



Caerus Final Reclamation Variance Request- Acco-wood, Wood 3-32 Location, Delayed Interim Variance Request- Unocal Encana

6 messages

Trujillo - DNR, Aaron <aaron.trujillo@state.co.us>

Wed, Aug 26, 2020 at 11:18 AM

To: Jason Eckman <jeckman@caerusoilandgas.com>

Cc: Lindsey Rider <lrider@caerusoilandgas.com>, Denise Arthur - DNR <denise.arthur@state.co.us>

Good Morning Mr. Eckman,

This email is in regard to the Final Reclamation Surface Owner variance request for the Acco-Wood Et Al 1-32 Location (Loc. No. 312408, Doc. No. 402378934), and the Wood 3-32 Location (Loc. No. 312482, Doc. No. 402378976).

This email is also in regards to the delayed interim reclamation variance request for the Unocal-Encana 66S96W 4NESW Location (Loc. No. 335618, Doc. No. 402419039).

Staff has conducted a detailed review and is prepared to recommend approval of the variance requests with the conditions of approvals (COAs) listed below. If the Operator does not agree with the COAs they must contact the Reclamation Specialist and withdraw the variance. Please note, if the variance is withdrawn the Location will be out of compliance until the Reclamation is conducted per all the reclamation rules, and if approved, the variance request does not relieve the Operator of potential enforcement due to past non-compliance with the rules prior to submitting the variance request.

The following conditions of approval are added to the Acco-Wood and Wood 3-32 final reclamation variance requests:

- 1) The request to waive final reclamation requirements, pursuant to Rules 1004.a and 1004.d, of the access road is approved.
- 2) The oil and gas Location, and any remaining associated oil and gas disturbances not included in this variance request remain subject to COGCC 1000 series requirements.
- 3) All corrective actions identified on a field inspection report must be performed by the corrective action date until final reclamation is passed.
- 4) Per the Rule 1001.c, Operator shall continue compliance with Rules 1002.e.(1), 1002.e.(4), and 1002.f until final reclamation has been passed;

-Operator will ensure long term erosion controls have been implemented and maintained along the access road, and will continue to monitor, manage and

maintain the site and access road for erosion.

-Operator will continue to monitor, manage and maintain the site and access road for noxious weed control.

The following conditions of approval are added to the Unocal-Encana delayed interim reclamation variance request:

1) Signage:

Pursuant to the NTO, Operator shall post a sign at the location entrance stating the following: "A COGCC variance has been approved to delay the commencement of interim reclamation to no later than **December 31, 2021**". This statement may be appended to an existing sign on location provided it is plainly visible.

2) Timing and Repurpose:

The intent of the NTO is to allow the Operator to leave areas open to conduct planned operations. Reclamation will be required by 12/31/2021, as stated on the surface owner letter document, or once operations are complete or not necessary, whichever is shorter.

At no time shall the non-reclaimed areas on the location be repurposed for any other activity other than production operations without explicit permission granted through a 502.b. variance, reviewed by reclamation staff and approved by the Director.

3) Bonding:

Approval of this request is contingent upon receipt of bonding to COGCC based on the estimate provided to conduct interim reclamation at this site. Financial assurance bonds must be received within 45 days from the email notification for this request.

4) Production Areas Agreement:

Approval of this form is an approval of the NTO request only. Areas detailed in the attached figures may not encompass the exact areas needed for production operations or the required interim reclamation areas. Future assessments regarding the size and extent of the areas needed for production and interim reclamation will be determined on the ground by reclamation staff during a field inspection.

Staff will wait 5 working days and if we do not hear back from Caerus Piceance LLC then Staff will take the variance to upper management for possible final approval. If approved, Caerus will then have 45 days from the decision notification to submit the additional financial assurance for the delayed interim reclamation request. Please do not provide financial assurance until upper management has decided, and Caerus has received notice

Aaron Trujillo

NW Reclamation Specialist



C 970.441.1009|

1120 Lincoln Street, Suite 801, Denver, CO 80203 | www.colorado.gov/cogcc

Trujillo - DNR, Aaron <aaron.trujillo@state.co.us>
To: Jason Eckman <jeckman@caerusoilandgas.com>

Tue, Sep 8, 2020 at 1:10 PM

Good Afternoon Mr. Eckman,

This email is to provide notice that after internal review, COGCC Staff will be providing an additional condition to the three requests outlined in my previous email.

