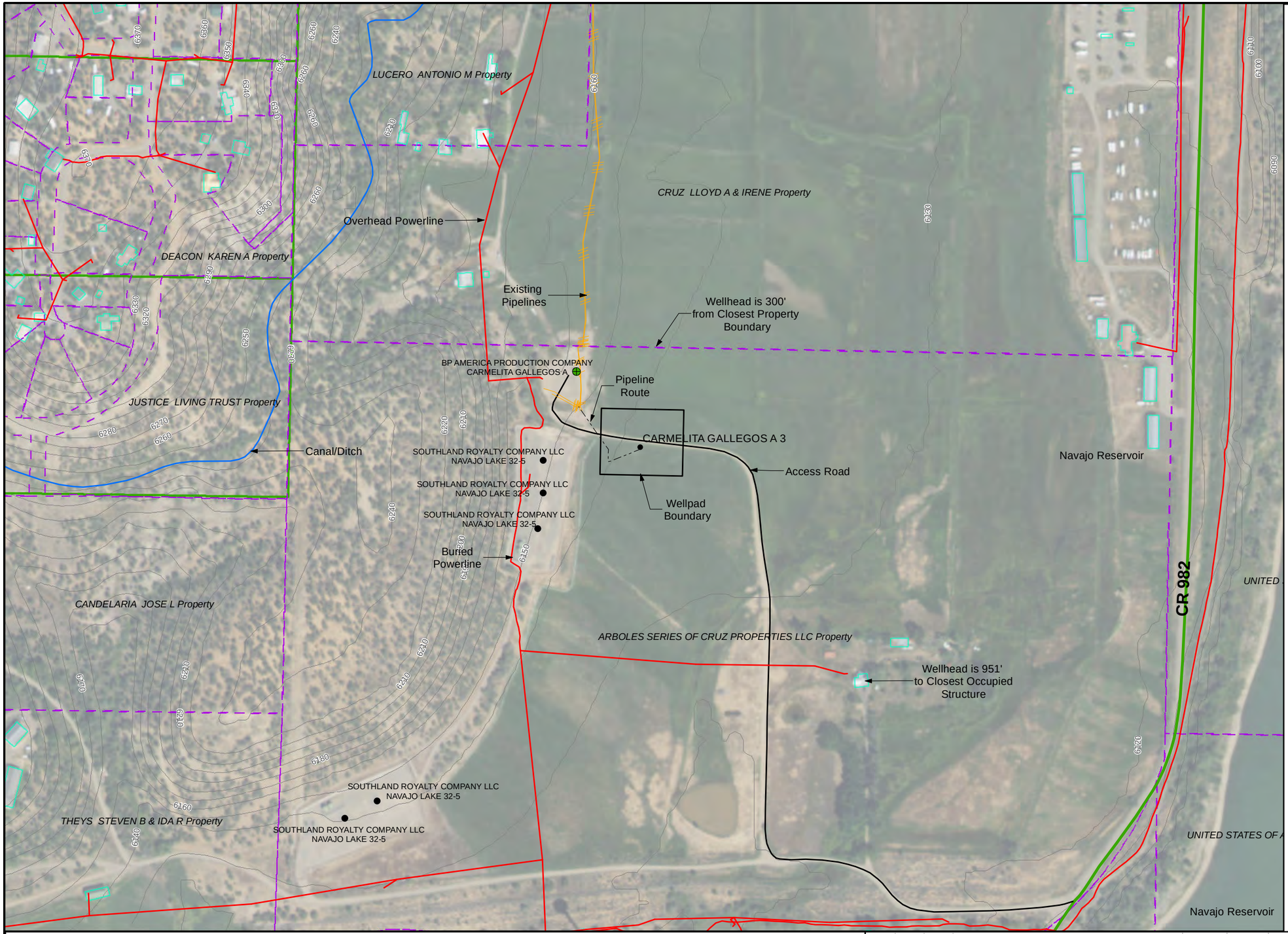
Additional information regarding the application will be available from Archuleta County Development Services at 1122 HWY 84, Pagosa Springs, CO 81147.

Sincerely,

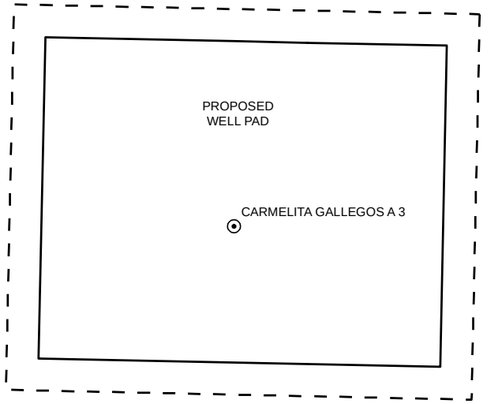
Naomi Azulai
Well Permitting Analyst
BP America Production Co

EXHIBIT "A"

The SE/4 of Section 17 and the NE/4 of Section 20 in Township 32 North, Range 5 West, N.M.P.M. TOGETHER WITH all ditch and ditch rights, water and water rights thereunto belonging, including but not by way of limitation 115 shares of the stock of the Pine River Canal Company.
EXCEPTING HEREFROM a tract of 6 acres in the SE/4 NE/4 of Section 20, Township 32 North, Range 5 West, N.M.P.M., lying South of the San Juan River and more particularly described in a deed recorded in Book 81 at Page 77 of the Archuleta County records.
EXCEPTING HEREFROM also a tract of 16.65 acres, more or less heretofore reserved in the NW/4 SE/4 of Section 17, Township 32 North, Range 5 West, N.M.P.M., described as: BEGINNING at the Northwest Corner of the NW/4 SE/4 of Section 17, thence South along the West line 946 feet; thence East 858 feet to a point; thence North 946 feet to a point on the North line of NW/4 SE/4 of Section 17; thence West 858 feet to the point of beginning. EXCEPTING ALSO a tract of land consisting of 108 acres heretofore conveyed to the United States of America more particularly described in Book 97 at pages 368-69 of the books on record in Archuleta County, Colorado.



