



1199 Main Ave., Suite 101
Durango, Colorado 81301

August 10, 2020

Julie Murphy, Director
Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203
RE: Final Reclamation Variance Request
Location ID: 325595
Location Name: Bonds Gas Unit-N32N10W
Form 4 Document #: 402394952
La Plata County, Colorado

Dear Director Murphy:

BP America Production Company (“BP”) (Operator No. 10000), joined by the Bonds Family Ranch Partnership (the “Bonds”), hereby re-submit BP’s Final Reclamation Variance Request for the Bonds 3E wellsite pursuant to Rules 502.b and 1001.c. The Bonds 3E wellsite bears Location Identification Number 325595 and is in the SWSE of Section 1, Township 32 North Range 10 West, in La Plata County, Colorado. As explained below, the requested variance satisfies both the Colorado Oil & Gas Conservation Commission’s (“COGCC’s”) obligations to protect public health, safety, welfare, the environment and wildlife resources, and the needs of the Bonds, the surface owners of the property, who have requested that the land be left as-is and agreed to take the land in its current condition. The Bonds 3E well (API 05-067-06667) was plugged and abandoned on April 25, 2013.

Specifically, a variance is requested to COGCC Rule 1004.a, which requires final reclamation such that the land is left as near as practicable to the original condition. Here, per the Bonds’ request, BP seeks to leave the Bonds 3E wellsite (approximately 1.23 acres) and the associated access road in place with no additional recontouring required. Additionally, BP seeks to leave the fencing along the road and north side of the pad in place. BP notes that it has installed a permanent vehicle barrier around the P&A marker.

A variance is also requested to COGCC Rules 1004.c(2) and 1004.d which require establishment of uniform vegetative cover of at least 80% of pre-disturbance or reference area levels. BP requests that no additional re-vegetation or weed-spraying activities be required on the Bonds 3E wellsite and that control of this site revert to the Bonds.

In support of this request, BP notes that it first requested this variance on August 25, 2014 but did not receive a response. BP subsequently received corrective action notices from the

COGCC that required BP to secure the permission of Red Cedar Gathering and the Bonds to correct. BP has completed these corrective actions as explained below.

In March 2020, COGCC corrective action required that certain equipment be removed from the site. BP negotiated with the Bonds to secure access to the property, and with Red Cedar Gathering to facilitate removal of a small above ground tank and certain pipeline appurtenances. The removal of this equipment is documented in the attached photographs and the FIR Resolution Form.

Additionally, to address COGCC corrective actions requirements, BP obtained the Bonds' consent to enter the Bonds Wellsite and seed, mulch and crimp barren areas of the pad and the areas that had been newly-disturbed by Red Cedar's equipment removal activities. BP seeded the area and added coconut mat to the site to address COGCC stormwater rules (1002.f).

Finally, BP has monitored for noxious weed infestations and implemented weed control measures on the affected and reclaimed lands by removing all noxious weeds and using a pre-emergent herbicide to prevent future growth of weeds. The revegetation and weed removal work is likewise documented in the attached photographs.

These variances also meet the COGCC's obligations to protect public health, safety and welfare and the environment and wildlife resources as detailed below.

Public Health, Safety & Welfare:

- This well was properly plugged and all oil and gas equipment, including risers, materials, trash, and debris have been removed. Accordingly, the land does not contain any oil and gas improvements that could present a hazard, and all waste was removed more than five years ago.
- This land is an agricultural site that has been used for ranching (large scale cow/calf production) for more than five years. The Bonds will continue to use the land for this purpose.
- This is private land; no public access is permitted, and the Bonds have full control over the property.
- This site has no reportable spills or associated site-investigation/remediation actions. Nor are there any vessels or pits on the site.
- Previously established vegetation combined with reseeding, mulching and crimping of barren areas and areas recently disturbed by Red Cedar ensure that the site has long term stability. Additionally, BP seeded a sloped area and installed a coconut mat to provide vegetative erosion control measures for long term stormwater management and site stability.

Environment & Wildlife Resources:

- The location is in a sensitive wildlife area, with the edge of mule deer habitat to the east. Although the location is not a riparian area and does not contain wetlands, there are several water resources nearby, including a 100-year floodplain, surface streams to the north, the Animas River to the east, and closest water wells to the east and north.

