



sabine oil & gas

COGCC Rule 502.b Variance Request for 1001.c Surface Owner Waiver



Location: Annie Federal #1

Location ID: 381583

API #: 05-033-06077

Prepared for:
Sabine Corporation

Prepared by:
Duraroot, LLC

Date:
November 2020



November 6, 2020

Director Julie Murphy
Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, CO 80203

RE: COGCC Rule 502.b Variance Request for 1001.c Surface Owner Waiver
Location: Annie Federal-N39N20W27NESE Location ID: 381583
Well Name: Annie Federal #1 API #: 05-033-06077
Section 27: NESE, Township 39 North, Range 20 West, N PM
Dolores County, Colorado

Dear Director Murphy,

Sabine Corporation (Sabine) has obtained a Surface Owner Waiver under Rule 1001.c for final reclamation of the former Annie Federal #1 access road. The Annie Federal #1 well has been plugged and abandoned (P&A) in accordance with the requirements of Rule 1004.a. (Subsequent Report of Abandonment Document Number: 579479).

Furthermore, in accordance with the surface owner's request (see Attachment A), Sabine has left the associated access road in place. The surface owner(s) (Mr. Matthew Stiasny) has requested that Sabine not remove/ reclaim the former Annie Federal #1 access road. The surface owner(s) wishes to waive reclamation on the former access road because the surface owner(s) uses the road for property access.

Due to the surface owner's final reclamation request of the location, we are requesting your approval for a variance from the requirements of 1004.a, 1004.c.(2), 1004.d, and Rule 1004.e pursuant to Rule 1001.c. The documents attached to this letter for the former Annie Federal #1 location were developed in accordance with the December 17, 2019, version of the Colorado Oil and Gas Conservation Commission's (COGCC's) Rule 1001.c: Surface Owner Waiver for Final Reclamation guidance document (Operator Guidance Document).

Attachment A: Executed Final Reclamation Agreement

Attachment A is a signed and executed agreement that Sabine has entered with the surface owner(s) (Mr. Matthew Stiasny) regarding the location's final reclamation efforts and the request to leave the former access road in place. Attachment A, along with Exhibit A, fulfills the four (4) requirements listed in Sections 3.1, 3.3, 3.4, and 3.8 of the Guidance Document.

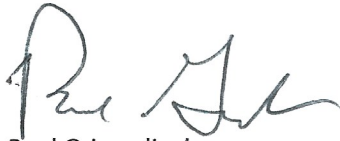
Attachment B: Operator Demonstration

Attachment B, along with all figures and Exhibits A and B, fulfills the requirements of Sections 3.5 and 3.6 of the Guidance Document to waive compliance with specified provisions of Rule 1004, via a Variance. Attachment B contains the required supporting documentation to demonstrate that granting this final reclamation variance for applicable requirements of Rule 1004 will not negatively impact public health, public safety, public welfare, the environment, or wildlife.

Sabine has made a good faith effort to provide the necessary information and evidence requested in the December 17, 2019, version of the COGCC Rule 1001.c: Surface Owner Waiver for Final Reclamation guidance document for the Director to evaluate our request for waiving specified provisions of Rule 1004 to fulfill the surface owner's request for final reclamation.

If you have any questions or concerns about Sabine's variance request, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Griesedieck". The signature is fluid and cursive, with a large initial "P" and "G".

Paul Griesedieck
Director, EH&S
Sabine Corporation

Attachments:

- Attachment A: Executed Final Reclamation Agreement
- Attachment B: Operator Demonstration
- Exhibit A: Facility Photos and Aerial Imagery
- Exhibit B: Subsequent Report of Well Abandonment

Attachment A:
Executed Final Reclamation Agreement

Attachment A



November 5, 2020

Mr. Matthew Stiasny
5781 S Youngfield St.
Littleton, CO 80127

RE: Final Reclamation Agreement
Location Name: Annie Federal #1
API: 05-033-06077 Location ID: 381583 Facility ID: 208972
Section 27: NESE, Township 39 North, Range 20 West, N PM
Dolores County, Colorado

Dear Mr. Stiasny,

Sabine Corporation (Sabine) has previously consulted with you regarding Final Reclamation for the former Annie Federal #1 well pad location (Location ID: 381583) and access road that is located on your property. During this consultation concerning the Annie Federal #1 well pad location you requested that Sabine not reclaim the original access road with gravel road base. Due to this request, you were informed by Sabine's representative that Sabine would require approved Colorado Oil and Gas Conservation Commission (COGCC) variance documentation in order to request final site closure for this location.