ENLARGED VIEW OF WELL PAD



CARMELITA GALLEGOS A 3:
LAT: 37.013091
LONG:-107.411816
SW¼SE¼ SECTION 17, T32N R05W

RECLAMATION PLAN:
* RE-SEED
* RE-GRADE
* RE-PLANT

PIPELINES:
EXISTING EASEMENT

ROADS:
EXISTING EASEMENT

DIRECTIONS TO SITE:
FROM JUNCTION HWY 172 & HWY 151
EAST ON HWY 151 FOR 16.2 MILES
RIGHT ON CR 982 FOR 1.6 MILES
RIGHT ON ACCESS FOR 0.2 MILES
RIGHT ON ACCESS FOR 0.3 MILES
TO WELLSITE

PAD:
PROPOSED PAD: 0.8 ACRES

N

1:3,600

0 300 600 Feet

State Plane, NAD83
Colorado South (Feet)

PLEASE NOTE THAT THE WELLPAD EQUIPMENT, WELLPAD SIZE, PIPELINE ROUTE AND ACCESS ROAD ARE ALL APPROXIMATE LOCATIONS, AND ARE SUBJECT TO CHANGE DUE TO SAFETY, LANDOWNER CONCERNS OR OTHER FACTORS BEYOND OUR CONTROL. IT IS BP'S INTENTION TO OPERATE WITHIN ALL APPLICABLE RULES AND REGULATIONS.

ON PLAN	ELEMENTS
a.	APPROPRIATE STANDARD SCALE
b.	TITLE BLOCK, KEY AND NORTH ARROW
c.	SECTION, TOWNSHIP AND RANGE
d.	WELLPAD BOUNDARY
e.	PROPOSE PIPELINE ROUTE
f.	EXISTING PIPELINE ROUTES
g.	CURRENT SURFACE OWNERSHIP OF ALL PROPERTIES
h.	EXISTING & PROPOSED ACCESS; TIE TO CR OR HWY
i.	SETBACKS TO PROPERTY AND OCCUPIED STRUCTURE
j.	HYDRO W/ 100' OF FACILITY

LEGEND:

- PARCELS
- SUBDIVISION BOUNDARY
- TEMPORARY USE AREA
- GAS & WATER PIPELINES
- EXISTING PIPELINES
- HYDRO
- ACCESS ROAD
- TRANS LINE
- STRUCTURES
- BP WELLS
- PAD
- PRODUCTION EQUIPMENT

REV	BY	DATE	REVISION	CHECKED	APPROV	DATE

BP America
San Juan North
Durango, Colorado

CARMELITA GALLEGOS A 3
ARCHULETA COUNTY VICINITY MAP

DATE	SCALE	PROJ #		REV
9/27/16	AS NOTED		Archuleta County, Colorado	A
DB: DHH	ENGINEER: PC	FILE		

OWNERNAME	OWNERADDRESS
1 ARBOLES SERIES OF CRUZ PROPERTIES LLC	2987 MELANIE ANN CT MAGNA, UT 84044
2 BALL JOHN R	PO BOX 1643 ARBOLES, CO 81121
3 BENNETT MELVIN C & LENA B & MIX DONALD	13439 E 47th Dr Yuma, AZ 85367-6411
4 BILLINGS JAMES & TONIE	P O BOX 1675 ALAMOSA, CO 81101-0000
5 BROWNELL TERI L LIVING TRUST	PO BOX 1148 ALAMOSA, CO 81101
6 CANDELARIA JOSE L	PO BOX 1754 ARBOLES, CO 81121-1754
7 CASH RAYMOND E	PO BOX 1811 ARBOLES, CO 81121-0000
8 CORN SUSAN	145 W 7TH ST LEADVILLE, CO ~~96753~~ 80461
9 CRUZ LLOYD A & IRENE	PO BOX 1823 ARBOLES, CO 81121-0000
10 DAVIS SHARON S	PO BOX 1637 ARBOLES, CO 81121
11 DAY NORMAN S & DIANE M	8819 PICOLA CUEVA RD NE ALBUQUWEQUE, NM 87122-0000
12 DEACON KAREN A	PO BOX 272 MONTE VISTA, CO 81144-0000
13 ERICKSON SCOTT	PO BOX 1954 ARBOLES, CO 81121
14 ERICKSON SCOTT & ANNE	PO BOX 1954 ARBOLES, CO 81121
15 GLADFELTER MILLARD LEE	271 EASY DRIVE ARBOLES, CO 81121
16 HALKIN PAUL & SUSAN	PO BOX 1602 ARBOLES, CO 81121
17 HORMAN LARRY A & BARBARA	10230 HWY 550 LYBROOK, NM 87013
18 JUSTICE LIVING TRUST	PO BOX 1506 DURANGO, CO 81302-0000
19 LUCERO ANTONIO M	PO BOX 1840 ARBOLES, CO 81121
20 MEYERS FAMILY TRUST DATED 8/31/2015	1110 N HENNESS RD #1902 CASA GRANDE, AZ 85122
21 MIX DON E	2711 LIONS TRAIL FARMINGTON, NM 87402
22 NELSON JANICE N	PO BOX 1903 ARBOLES, CO 81121-1903
23 NELSON WADE H	PO BOX 1701 ARBOLES, CO 81121