These water resources and the wildlife habitat are depicted in the attached excerpts from the COGCC interactive map.

- Environmental impacts are unlikely because the well was properly plugged on April 25, 2013 and all oil and gas equipment, including risers, materials, trash, and debris have been removed. Accordingly, the land does not contain any oil and gas improvements that could present a hazard, and all waste was removed more than five years ago.
- The site is currently used for agricultural management and equipment storage, and it will continue to be used for that purpose.
- The potential for stormwater impacts is mitigated by recently updated stormwater BMPs which will prevent run-off.

And finally, the variances are desired by the surface owners. During the original surface owner consultation with the Bonds in 2013, the Bonds requested that the Bonds 3E wellsite be left as-is. This was memorialized in a written agreement signed July 19, 2014, which provides that “BP has satisfactorily completed the agreed-to reclamation activities” and that the surface owner assumed “responsibility for monitoring for vegetative cover and noxious weeds, implementing any weed control measures, protecting topsoil, and any further reclamation of the well site area.” See July 4, 2014 Letter Agreement attached. After additional consultations in late 2019 and early 2020, the Bonds continue to desire that the Bonds 3E wellsite be left as-is for continued use as an agricultural management and equipment storage area.

The Bonds hereby agree to take responsibility for future reclamation and topsoil protection and have waived the COGCC reclamation requirements under Rules 1004.a, 1004.c(2), and 1004.d in perpetuity.

Thank you for considering this request for Rule 502.b variance.

Should you have any additional questions, please contact Kyle Kerr, BP North Area Manager at (970) 317-0623 or Tom Bonds at (970) 749-4884.

Sincerely,

Patricia Campbell

Patricia L. Campbell
Regulatory Analyst, NA Gas – San Juan North

Bonds Ranch Family Partnership, LLLP

By: *Tom Bonds*

Title: *Owner / manager*

July 2, 2014

Bonds Ranch Family Partnership, LLLP
3437 HWY 550
Durango, CO 81303

Re: BP Final Reclamation Plan – Surface Owner Waiver
Bonds #3E
API # 05-067-06667
SW/4SE/4 of Section 1, T32N, R10W
La Plata County, Colorado

Dear Mr. Bonds:

BP America Production Company (BP) was the operator of a gas well on the following described land in La Plata County, Colorado:

Bonds #3E
API # 05-067-06667
SW/4SE/4 of Section 1, T32N, R10W
La Plata County, Colorado

The well was plugged and abandoned in April, 2013. In accordance with the discussions between you and BP, the reclamation of the well site has been completed in a manner supportive of your intended use as a potential storage area for the ranching operation.

Completed Reclamation:

1. BP's production equipment and its associated piping, cables, and appurtenances were removed from the well site. BP also removed its well sign, anchors, and other miscellaneous debris from the location.
2. After completion of the construction effort, the pad was smoothed and bladed.
3. The access road to the well pad was left as is for use by the landowner.
4. BP did not remove or relocate any landowner equipment. BP did not remove or relocate any Red Cedar Gathering equipment or pipelines.
5. Per the landowner's request, BP left the fencing along the road and north side of pad, but pulled the fencing on east, west and south sides. The materials were left on the southwest corner of the site near the entrance for the landowner's use.

6. Per the landowner request, no weed spraying and no seeding was performed.
7. Landowner removed and has use of the cattle guard and livestock panels.
8. BP will installed a permanent vehicle barrier around the P&A marker.

If you agree BP has satisfactorily completed the agreed-to reclamation activities presented above, please sign below as acknowledgement of the acceptance of the BP reclamation effort for the Bonds #3E. With this signature, you agree to take responsibility for monitoring for vegetative cover and noxious weeds, implementing any weed control measures, protecting topsoil, and any further reclamation of the well site area.

BP has completed the final reclamation of the Bonds #3E well site and said final reclamation is in accordance with your intended use. By signing below, you agree, for yourself, your heirs, personal representatives and assigns, that you do hereby forever release, hold harmless and indemnify BP, its successors and assigns, from all debts, claims, demands, damages and causes of action whatsoever, whether known or unknown, including such as have arisen or may relate to any alleged damage or injury to the surface as a result of the use, activity, occupancy, and/or occurrences described above.