The Annie Federal #1 well was plugged and abandoned (P&A) in 1986 by then owner Forest Oil Corporation. A Sabine representative and the Surface Owner completed a surface owner consultation on 09/17/2020. Based on this consultation, Sabine and the Surface Owner agree to enter into this Final Reclamation Agreement in accordance with COGCC Rule 1001.c, to set forth the respective rights and responsibilities of the parties and to seek COGCC's waiver of compliance with certain 1000-Series rules.

The specific portion of the oil and gas location, see attached images(s) labeled as Exhibit A (the "Location"), subject to this Final Reclamation Agreement and waiver include:

- Location access road with gravel road base (estimated 0.50 acre).

The reason(s) for the Surface Owner entering into this Final Reclamation Agreement and thereby waiving Sabine's obligations for additional reclamation required under COGCC Rule 1004 at the Location include:

- Surface Owner(s) wishes to keep the Annie Federal #1 access road for additional access to their property.

As the Surface Owner, by waiving Sabine's obligations for final reclamation required under COGCC Rule 1004 as set forth in this letter agreement, you acknowledge that the current condition of the Annie Federal #1 location (Location ID: 381583) subject to this Final Reclamation Agreement is satisfactory to you.

Furthermore, if applicable, you acknowledge future responsibility of topsoil protection. By executing this letter below, as the Surface Owner, you also acknowledge that you knowingly, and forever, waive all reclamation protections otherwise afforded by COGCC Rule 1004 and that you will assume responsibility for any further reclamation activities you wish to have undertaken at the former Annie Federal #1 well location. Provided however, Sabine must comply with all final reclamation requirements under the Rule 1000-Series that may not be waived by the Surface Owner including COGCC Rule 1004.c.(4-5).

Please be aware that although you have signed this Final Reclamation Agreement and Sabine subsequently submits a Surface Owner Variance Request (SOVR), the COGCC may deny such request and Sabine will then be required to complete all final reclamation in accordance with the COGCC 1000-Series rules. Sabine is responsible for surface stabilization, stormwater management, and weed control until the variance request is approved.

If you agree with the terms and conditions of this Final Reclamation Agreement, please sign, date, and have your signature notarized on both originals of this letter, keep one for your files and return a fully executed copy of this letter to me at khouse@duraroot.com.

Thank you for your time and consideration in this matter. If you have any questions or comments, please contact me at (406) 580-0373.

Respectfully,



Kelley House, CPSS
Duraroot, LLC
Consultant, on behalf of Sabine Corporation

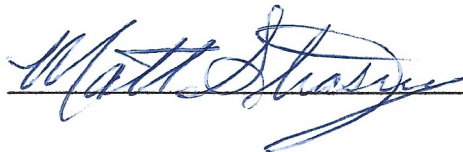
ATTACHMENTS:

Exhibit A: Aerial image and photos of the Annie Federal #1 location.

ACCEPTED AND AGREED:

Mr. Matthew Stiasny (SURFACE OWNER)

Signed: _____



Date: _____

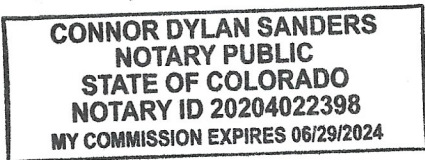
11/14/20

CORPORATE ACKNOWLEDGEMENTS

State of Colorado)
) §
County of Dolores)

On this 14~~th~~ day of ^{November} ~~October~~ 2020, before me personally appeared Mr. Matthew Stiasny (Surface Owner) known to me to be the persons described in and who executed the foregoing instrument, and who acknowledged to me that they executed the same.

(SEAL)



My commission expires: 06/29/2024
(Date)

Connor Sanders
(Signature)

EXHIBIT A

AERIAL IMAGE AND PHOTOS OF THE ANNIE FEDERAL #1 LOCATION



Figure 1. Aerial image of the Annie Federal #1 location with applicable access road.



Figure 2. Photo of the Annie Federal #1 access road (May 2020).



Figure 3. Photo of the Annie Federal #1 access road (May 2020).