24 OWEN MARY DIANE	PO BOX 226 BAYFIELD, CO 81122
25 PIEDRA PARK METRO IMP DIST	PO BOX 1609 ARBOLES, CO 81121-0000
26 RAINBOW TRUST	304 NEVADA WAY BOULDER CITY, NV 89005
27 REED WILLIAM M & LANA	PO BOX 1982 ARBOLES, CO 81121
28 RUSTMANN JOHN H	P O BOX 951 BAYFIELD, CO 81122-0000
29 STATE OF COLORADO DEPARTMENT OF NATURAL RESOURCES	1313 SHERMAN ST RM 618 DENVER, CO 80203-0000
30 THEYS STEVEN B & IDA R	PO BOX 1759 ARBOLES, CO 81121-0000
31 TODD GREGORY S & BECKY J	3396 S NEPAL CT AURORA, CO 80013-0000
32 UNITED STATES OF AMERICA BUREAU OF RECLAMATION	7333 W JEFFERSON AVE 80235 LAKEWOOD, CO ~~82035~~-0000
33 WALKINSHAW ROBERT C TRUSTEE	PO BOX 1936 ARBOLES, CO 81121
34 YOUNG DAVID L & F ANN	356 N FARM RD MONTE VISTA, CO 81144-0000

1

UNITED STATES POSTAL SERVICE® Certificate Of Mail

This Certificate of Mailing provides evidence that mail has been presented to USPS® for mailing. This form may be used for domestic and international mail.

From:
BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: Arboles Series of
Cruz Properties LLC
2987 Melanie Ann Ct.
Magna, UT 84044

PS Form 3817, April 2007 PSN 7530-02-000-9065

84044

U.S. POSTAGE PAID DURANGO, CO 81301 OCT 04 16 AMOUNT $1.30 R2304N117083-04

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From:
BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: John R Ball
Po Box 1643
arboles, CO 81121

PS Form 3817, April 2007 PSN 7530-02-000-9065

81121

U.S. POSTAGE PAID DURANGO, CO 81301 OCT 04 16 AMOUNT $1.30 R2304N117083-04

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From:
BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: Bennett Melvin C & Lena
B & Mix Donald
13439 E. 47th Dr.
Yuma, AZ 85367-6411

PS Form 3817, April 2007 PSN 7530-02-000-9065

85367

U.S. POSTAGE PAID DURANGO, CO 81301 OCT 04 16 AMOUNT $1.30 R2304N117083-04

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From:
BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: James & Tonie
Billings
P.O. Box 1675
Alamosa, CO 81101-0000

PS Form 3817, April 2007 PSN 7530-02-000-9065

81101

U.S. POSTAGE PAID DURANGO, CO 81301 OCT 04 16 AMOUNT $1.30 R2304N117083-04

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From:
BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: Teri L. Brownell Living
Trust
PO Box 1148
Alamosa, CO 81101

PS Form 3817, April 2007 PSN 7530-02-000-9065

81101

U.S. POSTAGE PAID DURANGO, CO 81301 OCT 04 16 AMOUNT $1.30 R2304N117083-04

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From:
BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: Jose Candelaria
Po Box 1754
arboles, CO 81121-1754

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81121

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From:
BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: Raymond E Cash
Po Box 1811
arboles, CO 81121-0000

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81121

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From:
BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: Susan Corn
145 W 7th St.
Leadville, CO 80461

PS Form 3817, April 2007 PSN 7530-02-000-9065 80461

80461

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9

From: BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: Lloyd A & Irene Cruz

PO Box 1823
Arboles, CO 81121-0000

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81121

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DURANGO, CO
81301
OCT 04 16
AMOUNT
$1.30
R2304N117083-04

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11

From: BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: Norman S & Diane M Day
8819 Picola Cueva RdNE
Albuquerque, NM 87122-0000

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87122

U.S. POSTAGE
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DURANGO, CO
81301
OCT 04 16
AMOUNT
$1.30
R2304N117083-04

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From: BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: Scott Erickson

Po Box 1954
Arboles, Co 81121

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81121

U.S. POSTAGE
PAID
DURANGO, CO
81301
OCT 04 16
AMOUNT
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R2304N117083-04

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From: BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: Millard Lee Gladfelter

871 Easy Drive
Arboles, Co 81121

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81121

U.S. POSTAGE
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DURANGO, CO
81301
OCT 04 16
AMOUNT
$1.30
R2304N117083-04

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From: BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: Sharon S Davis

PO BOX 1637
Arboles, Co 81121

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81121

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DURANGO, CO
81301
OCT 04 16
AMOUNT
$1.30
R2304N117083-04

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Certificate Of Mailli

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From: BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: Karen A DEACON

PO BOX 272
Monte Vista, Co 81144

S Form 3817, April 2007 PSN 7530-02-000-9065

81144

U.S. POSTAGE
PAID
DURANGO, CO
81301
OCT 04 16
AMOUNT
$1.30
R2304N117083-04

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This form may be used for domestic and international mail.

From: BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: Scott & Anne Erickson
Po Box 1954
Arboles, Co 81121

PS Form 3817, April 2007 PSN 7530-02-000-9065

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DURANGO, CO
81301
OCT 04 16
AMOUNT
$1.30
R2304N117083-04

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This form may be used for domestic and international mail.