AGREED TO AND MADE EFFECTIVE THIS 19th DAY OF July, 2014

Bonds Ranch Family Partnership, LLLP

BP America Production Company



By: Vernon G. Bonds


E.M. Sierra
Attorney-in-Fact



STATE OF TEXAS)

) ss.

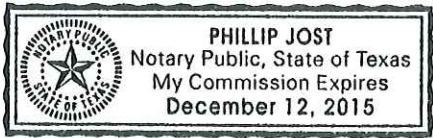
COUNTY OF HARRIS)

The foregoing instrument was acknowledged before me this 29 day of July, 2014 by E.M Sierra as Attorney-in-Fact for **BP America Production Company**, a Delaware corporation.

Witness my hand and official seal the day and year last above written.

My Commission Expires:

12.12.2015



Phillip Jost

Notary Public

STATE OF COLORADO)

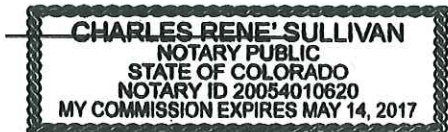
) ss.

COUNTY OF LA PLATA)

On this 19th day of July, 2014, before me the undersigned Notary Public in and for said County and State, personally appeared Vernon G. Bonds, for Bonds Ranch Family Partnership LLLP known to be the person whose name is subscribed to the foregoing instrument and acknowledged that he executed the same as his free and voluntary act and deed for the purposes and consideration therein mentioned and set forth.

Witness my hand and official seal the day and year last above written.

My Commission Expires:



Charles Rene' Sullivan

Notary Public

Bonds 3E Compliance Demonstration

Public Health, Safety and Welfare:

- This well was properly plugged and all oil and gas equipment, including risers, materials, trash, and debris have been removed. Accordingly, the land does not contain any oil and gas improvements that could present a hazard, and all waste was removed more than five years ago.
- This land is an agricultural site that has been used for ranching (large scale cow/calf production) for more than five years. The Bonds will continue to use the land for this purpose.
- This is private land; no public access is permitted, and the Bonds have full control over the property.
- This site has no reportable spills or associated site-investigation/remediation actions. Nor are there any vessels or pits on the site.
- Previously established vegetation combined with reseeding, mulching and crimping of barren areas and areas recently disturbed by Red Cedar ensure that the site has long term stability. Additionally, BP seeded a sloped area and installed a coconut mat to provide vegetative erosion control measures for long term stormwater management and site stability.