The condition will read as follows:

Approval of Variance does not relieve Operator of enforcement if they are not conducting proper revegetation, weed, and stormwater management until final reclamation is passed; or absolve Operator from enforcement due to any past non-compliance of the reclamation rules for the subject location.

COGCC Staff will wait until Friday, September 11th to review this additional condition. If we do not hear back from Caerus then Staff will take the variance to upper management for possible final approval.

Thank you

Aaron Trujillo

NW Reclamation Specialist



C 970.441.1009|

1120 Lincoln Street, Suite 801, Denver, CO 80203 | www.colorado.gov/cogcc

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Trujillo - DNR, Aaron <aaron.trujillo@state.co.us>
To: Lindsey Rider <lrider@caerusoilandgas.com>, hhill@caerusoilandgas.com
Cc: Jason Eckman <jeckman@caerusoilandgas.com>

Tue, Sep 8, 2020 at 2:08 PM

Good Afternoon,

I recently submitted an additional condition that the COGCC will be providing to the variance requests for the subject Locations.

I just received an email notice that Mr. Eckman is on leave, returning on the 11th.

Please see my email below to Mr. Eckman.

Thank you,

Aaron Trujillo

NW Reclamation Specialist



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Holly Hill <hhill@caerusoilandgas.com>

Tue, Sep 8, 2020 at 4:13 PM

To: "Trujillo - DNR, Aaron" <aaron.trujillo@state.co.us>, Lindsey Rider <lrider@caerusoilandgas.com>

Cc: Jason Eckman <jeckman@caerusoilandgas.com>

Good Afternoon Mr. Trujillo –

Thanks so much for routing this email to me while Jason is out! I must admit I am at a bit of a loss on this matter as Jason usually handles the surface owner variances. I am curious as to why this COA is being applied today, because it seems as though it was already contemplated in number 2 of the COAs for Acco-Wood and Wood 3-32 in the August 26, 2020 email below, which states, "The oil and gas Location, and any remaining associated oil and gas disturbances not included in this variance request remain subject to COGCC 1000 series requirements." To me this COA is clear and seems to cover the Operator's obligations for reclamation not attributed to a variance.

Second, it is not clear to me as to why revegetation, weed and stormwater management are specified in the proposed COA. It seems overly punitive when COA number 2 essentially covers the Operator's obligation to reclaim the surface according to the COGCC's 1000 series that were not specifically included in the surface owner variance request. Again, I am new to this matter so I would greatly appreciate any information.

Thank you in advance for your time!

Holly Hill

Regulatory Manager

[1001 17th Street, Suite 1600](#)

[Denver, CO 80202](#)

Office: [720-547-8746](tel:720-547-8746)

Cell: [303-521-2835](tel:303-521-2835)

Email: hhill@caerusoilandgas.com



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Trujillo - DNR, Aaron <aaron.trujillo@state.co.us>

Tue, Sep 15, 2020 at 8:57 AM

To: Holly Hill <hhill@caerusoilandgas.com>

Cc: Lindsey Rider <lrider@caerusoilandgas.com>, Jason Eckman <jeckman@caerusoilandgas.com>, Denise Arthur - DNR <denise.arthur@state.co.us>

Good Morning Holly,

These are standard COAs that the State applies to every Surface Owner variance request; Caerus has seen these before on past variance requests. The reason why this COA is being applied now was a mistake on my end, as didn't include it in the initial email.

At this point in time, unless Caerus requests the variances be withdrawn, I will move forward in submitting the requests to upper management for final review.

Thank you,

Aaron Trujillo

NW Reclamation Specialist



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Natural Resources

C 970.441.1009 |

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Holly Hill <hhill@caerusoilandgas.com>

Tue, Sep 15, 2020 at 9:25 AM

To: "Trujillo - DNR, Aaron" <aaron.trujillo@state.co.us>

Cc: Lindsey Rider <lrider@caerusoilandgas.com>, Jason Eckman <jeckman@caerusoilandgas.com>, Denise Arthur - DNR <denise.arthur@state.co.us>

Thanks Aaron for the information. Caerus would like to proceed with the surface owner variance request. Thank you!

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