From: BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: Paul & Susan Halkir

PO Box 1602
Arboles, Co 81121

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17

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From: BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: Larry A & Barbara Horman
10230 HWY 550
Lybrook, NM 87013

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013 R2304N117083-0 U.S. POSTAGE PAID DURANGO, CO 81301 OCT 04 16 AMOUNT $1.30

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85122

19

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From: BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: Antonio M Lucero
Po Box 1840
Arboles, CO 81121

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87402

21

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From: BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: Don E. Mix
2711 Lions Trail
Farmington NM 87402

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From: BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: Wade H. Nelson
Po Box 1701
Arboles, CO 81121

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From: BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: Justic Living Trust
Po Box 1506
Durango CO 81302-000

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81302 R2304N117083-04 U.S. POSTAGE PAID DURANGO, CO 81301 OCT 04 16 AMOUNT $1.30

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From: BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: Meyers Family Trust
dated 8/31/2015
1110 N Henness Rd #1902
Casa Grande, AZ 85122

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From: BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: Janice N Nelson
Po Box 1903
Arboles, CO 81121-1903

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From: BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: Mary Diane Owen
Po Box 226
Bayfield, CO 81122

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This form may be used for domestic and international mail.

From: BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: Piedra Park Metro. Imp
PO Box 1609
Arboles, CO 81121-0000

PS Form 3817, April 2007 PSN 7530-02-000-9065

121

U.S. POSTAGE PAID DURANGO, CO 81301 OCT 04, 16 AMOUNT $1.30 R2304N117083-04

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81121

UNITED STATES POSTAL SERVICE® Certificate Of Ma

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This form may be used for domestic and international mail.

From: BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: William H. & Lana Ree
PO Box 1982
Arboles, CO 81121

PS Form 3817, April 2007 PSN 7530-02-000-9065

U.S. POSTAGE PAID DURANGO, CO 81301 OCT 04, 16 AMOUNT $1.30 R2304N117083-04

1000

80203

UNITED STATES POSTAL SERVICE® Certificate Of Mailli

This Certificate of Mailing provides evidence that mail has been presented to USPS® for ma
This form may be used for domestic and international mail.

From: BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: State & Colorado Dept.
of Natural Resources
1313 Sherman St. RM 618
Denver, CO 80203-0000

PS Form 3817, April 2007 PSN 7530-02-000-9065

U.S. POSTAGE PAID DURANGO, CO 81301 OCT 04, 16 AMOUNT $1.30 R2304N117083-04

1000

80013

UNITED STATES POSTAL SERVICE® Certificate Of Mailli

This Certificate of Mailing provides evidence that mail has been presented to USPS® for ma
This form may be used for domestic and international mail.

From: BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: Gregory S & Beck J
Todd
33916 S Nepal Ct
Aurora, CO 80013-0000

PS Form 3817, April 2007 PSN 7530-02-000-9065

U.S. POSTAGE PAID DURANGO, CO 81301 OCT 04, 16 AMOUNT $1.30 R2304N117083-04

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89005

UNITED STATES POSTAL SERVICE® Certificate Of Mal

This Certificate of Mailing provides evidence that mail has been presented to USPS® for m
This form may be used for domestic and international mail.

From: BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: Rainbow Trust
304 Nevada Way
Boulder City, NV 8900

PS Form 3817, April 2007 PSN 7530-02-000-9065

U.S. POSTAGE PAID DURANGO, CO 81301 OCT 04, 16 AMOUNT $1.30 R2304N117083-04

1000

81122

UNITED STATES POSTAL SERVICE® Certificate Of Maili

This Certificate of Mailing provides evidence that mail has been presented to USPS® for ma
This form may be used for domestic and international mail.

From: BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: John H Rustmann
Po Box 951
Bayfield, CO 81122-000

PS Form 3817, April 2007 PSN 7530-02-000-9065

U.S. POSTAGE PAID DURANGO, CO 81301 OCT 04, 16 AMOUNT $1.30 R2304N117083-04

1000

81121

UNITED STATES POSTAL SERVICE® Certificate Of Maili

This Certificate of Mailing provides evidence that mail has been presented to USPS® for ma
This form may be used for domestic and international mail.

From: BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: Steven B & Ida R
Theys
Po Box 1759
Arboles, CO 81121-0000

PS Form 3817, April 2007 PSN 7530-02-000-9065

U.S. POSTAGE PAID DURANGO, CO 81301 OCT 04, 16 AMOUNT $1.30 R2304N117083-0

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80235

UNITED STATES POSTAL SERVICE® Certificate Of Maili

This Certificate of Mailing provides evidence that mail has been presented to USPS® for ma
This form may be used for domestic and international mail.

From: BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: United States of America
Bureau of Reclamation
7333 W Jefferson Ave
Lakewood, CO ~~80235~~-0000

PS Form 3817, April 2007 PSN 7530-02-000-9065

80235

U.S. POSTAGE PAID DURANGO, CO 81301 OCT 04, 16 AMOUNT $1.30 R2304N11

UNITED STATES POSTAL SERVICE® Certificate Of Mail[ing]

This Certificate of Mailing provides evidence that mail has been presented to USPS® for m[ailing]. This form may be used for domestic and international mail.