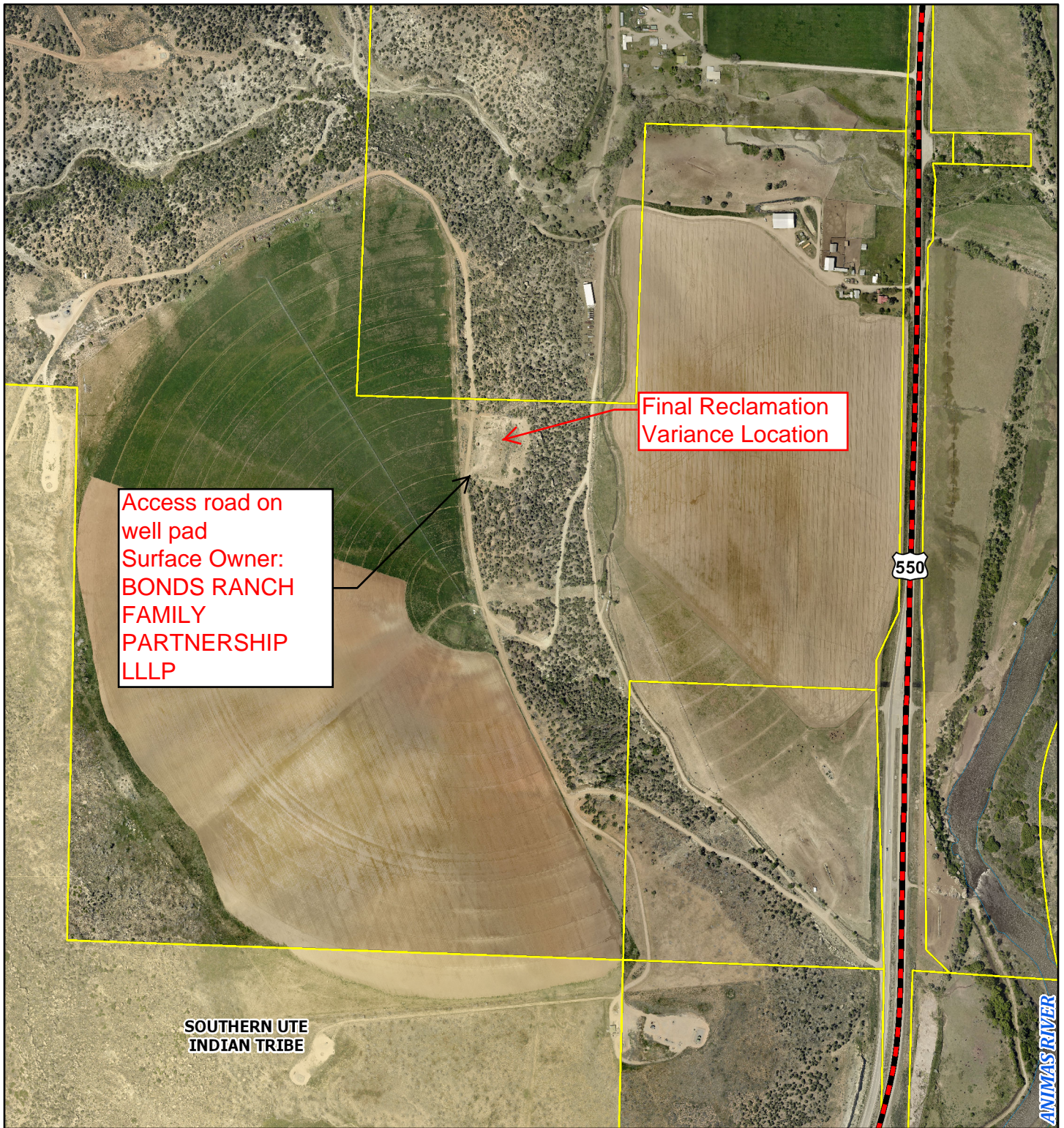
Environment & Wildlife Resources:

- The location has a sensitive wildlife area near the edge of mule deer habitat within the mile radius to the east of the well site. Although the location is not a riparian area and does not contain wetlands, there are several water resources nearby, including a 100-year floodplain, surface streams to the north and east, the Animas River to the east, and water wells to the east and north. These water resources and the wildlife habitat are depicted in the attached excerpts from the COGCC interactive map.
- This well was properly plugged and all oil and gas equipment, including risers, materials, trash, and debris have been removed. Accordingly, the land does not contain any oil and gas improvements that could present a hazard, and all waste was removed more than five years ago.
- The potential for stormwater impacts is mitigated by recently-updated stormwater BMPs which will prevent run-off and protect water resources.



