

Objective Criteria Review Summary - Catamount Energy Partners LLC (Catamount), Bull Creek Unit 28-2 Well, Form 2 #402008979.

This summary explains how COGCC staff conducted its technical review of the Bull Creek Unit 28-2 Well, Form 2 #402008979 within the context of SB 19-181 and for the required Objective Criteria. This Form 2 permit application met the following Objective Criteria -

1. *(Criteria 5.c) The existing oil and gas location is in a sensitive area for water resources.*
2. *(Criteria 6) The existing oil and gas location falls within CPW mapped 'sensitive wildlife habitat' (SWH) area for mule deer critical winter range.*
3. *(Criteria 12) The existing access road (the road constructed from Forest Service Road 615 to the oil and gas location) falls within CPW mapped 'sensitive wildlife habitat' (SWH) area for elk winter concentration and mule deer critical winter range.*

COGCC staff met with the Director to discuss whether the Objective Criteria were sufficiently addressed and whether the Form 2 could be approved with the proposed Best Management Practices (BMPs) and applied Conditions of Approval (COAs). The following sections provide details regarding the evaluation of each criterion.

Criteria 5.c: Oil and Gas Locations within: c) a Sensitive Area for water resources.

Site Specific Description of Applicability of Criteria 5.c: Based on the technical review and desktop evaluation, staff determined that the existing well pad's edge of disturbance is in close proximity to one (1) USGS identified named ephemeral drainage, Goose Creek, located less than 200' from the eastern edge of the location. Goose Creek flows from northwest to southeast and is a tributary to the Piedra River.

Site Specific Measures to Address Criteria 5.c: This Oil and Gas Location (Location ID # 456203) was subject to a COGCC Form 2A review in 2018 and the well pad was constructed in September 2018 and has one (1) vertical gas well that was drilled, hydraulically stimulated, tested, and completed in November 2018. The other two (2) wells approved for this location had conductor casing and surface casing set in September 2018, but the planned laterals have not been drilled. The existing vertical well is currently shut-in until a pipeline can be installed to this location. There is no production equipment on site. Catamount is planning to sidetrack the existing vertical well (pilot hole) with one horizontal lateral.

In 2018, COGCC placed several conditions of approval (COAs) on the Form 2A permit (Form 2A #401601105), including notification requirements, fluid containment and spill/release BMPs, sediment and dust control access road, cuttings containment and management, odor control, flowback to tanks only, and pipeline placement, installation, inspection, testing.

During COGCC's review of this Form 2, COGCC staff requested additional Stormwater and erosion control details be provided via Form 4 Sundry Notice. COGCC reviewed Form 4 Sundry Notice (document #402179531, submitted on September 17, 2019). The Form 4 included a Storm Water and Erosion Control Drawing and details additional measures to protect nearby surface water resources. The Best

Management Practices (BMPs) included on the Form 4 and approved Form 2A and the COAs on the Form 2A include:

- Additional spill control and containment measures, including lined, steel secondary containment structures;
- Dust control measures for pad and access road;
- Cuttings management and containment specifications; and
- Automatic shutdown capabilities;

The Location was originally constructed in a manner to control runoff and prevent offsite transport of sediments or contaminants. The location is subject to both Federal oversight from the USFS and State oversight from the COGCC.

Determination: During the technical review process for this Form 2, COGCC staff received additional information and clarification regarding the operator's planned activities, fluid containment, and storm water/erosion control measures. Given that the originally approved Form 2A, combined with the additional technical information addressing the protection of surface water resources, have met the standard for protection of the sensitive environment and water resources, the Director determined Criteria 5.c. was sufficiently analyzed.

Criteria 6: Oil and Gas Locations within a Colorado Parks and Wildlife ("CPW") mapped Restricted Surface Occupancy Area ("RSO") or Sensitive Wildlife Habitat ("SWH"), or locations receiving site- or species-specific CPW comments.

Criteria 12: Oil and Gas Locations with an access road (the road constructed from the public road to the Oil and Gas Location) within a RSO, SWH, 317B buffer zone, or within 200' feet of a Building Unit on lands not subject to a Surface Use Agreement.

Site Specific Description of Applicability of Criteria 6 and 12: Based on the technical review and desktop evaluation, staff determined that this existing oil and gas location and access road from Forest Service Road 615 falls within a CPW-mapped 'sensitive wildlife habitat' (SWH) area for mule deer critical winter range and elk winter concentration, which warranted a review of the CPW Form 2A consultation (2018) and the US Forest Service (FS) lease stipulations and BLM APD COAs concerning the Form 2 recompletion activities at this location.

Site Specific Measures to Address Criteria 6 and 12: COGCC contacted Catamount to determine the timeframe and duration of the sidetrack activities, including the equipment needed for the sidetrack. The activities are planned for late September/early October 2019 through November 2019 and should take no more than six weeks to complete.

COGCC conducted a desktop analysis to see if there would be any potential wildlife concerns at this built location on Forest Service surface. This analysis included the review of the previous Form 2A CPW consultation comments and BMPs, the BLM/FS onsite notes, and the FS lease stipulations and BLM APD COAs for this location. The BLM, FS, COGCC, Catamount, and CPW attended the onsite for three (3) proposed well pad locations and associated access roads and pipelines near the Goose Creek drainage of the HD Mountains on June 5, 2018. These well locations and associated

access road and pipeline surface disturbance areas were analyzed in the July 2006 Northern San Juan Basin Coal Bed Methane Project Environmental Impact Statement (EIS). In consultation with the FS, CPW developed several wildlife BMPs for the protection of big game (deer and elk), critical winter habitat resources for deer and elk, and a compensatory mitigation component. The FS (regulatory surface administrator for this locations) agreed to CPW's proposed recommendations, which mirrored many of the FS's Decision Memo and BLM's APD COAs.

The operator committed to eleven (11) wildlife BMPs on the Form 2A, including winter timing stipulations prohibiting construction, drilling, completion, and workovers between December 1 and April 30. The proposed work is scheduled to be completed before November 30 and complies with the wildlife BMPs. The BMPs agreed to by Catamount on their previously submitted Form 2A application are sufficient to address wildlife concerns associated with the proposed action. In addition, COGCC contacted CPW about this specific action and CPW made no further recommendations.

Determination: During the technical review process for this Form 2, COGCC staff reviewed the CPW consultation from the 2018 Form 2A review, the notes from the 2018 onsite, and the FS lease stipulations and BLM APD COAs for this location.

The Director determined that Objective Criteria 6 and 12 were sufficiently analyzed based on the following:

- the detailed CPW consultation comments and wildlife BMPs regarding the applicant's proposed construction, drilling, and completion activities,
- the CPW/FS/BLM requirements for compensatory mitigation,
- this is a built location where the operator has scheduled the work to be completed in late September to November 2019, and
- the drilling activities will be completed prior to the site-specific timing restrictions for mule deer critical winter range and elk winter concentration avoidance period of December 1 to April 30.

Staff met with the Director to discuss Objective Criteria that are met by this Oil and Gas Location. The Director determined that following the application of the additional analysis from the Objective Criteria, the permit application meets the standard for protection of public health, safety, welfare, the environment and wildlife resources set by SB 19-181.