From: BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: Robert C. Walkinshaw
Trustee
Po Box 1936
arboles, co 81121

PS Form 3817, April 2007 PSN 7530-02-000-9065

UNITED STATES POSTAL SERVICE
1000
81121
U.S. POSTAGE
PAID
DURANGO, CO
81301
OCT 04 16
AMOUNT
$1.30
R2304N117083-04

UNITED STATES POSTAL SERVICE® Certificate Of Mailing

This Certificate of Mailing provides evidence that mail has been presented to USPS® for mailing. This form may be used for domestic and international mail.

From: BP America L48
attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

To: David L & F Ann
Young
356 N. Farm Rd.
Monte Vista, co 81144-0000

PS Form 3817, April 2007 PSN 7530-02-000-9065

UNITED STATES POSTAL SERVICE
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81144
U.S. POSTAGE
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AMOUNT
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To:

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Postmark Here

Carmelita Gallegos A 3 Pre-Application Public Meeting Sign
Installed on CR 982 at the Intersection of Candlelight Ct. on 10/5/2016

Water Management Plan
Carmelita Gallegos A 3 (Proposed Well)
SWSE Sec. 17, T32N, R5W N.M.P.M.
Archuleta County, Colorado

Water will be obtained from the Southern Ute Commercial Water Sales Facility located at 17402 Highway 172, Ignacio, CO. This is an approved commercial water source. The water will be trucked to the site via State Highway 172, 151, and CR 982 in a commercial licensed water hauling truck (typically M&R Trucking 708 Tucker Avenue, Farmington, NM (505) 326-5541) that hauls 80-140 bbls per load). Anticipated volumes for drilling are 1500 bbls and 4000 bbls for completions (frac) operations. The water quality of the purchased water is shown in the attached SUIT Annual Drinking Water Disclosure Statement provided by the SUIT Utilities Division (included in this section of the application).

The water source is not within 1 mile of the proposed site and so identification of such sources within a mile is not applicable to this permit application.

The disposal of fluids is outlined in the Waste Management Plan section of this application.

Southern Ute Indian Tribe Water Treatment Plant

Annual Drinking Water Quality Report

For Calendar Year 2014

Public Water System ID: 890001

Esta es información importante. Si no la pueden leer, necesitan que alguien se la traduzca.

We are pleased to present to you this year's water quality report. Our constant goal is to provide you with a safe and dependable supply of drinking water. Please contact the Utilities Office at (970)563-5500 with any questions about the Drinking Consumer Confidence Rule (CCR), for public participation opportunities that may affect the water quality or for information on the Source Water Assessment Plan.

General Information

All drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that the water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the Environmental Protection Agency's Safe Drinking Water Hotline (1-800-426-4791) or by visiting http://water.epa.gov/drink/contaminants.

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV-AIDS or other immune system disorders, some elderly, and infants can be particularly at risk of infections. These people should seek advice about drinking water from their health care providers. For more information about contaminants and potential health effects, or to receive a copy of the U.S. Environmental Protection Agency (EPA) and the U.S. Centers for Disease Control (CDC) guidelines on appropriate means to lessen the risk of infection by Cryptosporidium and microbiological contaminants call the EPA Safe Drinking Water Hotline at (1-800-426-4791).

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity. Contaminants that may be present in source water include:

- **Microbial contaminants:** viruses and bacteria that may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.
- **Inorganic contaminants:** salts and metals, which can be naturally-occurring or result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.
- **Pesticides and herbicides:** may come from a variety of sources, such as agriculture, urban stormwater runoff, and residential uses.
- **Radioactive contaminants:** can be naturally occurring or be the result of oil and gas production and mining activities.
- **Organic chemical contaminants:** including synthetic and volatile organic chemicals, which are byproducts of industrial processes and petroleum production, and also may come from gas stations, urban storm water runoff, and septic systems.

In order to ensure that tap water is safe to drink, the Environmental Protection Agency (EPA) prescribes regulations limiting the amount of certain contaminants in water provided by public water systems. The Food and Drug Administration regulations establish limits for contaminants in bottled water that must provide the same protection for public health.

Lead in Drinking Water

If present, elevated levels of lead can cause serious health problems (especially for pregnant women and young children). It is possible that lead levels at your

home may be higher than other homes in the community as a result of materials used in your home's plumbing. If you are concerned about lead in your water, you may wish to have your water tested. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. Additional information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline (1-800-426-4791) or at http://www.epa.gov/safewater/lead.

Our Water Source

Source	Source Type
Los Pinos River	Surface Water

The source of the water treated at the Southern Ute Indian Tribe is the Los Pinos River, also called the Pine River. At the time of this publication, Vallecito Lake is expected to stay full throughout the coming irrigation season, leaving us with excellent quality water that we have been used to in years past. The higher quality river water, together with a modern water treatment plant, will assure even higher quality to all of our customers.

Voluntary Fluoride Program

Not only is the water safe, but it also has a measured amount of Fluoride added to it to reduce Dental Carries (cavities) in any users who drink the water. Fluoride acts on teeth much like Calcium in bones to make them stronger, especially in young children. This is an added cost of about $4,500 per year to the Tribe.