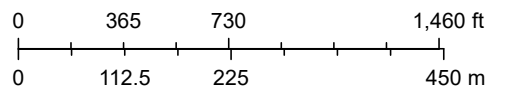
Soil amendment, seed, and mat

Boring site



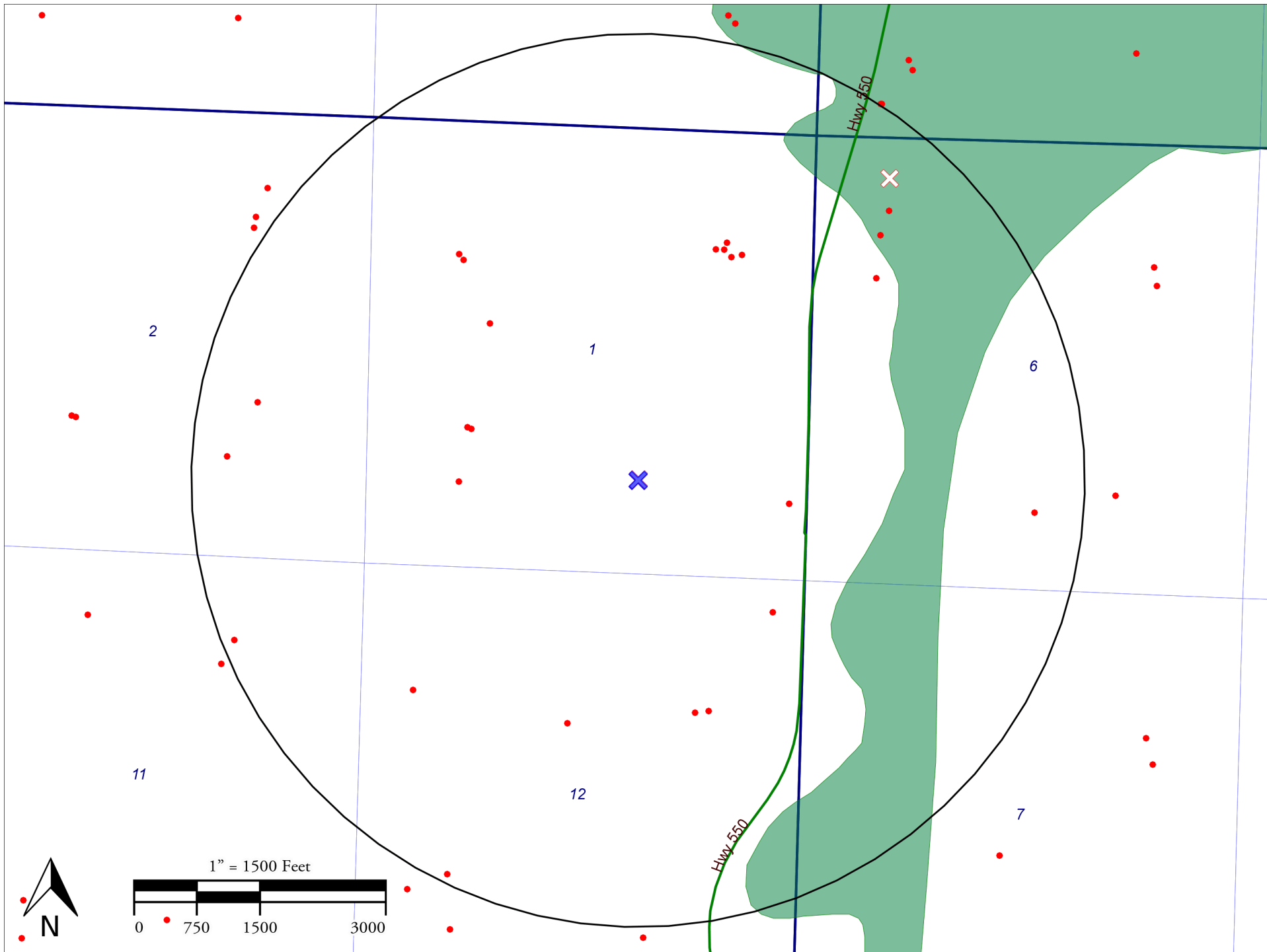
May 12, 2020

1:8,000

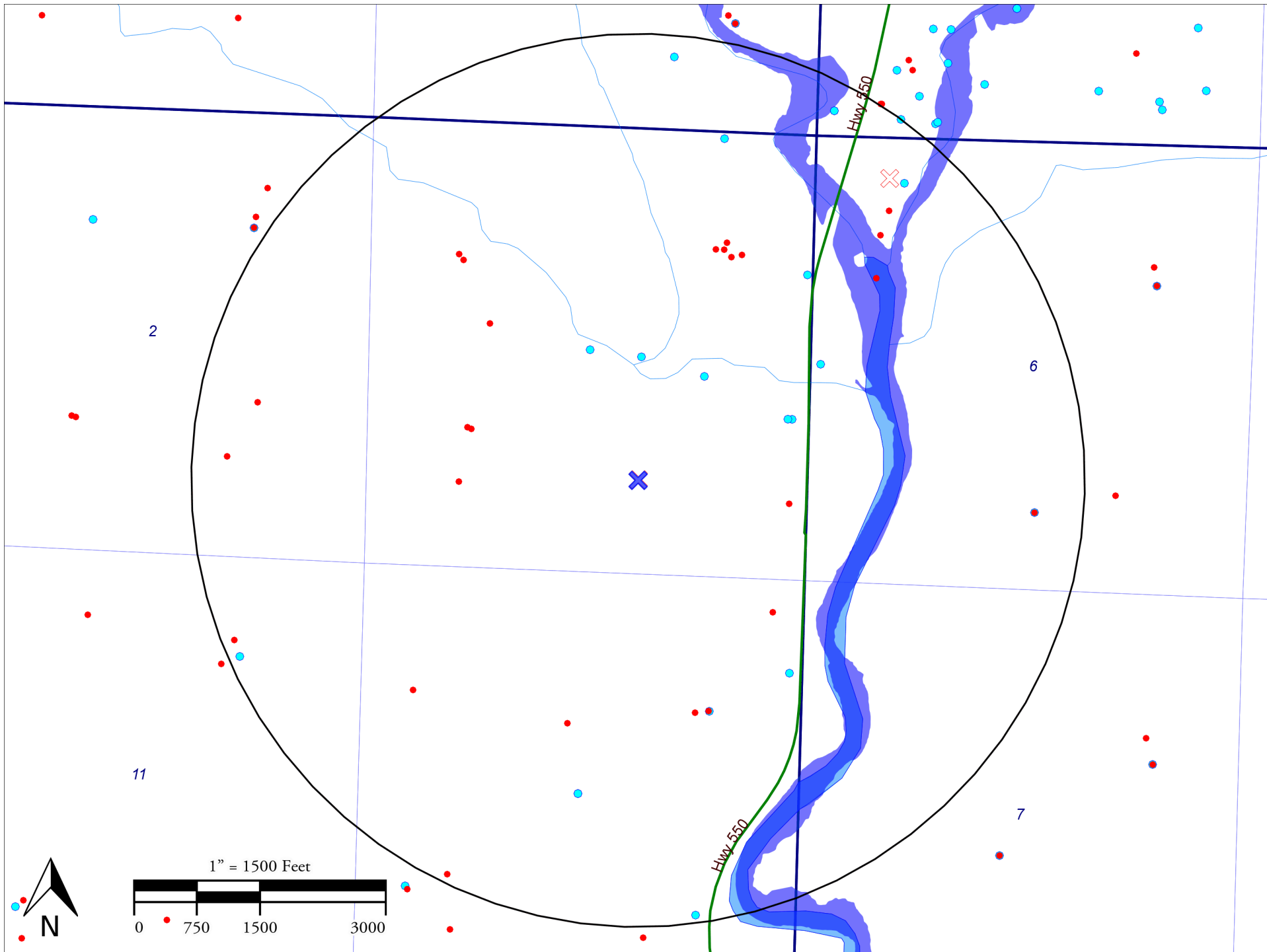


Variance Location & Ownership^{Admin}

Bonds 3E Sensitive Wildlife Area



Bonds 3E Water Resources within 1 Mile





BP AMERICA PRODUCTION COMPANY
NA GAS BUSINESS UNIT
SAN JUAN PERFORMANCE UNIT
SAN JUAN NORTH ASSET

Bonds GU 3E
API No. 05-067-06667
T32N R10W Sec1 QtrQtr SWSE



Date Taken : 5/21/14 Picture: #01
Description: Well Site after reclamation, looking north.
Tank on site belongs to RCG.



Date: 5/21/14 Picture: # 02
Description: Well Site after reclamation, looking south.



BP AMERICA PRODUCTION COMPANY
NA GAS BUSINESS UNIT
SAN JUAN PERFORMANCE UNIT
SAN JUAN NORTH ASSET

Bonds GU 3E
API No. 05-067-06667
T32N R10W Sec1 QtrQtr SWSE



Date: 5/21/14 Picture: # 03
Description: Removed fencing placed in the southwest corner of the Well Site for the landowner.

Bonds 3 E stormwater and weed actions completed 3/12/2020

Erosion repairs with cut seeding and stabilization were performed.