Attachment B:
Operator Demonstration

Attachment B



November 16, 2020

RE: Operator Demonstration for:
Location: Annie Federal-N39N20W27NESE Location ID: 381583
Well Name: Annie Federal #1 API #: 05-033-06077
Section 27: NESE, Township 39 North, Range 20 West, N PM
Dolores County, Colorado

The information below addresses the requirements detailed in Sections 3.5 and 3.6 of the Colorado Oil and Gas Conservation Commission's (COGCCs) Rule 1001.c: Surface Owner Waiver for Final Reclamation guidance document (Operator Guidance Document) dated December 17, 2019. Sections 3.5 and 3.6 of the Guidance Document outlines the evaluation of whether public health, safety, and welfare are protected and how significant adverse environmental impacts are prevented if specified provisions of Rule 1004 are waived, via a Variance.

1. Evidence that all wells on the location have been Plugged and Abandoned (P&A) and that a Form 6 subsequent was submitted for each well.

Sabine Corporation (Sabine) certifies that the former Annie Federal #1 (API #: 05-033-06077) well has been P&A as per the COGCC Rules and the Subsequent Report of Abandonment has been submitted (Exhibit B - Document Number: 579479).

2. Evidence that all oil and gas equipment has been removed, including flowline and gathering risers.

Sabine certifies that all oil and gas equipment, including flowline and gathering risers, have been removed from the location where the final reclamation variance is being requested. Exhibit A consists of facility photos taken on May 1, 2020, that demonstrate all equipment has been removed.

3. Evidence that all trash and debris belonging to the operator or its agents has been removed.

Sabine certifies that all trash and debris belonging to Sabine or any of our contractors or agents has been removed from the location where the final reclamation variance is being requested. Exhibit A consists of facility photos taken on May 1, 2020, that demonstrate all trash and debris has been removed.

4. Evidence that noxious weeds have been controlled as required by Rule 1004.

Sabine certifies that noxious weeds have been controlled and/or removed from the location and will be managed by Sabine until approval of this final reclamation variance. Exhibit A consists of facility photos taken on May 1, 2020, that demonstrate noxious weed control on the location.

5. Documentation of Good Faith Surface Owner Consultation regarding final reclamation pursuant to Rule 306.f.

Attachment A, accompanied by Exhibit A, provides the "Final Reclamation Agreement" provided to and signed by the surface owner(s) (Mr. Matthew Stiasny) on November 14, 2020, for the former Annie Federal #1 access road documenting good faith consultation with the surface owner(s).

6. Documentation of existing state of reclamation.

Sabine certifies that the location has been reclaimed in accordance with the request of the surface owner(s) (see Attachment A). The surface owner(s) requested that Sabine not remove/ reclaim the former Annie Federal #1 access road. The disturbance area for the former Annie Federal #1 access road is approximately 0.25 mile (0.60 acre). The surface owner(s) wishes to waive reclamation on the former access road because the surface owner(s) uses the road as property access.

P&A for the Annie Federal #1 well was finalized on November 20, 1983. All associated wellhead equipment has been removed. Exhibit A consists of facility photos taken on May 1, 2020, that demonstrate the existing state of reclamation on the former Annie Federal #1 location.

7. Evidence that site is stabilized and stormwater management is adequate pending COGCC’s final sign-off reclamation inspection.

The former Annie Federal #1 well has been P&A and reclaimed in accordance with Rule 1004. The former Annie Federal #1 location is approximately 1.2 miles southeast of State Line Road, approximately 2.4 miles south of the intersection between State Line Road and Road R.7, and approximately 13 miles southwest of Dove Creek, Colorado. The former access road surface is graveled and compacted for stabilization.

Sabine will maintain the location to ensure proper stabilization and stormwater management until this variance is approved and all conditions of approval are fulfilled. Exhibit A consists of facility photos taken on May 1, 2020, that demonstrate current site conditions, including adequate site stabilization and stormwater management.

8. Operator analysis of protection of public health, safety, and welfare; and prevention of significant adverse environmental impacts.

Sabine has evaluated potential impacts to public health, safety, and welfare as well as potential significant adverse environmental impacts to this final reclamation variance to Rule 1004 [except Rules 1004.c.(4) and 1004.c.(5)]. Based on the explanation below, Sabine has determined that a variance from the applicable requirements of Rule 1004 for the former Annie Federal #1 location would have NO NEGATIVE IMPACTS on public health, public safety, public welfare, environment, or wildlife.