Terms and Abbreviations

- **Maximum Contaminant Level (MCL)** – The highest level of a contaminant allowed in drinking water.
- **Treatment Technique (TT)** – A required process intended to reduce the level of a contaminant in drinking water.
- **Action Level (AL)** – The concentration of a contaminant which, if exceeded, triggers treatment and other regulatory requirements.
- **Maximum Residual Disinfectant Level (MRDL)** – The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.
- **Maximum Contaminant Level Goal (MCLG)** – The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.
- **Maximum Residual Disinfectant Level Goal (MRDLG)** – The level of a drinking water disinfectant, below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.
- **Violation (No Abbreviation)** – Failure to meet a Colorado Primary Drinking Water Regulation.
- **Formal Enforcement Action (No Abbreviation)** – Escalated action taken by the State (due to the risk to public health, or number or severity of violations) to bring a non-compliant water system back into compliance.
- **Variance and Exemptions (V/E)** – Department permission not to meet a MCL or treatment technique under certain conditions.
- **Gross Alpha (No Abbreviation)** – Gross alpha particle activity compliance value. It includes radium-226, but excludes radon 222, and uranium.
- **Picocuries per liter (pCi/L)** – Measure of the radioactivity in water.
- **Nephelometric Turbidity Unit (NTU)** – Measure of the clarity or cloudiness of water. Turbidity in excess of 5 NTU is just noticeable to the typical person.
- **Compliance Value (No Abbreviation)** – Single or calculated value used to determine if regulatory contaminant level (e.g. MCL) is met. Examples of calculated values are the 90th Percentile, Running Annual Average (RAA) and Locational Running Annual Average (LRAA).
- **Average (x-bar)** – Typical value.
- **Range (R)** – Lowest value to the highest value.
- **Sample Size (n)** – Number or count of values (i.e. number of water samples collected).

- **Parts per million = Milligrams per liter (ppm = mg/L)** – One part per million corresponds to one minute in two years or a single penny in $10,000.
- **Parts per billion = Micrograms per liter (ppb = ug/L)** – One part per billion corresponds to one minute in 2,000 years, or a single penny in $10,000,000.
- **Parts per trillion = Nanograms per liter (ppt = ng/L)** – One part per trillion corresponds to one minute in 2,000,000 years, or a single penny in $10,000,000,000.
- **Parts per quadrillion = Picograms per liter (ppq = pg/L)** – One part per quadrillion corresponds to one minute in 2,000,000,000 years or one penny in $10,000,000,000,000.
- **Not Applicable (N/A)** – Does not apply or not available.

Detected Contaminants

The Southern Ute Water Treatment System routinely monitors for contaminants in your drinking water according to Federal Law. The following table(s) show all detections found in the period of January 1 to December 31, 2014 unless otherwise noted. The Environmental Protection Agency (EPA) requires us to monitor for certain contaminants less than once per year because the concentrations of these contaminants are not expected to vary significantly from year to year, or the system is not considered vulnerable to this type of contamination. Therefore, some of our data, though representative, may be more than one year old. Violations and Formal Enforcement Actions, if any, are reported in the next section of this report.

Note: If no tables appear in this section then no contaminants were detected in the last round of monitoring.

Disinfectants Sampled in the Distribution System						
Contaminant Name	**Year**	**Range Low – High**	**Unit of Measure**	**MRDL**	**MRDL Violation**	**Typical Sources**
Chlorine	2014	.07-1.28	ppm	4.0	No	Water additive used to control microbes

Summary of Disinfectants Sampled in the Distribution System				
Contaminant Name	**Results**	**TT Requirement**	**TT Violation**	**Typical Sources**
Chlorine	Lowest monthly percentage of samples meeting TT requirement: 100%	For any two consecutive months, At least 95% of samples (per month) must be detectable	No	Water additive used to control microbes

Lead and Copper Sampled in the Distribution System								
Contaminant Name	**Time Period**	**90th Percentile**	**Sample Size**	**Unit of Measure**	**90th Percentile AL**	**Sample Sites Above AL**	**90th Percentile AL Exceedance**	**Typical Sources**
Copper	6/14/2012	.142	10	ppm	1.3	0	No	Corrosion of household plumbing systems; Erosion
Lead	6/14/2012	1.3	10	ppb	15	0	No	Corrosion of household plumbing systems; Erosion of natural deposits

Disinfection Byproducts Sampled in the Distribution System									
Name	**Year**	**Average**	**Range Low – High**	**Unit of Measure**	**MCL**	**MCLG**	**Highest Compliance Value**	**MCL Violation**	**Typical Sources**
Total Haloacetic Acids (HAA5)	2014	25.7	5.7-48.7	ppb	60	N/A	48.7	No	Byproduct of drinking water disinfection
Total Trihalomethanes (TTHM)	2014	34.05	25.9-43.1	ppb	80	N/A	43.1	No	Byproduct of drinking water disinfection
Chlorite	2014	.038	0-.087	ppm	1.0	.8	.087	No	Byproduct of drinking water disinfection

Disinfectants Sampled at the Entry Point to the Distribution System							
Contaminant Name	**Year**	**Average**	**Range Low – High**	**Unit of Measure**	**TT/MRDL Requirement**	**TT/MRDL Violation**	**Typical Sources**
Chlorine	2014	1.17	.47-2.28	ppm	TT = No more than 72 hours with a residual below .2 mg/L	No	Water additive used to control microbes
Chlorine Dioxide	2014	.025	0-.261	ppm	MRDL = .8	No	Water additive used to control microbes

Summary of Turbidity Sampled at the Entry Point to the Distribution System					
Contaminant Name	**Sample Date**	**Level Found**	**TT Requirement**	**TT Violation**	**Typical Sources**
Turbidity	Continuous	Highest single measurement: .250 NTU	Maximum 1 NTU for any single measurement	No	Soil Runoff
Turbidity	Continuous	Lowest monthly percentage of samples meeting TT requirement for our technology: 100%	In any month, at least 95% of samples must be less than 0.3 NTU	No	Soil Runoff