Seeding was performed on bare areas throughout the location. The cut was seeded and then stabilized with 100% biodegradable coconut matting to reduce stormwater flows and keep seed in contact and place for better germination. Bare areas on pad were seeded and mulched. Stormwater trap created with armored outlet to slow down flow off area and prevent channeling.

Preemergent herbicide applied 1 week prior to completing work.



During equipment removal work performed by Red Cedar on their items left on pad additional disturbance was created so those areas were seeded and mulched for stabilization as well. Additional

disturbance was also created by landowner during the removal of all of their agricultural equipment from location.



BPX well sign and miscellaneous debris was cleaned up from location and disposed of.



Photo below is of cathodic equipment belonging to Red Cedar and is still in service of the active pipeline for corrosion protection. This cannot be removed until such time that the active line is plugged and abandoned.



Entrance was decompacted, seeded and mulched.





DE	ET	OE	ES
----	----	----	----

Document Number:
400413159

Date Received:
05/10/2013

WELL ABANDONMENT REPORT

This form is to be submitted as an Intent to Abandon whenever an abandonment is planned on a borehole. After the abandonment is complete, this form shall again be submitted as a Subsequent Report of the actual work completed. The approved intent shall be valid for six months after the approval date, after that period, a new intent will be required. Attachments required with the Intent to Abandon are wellbore diagrams of the current configuration and the proposed configuration with plugs set.
 A Subsequent Report of Abandonment shall indicate the actual work completed. Attachments required with a Subsequent Report are a wellbore diagram showing plugs that were set and casing remaining in the hole, the job summaries from all plugging contractors used, including wireline and cementing (third party verification) and any logs that may have been run during abandonment.

OGCC Operator Number: 10000 Contact Name: Patti Campbell
 Name of Operator: BP AMERICA PRODUCTION COMPANY Phone: (970) 335-3828
 Address: 501 WESTLAKE PARK BLVD Fax: (970) 335-3837
 City: HOUSTON State: TX Zip: 77079 Email: patricia.campbell@bp.com

For "Intent" 24 hour notice required, Name: _____ Tel: _____
 COGCC contact: Email: _____

API Number 05-067-06667-00 Well Number: 3 E
 Well Name: BONDS GAS UNIT
 Location: QtrQtr: SWSE Section: 1 Township: 32N Range: 10W Meridian: N
 County: LA PLATA Federal, Indian or State Lease Number: _____
 Field Name: IGNACIO BLANCO Field Number: 38300

Notice of Intent to Abandon Subsequent Report of Abandonment

Only Complete the Following Background Information for Intent to Abandon

Latitude: 37.041568 Longitude: -107.882923
 GPS Data:
 Date of Measurement: 08/28/2007 PDOP Reading: 2.1 GPS Instrument Operator's Name: Bob Cress - Electrical
 Reason for Abandonment: Dry Production for Sub-economic Mechanical Problems
 Other _____
 Casing to be pulled: Yes No Estimated Depth: _____
 Fish in Hole: Yes No If yes, explain details below
 Wellbore has Uncemented Casing leaks: Yes No If yes, explain details below
 Details: _____

Current and Previously Abandoned Zones

Formation	Perf. Top	Perf. Btm	Abandoned Date	Method of Isolation	Plug Depth
DAKOTA	7448	7637	04/25/2013	B PLUG CEMENT TOP	7420

Total: 1 zone(s)

Casing History

Casing Type	Size of Hole	Size of Casing	Weight Per Foot	Setting Depth	Sacks Cement	Cement Bot	Cement Top	Status
SURF	12+1/4	9+5/8	32.3	311	300	311	0	
1ST	8+3/4	7	20	3,244	465	3,244	0	
1ST LINER	6+3/4	4+1/2	10.5	7,665	0	7,665	5,500	CALC

Plugging Procedure for Intent and Subsequent Report

CIBP #1: Depth 7420 with 40 sacks cmt on top. CIBP #2: Depth 2960 with 144 sacks cmt on top.
 CIBP #3: Depth 1610 with 373 sacks cmt on top. CIBP #4: Depth _____ with _____ sacks cmt on top.
 CIBP #5: Depth _____ with _____ sacks cmt on top.

NOTE: Two(2) sacks cement required on all CIBPs.