Public Health Analysis

The specified final reclamation variance request from Rule 1004 is minor and with COGCC approval will maintain protection of public health. The location is on private property and, according to the “Surface Owners” COGCC GIS mapping layer, does not require any consultations with the Colorado Department of Public Health and Environment (CDPHE) or Colorado’s Division of Water Resources (DWR).

Public Safety Analysis

The specified final reclamation variance request from Rule 1004 is minor and will maintain protection of public safety. The location is surrounded by agricultural land and range. The former Annie Federal #1 location is approximately 1.2 miles southeast of State Line Road, approximately 2.4 miles south of the intersection between State Line Road and Road R.7, and approximately 13 miles southwest of Dove Creek, Colorado. The former Annie Federal #1 well has been P&A and reclaimed in accordance with Rule 1004 (see Exhibits A and B).

Public Welfare Analysis

The specified final reclamation variance request from Rule 1004 is a minor request that maintains the protection of public welfare. The Annie Federal #1 location is on private property and the access road will be used by the surface owner(s) to access and maintain their property.

Environment

The former Annie Federal #1 location does not fall within a Rule 317B Public Water System Protection area, according to the COGCC GIS “PWS 317B” mapping layer. The former Annie Federal #1 location is approximately 3,131 feet northwest of the nearest surface water (Squaw Canyon) according to several COGCC GIS “Water Resources” mapping layers (Figure 1). Due to the nature of this variance the former Annie Federal #1 location does not pose a risk to surface water.

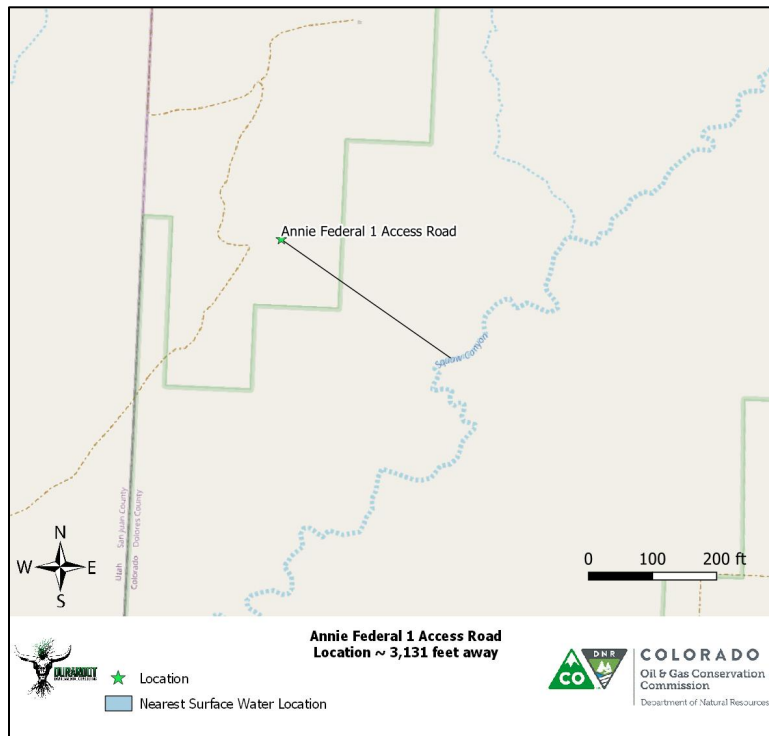


Figure 1. Distance to nearest surface water feature for the former Annie Federal #1 location.

The former Annie Federal #1 location does not fall within a defined FEMA, State, or Dolores County 100-Year Floodplain, according to COGCC GIS “Floodplain” mapping layers and Dolores County Floodplain data (Figure 2).

