

Objective Criteria Review Memo *Verdad Resources LLC, Georgene 2828-2833, Form 2A 402216196*

This summary explains how COGCC staff conducted its technical review of the Verdad Resources LLC (Verdad), Georgene 2828-2833, Form 2A, doc no 402216196, within the context of SB 19-181 and for the required Objective Criteria. This proposed Location is for eight wells, eight separators, eight oil tanks, four produced water tanks, and meets the following Objective Criteria:

1. (Criteria #5.c) The proposed Location lies within a Sensitive Area for water resources (proximity to surface water, shallow groundwater).

COGCC staff met with the Director to discuss the Objective Criteria for the Form 2A with the proposed Best Management Practices (BMPs). The following sections provide details regarding the evaluation of each criterion.

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

Site Specific Description of Applicability of Criteria 5.c: The Location is in a sensitive area due to distance to surface water and shallow groundwater. The nearest surface water is an unmapped intermittent pond located approximately 335 feet north of the Location, located across gradient. This intermittent pond is not noted on COGCC maps, but was identified by and field verified by Verdad. The estimated depth to groundwater is reported at nine feet below ground level.

Site Specific Measures to Address Criteria 5.c: Verdad placed BMPs on the Form 2A for protection of the shallow groundwater and nearby surface water at the Location. Groundwater protection BMPs include secondary containment for tanks and separators. Above-ground tanks will be in steel-walled containment with a liner while separators will be within a steel-walled containment on compacted road base. The Location is inspected daily for leaks or spills. Verdad will place cement under their rig and surround the rig with an earthen berm. Drilling mud will be stored in tanks with secondary containment. Surface water protection BMPs will include stormwater controls including grading the Location to flow to stormwater controls on the north side of the location, away from the closest surface water. Perimeter controls including a ditch and berm will be installed around the perimeter of the Location, diverting surface flows to sediment traps. A vehicle tracking pad will reduce sediment being carried off of the Location onto the nearby roadway.

Summary: Verdad provided BMPs that address groundwater and surface water protections. The BMPs include engineering controls (construction, containment, perimeter controls, and barriers) and administrative controls (inspections).

Director Determination: Based on the Objective Criteria review. The Director has determined that this permit application meets the standard for protection of public health, safety, welfare, the environment and wildlife resources set by SB 19-181.