Set _____ sks cmt from _____ ft. to _____ ft. Plug Type: _____ Plug Tagged:
 Set 65 sks cmt from 3800 ft. to 4586 ft. Plug Type: CASING Plug Tagged:
 Set _____ sks cmt from _____ ft. to _____ ft. Plug Type: _____ Plug Tagged:
 Set _____ sks cmt from _____ ft. to _____ ft. Plug Type: _____ Plug Tagged:
 Set _____ sks cmt from _____ ft. to _____ ft. Plug Type: _____ Plug Tagged:

Perforate and squeeze at 4627 ft. with 46 sacks. Leave at least 100 ft. in casing 4586 CICR Depth
 Perforate and squeeze at 4827 ft. with 30 sacks. Leave at least 100 ft. in casing 4808 CICR Depth
 Perforate and squeeze at _____ ft. with _____ sacks. Leave at least 100 ft. in casing _____ CICR Depth
 (Cast Iron Cement Retainer Depth)

Set _____ sacks half in. half out surface casing from _____ ft. to _____ ft. Plug Tagged:
 Set _____ sacks at surface
 Cut four feet below ground level, weld on plate Above Ground Dry-Hole Marker: Yes No
 Set _____ sacks in rat hole Set _____ sacks in mouse hole

Additional Plugging Information for Subsequent Report Only

Casing Recovered: _____ ft. of _____ inch casing Plugging Date: 04/25/2013
 *Wireline Contractor: Schlumberger *Cementing Contractor: Halliburton
 Type of Cement and Additives Used: Class G cement
 Flowline/Pipeline has been abandoned per Rule 1103 Yes No *ATTACH JOB SUMMARY

Technical Detail/Comments:

P&A: RIH w/ 1.9" GR to F-nipple at 7207', set plug in F-nipple; SL observed tight spot at 1427'. Tubing hangar seals didn't hold pressure.
 TIH w/ 2-3/8" tbg, tag CIBP at 7236', TOOH w/ 2-3/8" tbg (in good condition).
 TIH and tag cement retainer at 7425' applying 15k downweight (held).
 Pump 40sx Class G cmt laying down cmt plug #1 at 6904-7420'.
 RIH w/ 3.98" GR and tag TOC at 6910'. Perf 4625-27' and 4825-27'.
 Set cmt retainer at 4808', pump 30sx Class G cmt followed by 18.6bbbls freshwater displacement.
 Tag TOC at 4630', run CBL 2900-4630' (found no cmt behind prod csg above 4630'), perf 4225-27'. (Note: In the numbers above, the 30 sxs of cement shown on plug 4630-4808 and Perforation at 4827 is the total for both the annulus and casing plug, the exact split of cement in unknown)
 Set cmt retainer at 4586', pump 46 sx Class G cmt followed by 18.25bbbls freshwater displacement, reversed w/ 27bbbls, returned ~1.5bbbls cmt.
 Tag cmt retainer at 4586', pump 26sx Class G balanced cmt plug from 4208-4586'. TIH and tag TOC at 4316'. Pump 39sx Class G cmt from 3800-4300'.
 Set CIBP at 2960', successfully pressure test CIBP/casing to 1010psi. Pump 144sx Class G cmt.
 Set 7" CIBP at 1610', successfully pressure test CIBP/casing to 500psi, pump 355sx Class G, circulated 2bbbls cmt to pit, top of cmt w/ 3.5bbbls add'l cmt.
 Cut off surface head, found 9-5/8"x7" annulus void of cement, pump 1bbl cmt down annulus with centrifugal filling.
 Weld on ID marker with weep hole.

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Patricia Campbell
 Title: Regulatory Analyst Date: 5/10/2013 Email: patricia.campbell@bp.com

Based on the information provided in this Well Abandonment Report (Form 6) complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved:

Date: 6/26/2013

CONDITIONS OF APPROVAL, IF ANY:

--

Attachment Check List

Att Doc Num	Name
400413159	FORM 6 SUBSEQUENT SUBMITTED
400415862	WELLBORE DIAGRAM
400415863	CEMENT JOB SUMMARY
400416606	WIRELINE JOB SUMMARY

Total Attach: 4 Files

General Comments

User Group	Comment	Comment Date

Total: 0 comment(s)