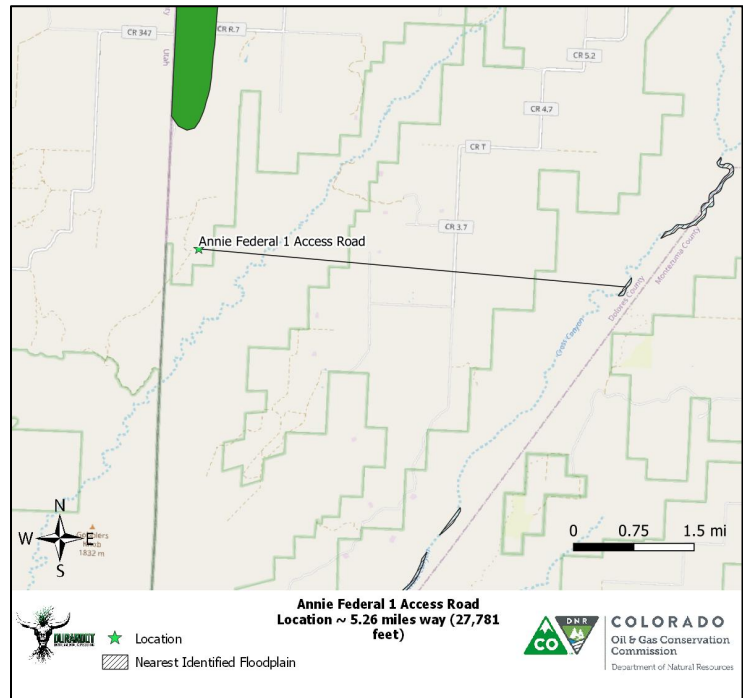


Figure 2. Distance to nearest 100-Year Floodplain for the former Annie Federal #1 location.

The former Annie Federal #1 location is approximately 7.3 miles northwest of the nearest groundwater well, according to COGCC GIS “DWR_Wells” mapping layer, which is based on Colorado’s DWR information (Figure 3).

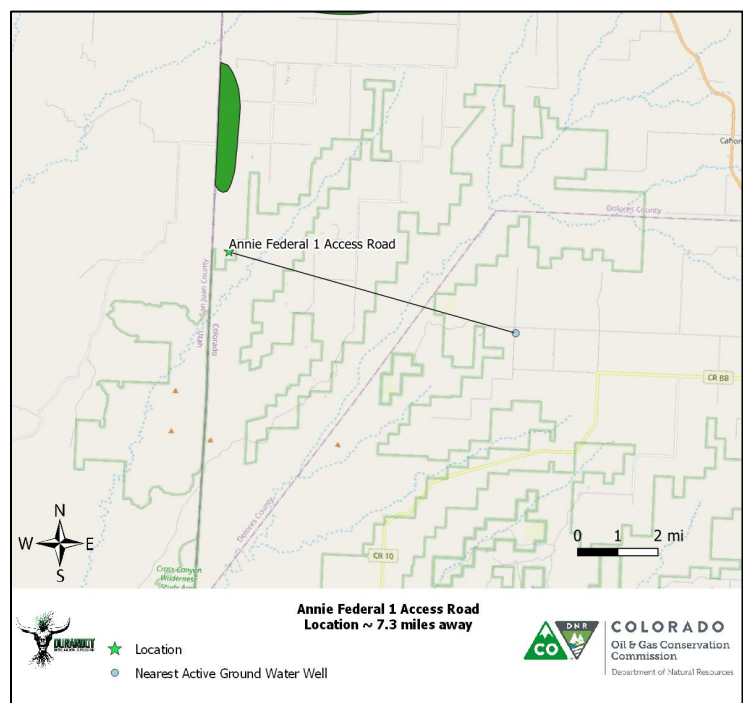


Figure 3. Distance to nearest groundwater well for the former Annie Federal #1 location.

Wildlife

The former Annie Federal #1 location is not within a defined “Restricted Surface Occupancy” (RSO) or “Sensitive Wildlife Habitat” (SWH) area as identified in the COGCC GIS “CPW_RSO” and “CPW_SWH” mapping layers (Figure 4). The nearest defined SWH area is 1.5 miles to the north.

