

Objective Criteria Review Memo - TEP Rocky Mountain LLC (TEP), Federal PA 31-26 Pad Location; Form 2A #401513496 and 11 associated Form 2s.

This summary explains how COGCC staff conducted its technical review of the TEP Federal PA 31-26 Well Pad Location, Form 2A #401513496, within the context of SB 19-181 and for the required Objective Criteria.

The proposed 3.4 acre Federal PA 31-26 well pad is planned to have 11 directional gas wells, 13 separators, one (1) drilling pit for the management and disposal of drill cuttings, one (1) blowdown water tank, and three take away pipelines (gas, produced water, and condensate) that will follow the proposed access road and existing pipeline easements to the existing production facilities on the Tri State Trucking PA 22-25 Pad (Location ID #335123). TEP plans to begin construction on this well pad and pipelines on May 1, 2020. This Form 2A permit application met the following Objective Criteria -

1. *(Criteria 5.c) The proposed oil and gas location is in a sensitive area for surface water resources.*
2. *(Criteria 6) The proposed oil and gas location falls within CPW mapped 'sensitive wildlife habitat' (SWH) area for mule deer critical winter range.*
3. *(Criteria 12) The proposed access road (the road to be constructed following an existing BLM two-track from the existing Tri State Trucking PA 22-25 Pad, which is accessed from from State Highway 6) falls within CPW mapped 'sensitive wildlife habitat' (SWH) area for mule deer critical winter range.*

COGCC staff met with the Director to discuss whether the Objective Criteria were sufficiently addressed and whether the Form 2A 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 there is one (1) unnamed USGS identified intermittent drainage located adjacent to the eastern edge of disturbance; and two (2) small ephemeral drainages, one located approximately 50 feet from the northern edge of disturbance and the second located beneath and adjacent to the western and southeastern edges of disturbance. The unnamed USGS intermittent stream flows from the northwest to southeast and then southwest-south and is a tributary to the Colorado River, approximately 1.4 miles downstream.

Site Specific Measures to Address Criteria 5.c: This planned federal surface/federal minerals oil and gas location is planned for construction in May 2020. No fluid storage is planned for this location.

As it is currently proposed to be constructed, the location limits the direction of a potential release to the eastern side. If a potential release were to migrate off the facility, flow would be to the east-southeast directly towards and into the unnamed intermittent drainage and the small remaining portion of the second ephemeral drainage. Therefore, during pad construction, the location will be constructed in a manner to control run-on

and run-off, prevent offsite transport of sediments or contaminants, and minimize site degradation (particularly to the east-southeast towards the intermittent drainage).

Stormwater BMP's will include a minimum 2-foot compacted earthen perimeter berm around the entire working pad surface, and a complete system of exterior diversion ditches around the entire disturbed area. These ditches will tie into four sediment catchment basins (two along the northeastern portion of the pad, one just southwest of the pad/access road intersection, and one near the southeast edge of the excess soil stockpile area east of the access road. The access road will have waddles and rock check dams. Site degradation control measures will include grading, slope stabilization (seeding, mulching, surface roughening of the topsoil and excess soil stockpiles), and the use of gravel and roadbase materials for surfacing. The location is subject to both Federal oversight from the BLM and State oversight from the COGCC.

Summary: During the technical review process for the Form 2A, COGCC staff reviewed additional information regarding the operator's planned activities, the planned stormwater and erosion control measures, the absence of any storage tanks, and the BMPs concerning construction, drilling, and completion operations. Based on this information, it is not anticipated that the closest downgradient intermittent drainage (located adjacent to eastern-southeastern edge of the proposed disturbance area) could be impacted by a potential release.

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 proposed oil and gas location and access road from the existing Tri State Trucking PA 22-25 Pad (which is currently accessed from State Highway 6) fall within a CPW-mapped 'sensitive wildlife habitat' (SWH) area for mule deer critical winter range.

Site Specific Measures to Address Criteria 6 and 12: COGCC contacted TEP to determine the timeframe and duration of the planned activities (existing BLM two-track access road and well pad construction, well drilling, and well completion). The activities will start in May 2020 and are planned for a single continuous occupation, with construction taking two to three months to complete (May to July 2020), drilling taking two months (August to September 2020), and completions taking another two months (October to November 2020); for a total estimated duration of seven (7) months. Interim reclamation will start after the wells have been placed into production (November 2020); scheduled to begin during the 2021 growing season. TEP has provided wildlife protection BMPs including weed (cheatgrass) treatment, winter timing limitations, offsite production equipment, weed-free and wildlife seed mix, and raptor deterrence on equipment.

CPW and BLM are aware that construction, drilling, and completions cannot always be conducted outside of the BLM lease timing stipulation of December 1 to April 30 for this

oil and gas location (per the BLM Colorado River Valley Field Office). CPW staff have been working with TEP and the BLM over the last several years to develop compensatory mitigation projects to benefit big game and offset potential impacts from oil and gas operations during the winter season. CPW believes that this system will be satisfactory compensatory mitigation to offset any potential residual impacts if TEP needs to conduct operations at this location during the 2020 winter season. COGCC has deferred to CPW and BLM the exact types and locations of compensatory mitigation measures that will be done by TEP to offset potential residual impacts.

Since these wells are planned to be drilled and completed outside of big game timing limitations, along with the previously developed compensatory mitigation (determined by BLM, CPW, and TEP) that may be necessary if operations extend into the 2020 big game winter season, CPW does not object to these proposed operations. Additionally, TEP's Form 2A BMPs to address wildlife conflicts, erosion and stormwater control, interim reclamation, certified weed-free native and wildlife friendly seed mixes, and remote facilities monitoring, are adequate to minimize any other wildlife impacts from the proposed activities.

Summary: During the technical review process for the Form 2A, COGCC staff requested additional information, clarification, and timing regarding the applicant's proposed construction, drilling, and completion activities. CPW's desktop analysis indicated there are no additional recommendations for wildlife BMPs at this time and that the proposed project is not anticipated to have adverse impacts to wildlife or habitats within this area.

Director Determination: Staff met with the Director to discuss Objective Criteria that are met by this Oil and Gas Location.

- the Director determined Criteria 5.c. was sufficiently analyzed since COGCC's review of information regarding the operator's planned activities, fluid containment, stormwater and erosion control measures, the Form 2A drawings, and the site-specific BMPs that address the protection of surface water resources meet the standard for protection of the sensitive environment and water resources; and
- the Director determined Criteria 6 and 12 were sufficiently analyzed since this location is near existing development and disturbed areas (BLM two-tracks); and according to CPW, the construction, drilling, and completion activities (scheduled to be completed in one occupation from May through November 2020) would have minimal adverse impacts to wildlife or habitats within this area, and TEP has agreed to compensatory mitigation if the need arises to conduct operations during the 2020 winter season.

Based on the additional analysis from the Objective Criteria, 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.