Inorganic Contaminants Sampled at the Entry Point to the Distribution System								
Contaminant Name	**Year**	**Average**	**Range Low – High**	**Unit of Measure**	**MCL**	**MCLG**	**MCL Violation**	**Typical Sources**
Antimony	2013	0.9	0.9	ppb	6	6	No	Discharge from petroleum refineries; fire retardants; ceramics; electronics; solder
Barium	2013	.0273	.0273	ppm	2	2	No	Discharge of drilling wastes; discharge from metal refineries; erosion of natural deposits
Fluoride	2013	.53	.53	ppm	4	4	No	Erosion of natural deposits; water additive which promotes strong teeth; discharge from fertilizer and aluminum factories
Nitrate	2014	.022	.022	ppm	10	10	No	Runoff from fertilizer use; leaching from septic tanks, sewage; erosion of natural deposits
Nitrite	2014	.022	.022	ppm	1	1	No	Runoff from fertilizer use; leaching from septic tanks, sewage; erosion of natural deposits

Unregulated or Secondary Contaminants** **Secondary standards are non-enforceable guidelines for contaminants that may cause cosmetic effects or aesthetic effects (such as taste, odor, or color) in drinking water.					
Contaminant Name	**Year**	**Average**	**Range Low – High**	**Unit of Measure**	**Secondary Standard**
Sodium	2014	2.21	2.21	ppm	N/A
Nickel	2013	.0008	.0008	ppm	N/A

No Violations or Formal Enforcement Actions

bp

380 Airport Road
Durango, Colorado 81303

Waste Management Plan
Carmelita Gallegos A 3 (Proposed Well)
SWSE Sec. 17, T32N, R5W N.M.P.M.
Archuleta County, Colorado

Drill Cuttings:
A closed loop system will be used. Cuttings will be segregated from drilling fluid and collected metal bins. The metal containers will be taken to one of the following commercial facilities:

Bondad Landfill
1500 CR 318
Durango, CO 81301
(970) 247-8295

Envirotech Inc.
5796 U.S. 64
Farmington, NM 87401
(505) 632-0615

Industrial Ecosystem, Inc.
#49 CR 3150
Aztec, NM 87410
(505) 632-1782

Drilling Fluids:
Drilling fluids will be contained onsite in a series of metal tanks. At the conclusion of drilling, unused (those not recycled) fluids will be transported off the location to the following commercial disposal facility:

Basin Disposal Inc.
200 Montana
Bloomfield, NM 87413
(505) 632-8936

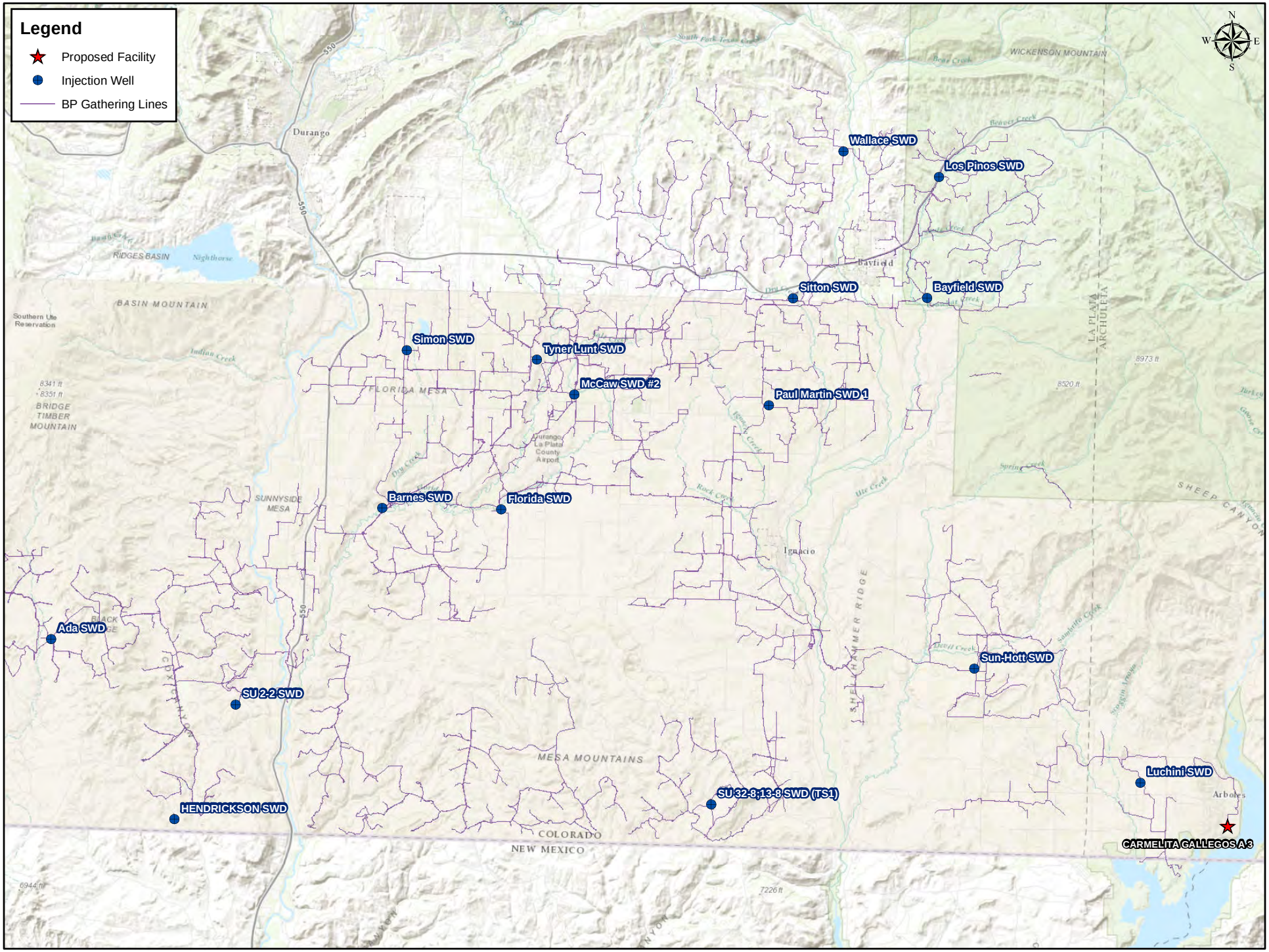
Frac Flowback:
Frac flowback fluids will be stored onsite in temporary metal frac tanks. Fluids will be transported offsite for disposal in one of BP's UIC wells (please see attached map) or disposed of in the following commercial disposal facility:

Basin Disposal Inc.
200 Montana
Bloomfield, NM 87413
(505) 632-8936

Produced Water:
Produced water generated during completions operations will be transported to BP's UIC wells (Please see attached map). Post completions, produced water will be piped to BP's existing injection well. Additional information regarding produced water is included below:

Volumes of Produced water expected out of the Carmelita Gallegos A 3 well:
Initially BP expects approximately 250bwpd out of the new well as we produce back our completion (this should last for about a month and a half). The water rate should decline to around 40 bwpd and slowly decline to below ten over the life of the well. None of these volumes will be realized until we have hooked up the well and first delivered – we are not able to flowback our completions immediately following the job due to our low reservoir pressures.

Produced water disposal (Production):
The water from this new well will be put into BP's existing water handling pipeline network. The new well will flow from the separator to the northern water transfer station that is on the Seibel A1 location where it will be pumped to our Luchini SWD (salt water disposal) well which will inject the water at a depth of about 5500'.



CARMELITA GALLEGOS A 3

Date: 11/22/2016

Surety Bond Rider

To: ARCHULETA COUNTY, COLORADO
P.O. BOX 1`507
Pagosa Springs, CO, 81147

BP AMERICA PRODUCTION COMPANY
380 Airport Road
Durango, CO, 81303

RE: Change Surety Company & Bond Number

BP AMERICA PRODUCTION COMPANY
Surety Bond Number: 6403001
Bond Amount: $ 100,000.00

Change Surety Company

- Effective December 14th, 2015, the original surety on the above referenced surety bond, Safeco Insurance Company of America, is replaced by LIBERTY MUTUAL INSURANCE COMPANY. The replacement surety assumes all obligations of the original surety from the date of issuance of the surety bond. Safeco Insurance Company of America termination of liability under the surety bond is a condition precedent to the change of surety.
- Bond number is changing from 6403001 to 29S109437
- All notices, including claims should be sent to:

  Liberty Mutual Surety
  1001 4th Avenue Suite #1700
  Seattle, WA 98154

- The Surety's obligations remain in full force and effective pursuant to the terms and conditions of the surety bond.

Signed, sealed and dated this December 14th, 2015

By: _____

Assistant Secretary
Safeco Insurance Company of America and
LIBERTY MUTUAL INSURANCE COMPANY

COMPLIANCE BOND

BOND **NO.** 6403001

KNOW ALL MEN BY THESE PRESENTS That we, BP America Production Company of 380 Airport Road, Durango, CO 81303 (hereinafter called the Principal) as Principal, and Safeco Insurance Company of America a WA corporation with principal offices at Safeco Plaza, Seattle, WA 98185 (hereinafter called the Surety) as Surety, are held and firmly bound unto Archuleta County (hereinafter called the Obligee), in the penal sum of One Hundred Thousand Dollars and 00/100 Dollars, for the payment of which well and truly to be made we do hereby bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

SIGNED AND SEALED this 21st day of February, 2006.

WHEREAS, the said Principal has made or is about to make application to said Obligee for (a license as) (a permit to) Operation of Oil and Gas Facilities (Blanket Bond) for a term beginning on February 21, 2006 and ending on February 21, 2007.

NOW, THEREFORE, If the Principal shall indemnify the Obligee against any loss directly arising by reason of the failure of said Principal to comply with the laws or ordinance under which such license or permit is granted, or any lawful rules or regulations pertaining thereto, then this obligation shall be void; otherwise to be and remain in full force and effect.

PROVIDED, HOWEVER, AND UPON THE FOLLOWING EXPRESS CONDITIONS:

I. This bond shall be and remain in full force during the term of said license unless cancelled in accordance with paragraph 2 below; but if said license or permit was issued for a term of one year or any other specific term, and said license or permit is renewed for one or more specific terms, this bond shall be and is hereby extended to cover during such additional term or terms. In no event, however shall the liability of the Surety be cumulative from one year to year or from period to period, nor exceed the penal sum written in the first paragraph of this bond.

2. The Surety shall have the right to terminate its liability hereunder by notifying in writing to P.O. Box 1`507, Pagosa Springs, CO 81147 ten (10) days in advance of its intention as to do.

BP America Production Company

By: Karen E. Bogard

Karen E. Bogard Attorney-in-Fact

Safeco Insurance Company of America

By:

William Reidinger Attorney-in-Fact