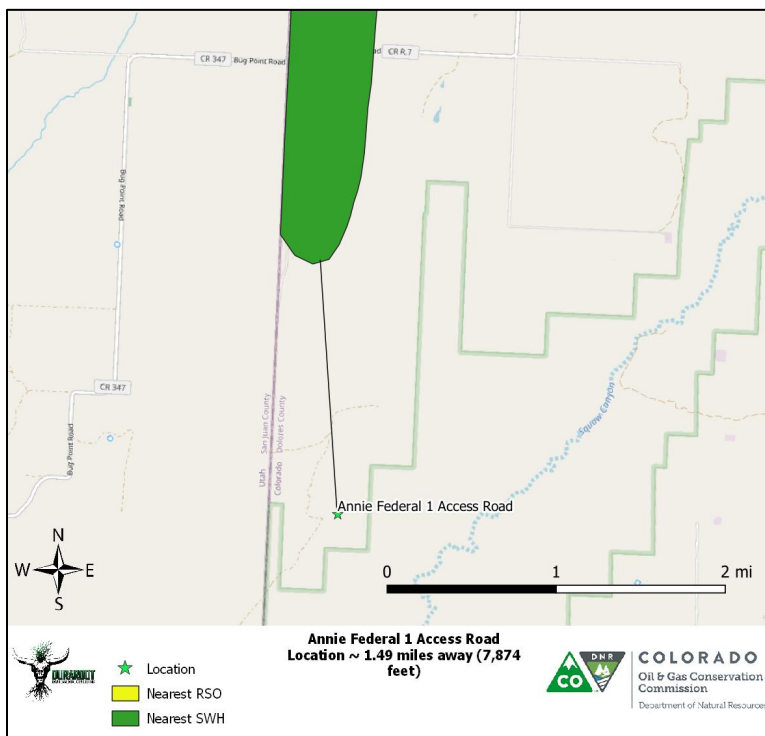


Figure 4. Distance to nearest Restricted Surface Occupancy (RSO) or Sensitive Wildlife Habitat (SWH) for the former Annie Federal #1 location.

Based on this evaluation it has been established that:

- given the small size of the variance request 0.25 mile (0.60 acre);
- the nature of the variance request;
- the surface owner’s plans for the location; and
- the fact that the location is on private property;

Granting this final reclamation variance for the former Annie Federal #1 location would have NO NEGATIVE IMPACTS on public health, public safety, public welfare, environment, or wildlife.

Exhibit A:
Facility Photos and Aerial Imagery

EXHIBIT A: FACILITY PHOTOS

PREPARED FOR: SABINE CORPORATION



Facility:

Facility Type:

Legal Description:

Date of Assessment:

COGCC Location ID#:




County:

Date Prepared:

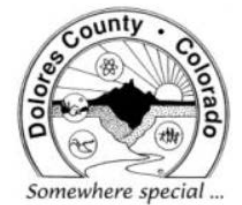
Exhibit A: Annie Federal #1 Well Pad and Access Road



Legend

-  Access Road
-  Annie Federal #1
-  Pad Disturbance

1: 800



Notes

Exhibit B:

Subsequent Report of Well Abandonment

STATE OF COLORADO
OIL AND GAS CONSERVATION COMMISSION
DEPARTMENT OF NATURAL RESOURCES



File in duplicate for Patented and Federal lands.
in triplicate for State lands.

NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

RECEIVED
APR 4 1986
COLO. OIL & GAS CONS.

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		5. LEASE DESIGNATION & SERIAL NO. C19357
2. NAME OF OPERATOR Forest Oil Corporation		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR 821 17th Street, Suite 700, Denver, CO 80202		7. UNIT AGREEMENT NAME None
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 1473.9' FSL & 620.3' FEL Sec. 27 T39N R20W At proposed prod. zone 990' FSL & 990' FWL Sec. 26 T39N R20W		8. AGREEMENT OR LEASE NAME Annie Federal
14. PERMIT NO. 49-041-20407	15. ELEVATIONS (Show whether DF, RT, GR, etc.) 6,443' GR	9. WELL NO. 1
10. FIELD AND POOL, OR WILDCAT Wildcat Papoose Canyon		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 990' FSL & 990' FWL Sec. 26 T39N R20W
12. COUNTY Dolores		13. STATE Colorado

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input checked="" type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <input type="checkbox"/>	

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

18. Date of work 11/20/83 * Must be accompanied by a cement verification report.

Forest Oil requests permission to Plug & Abandon the above well as follows:

- Plug #1 2,700'-2,900' MD 100 sacks class H, 2% CaCl₂
- Plug #2 1,873'-2,073' MD 90 sacks class H, 2% CaCl₂
- Plug #3 0'-50' MD 10 sacks class H, 2% CaCl₂

A Schlumberger dipmeter was left in the hole with 2,500'+ of electric line.
A bit, 1-7" DC, X0, Bowen jars, X0, 7-7" DC were left in the hole from 3,350'-3,611'.

19. I hereby certify that the foregoing is true and correct

SIGNED [Signature] TITLE Div. Drilling Superintendent DATE 3/31/86

(This space for Federal or State office use)

APPROVED BY [Signature] TITLE SUPR. PETROLEUM ENGINEER DATE APR 5 1986
Oil & Gas Cons. Comm

CONDITIONS OF APPROVAL, IF ANY:

D
B
SP

D