



Enduring Resources

1050 17th Street, Suite 2500 Denver, CO 80265
Telephone 303 573-1222 Fax 303 573 0461

April 5, 2021

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

Re: Surface Owner Variance Request (“SOVR”)
Location: 326637
St. Ours #1-3 (API #: 067-08501)
La Plata County, Colorado

Dear Director Murphy:

Introduction

Enduring Resources, LLC (“Enduring”) is the operator of the St. Ours #1-3 well located in Section 1: N1/2 of Township 34 North, Range 9 West, N.M.P.M., La Plata County, Colorado. This SOVR is submitted pursuant to Rule 1001.c and involves a strip of land measuring 100 feet by 30 feet (the “landowner’s strip”). The landowner’s strip is located to the north of the well pad. The landowner (Thomas A. St. Ours) has used this strip for about 20 years to store his personal property (sheds, tools, equipment). A question has been presented as to where the “Oil and Gas Location” ends and where the landowner’s strip begins. This request is intended to clarify the situation for all concerned and resolve any issues regarding compliance with COGCC rules. Mr. St. Ours is the only person presently involved who participated in the initial discussions and events, which occurred two decades ago. Mr. St. Ours’ statement is enclosed herewith, as well as two photos of the site. Enduring has no reason to doubt the veracity of Mr. St. Ours’ recitation of the facts.

Well and Leasehold History

A brief history of well operations and lease ownership would be helpful. Between 1985 and 1990, oil and gas leases were taken by Amoco and Tenneco covering, among others, lands in the subject N1/2 drilling and spacing unit. By mesne assignments, leasehold as to the Fruitland Coal formation descended to 44 Canyon, LLC. The St. Ours #1-3 was drilled by 44 Canyon, LLC on July 18, 2001 and completed on September 12, 2001. On March 31, 2006, 44 Canyon, LLC merged into Chevron Midcontinent, L.P. Ten years later, on May 20, 2016, a Corrective Action was issued by COGCC staff to Chevron directing it to remove the landowner’s materials from the north edge of the site. Enduring is not aware of any action taken by Chevron in response. On July 1, 2017, Enduring Resources IV, LLC, a related company, acquired Chevron’s assets in the San

Juan Basin, including the subject well and related leasehold. Enduring's statements about what transpired prior to its ownership are to the best of Enduring's knowledge, information and belief based on records available to it. In reviewing its records and those of the COGCC, Enduring has not observed any indication of past oil and gas activity that would have required use of the landowner's strip.

On December 23, 2019, a reclamation and stormwater inspection was conducted by the COGCC. In the Field Inspection Report, dated December 27, 2019, observations were positive (e.g., "weeds not observed," "storm water erosion appears to be controlled" and "vegetation is progressing"). There was reference, however, Chevron's 2016 Corrective Action and the circumstances to the north of the site.

Rule 208

The 2019 Corrective Action as issued pursuant to Rule 208, in effect at the time. That rule is titled "Corrective Action," and it stated: "[t]he Commission shall require correction, in a manner to be prescribed or approved by it, of any condition which is causing or is likely to cause waste or pollution; and require the proper plugging and abandonment of any well or wells no longer used or useful in accordance with such reasonable plan as may be prescribed by it." Enduring is not aware of any activity that occurred on the landowner's strip, which would have involved waste or pollution.

Nature of the Request/Reason for Variance

Enduring does not believe it has the legal right to move the landowner's personal property or force him to do so and COGCC staff has indicated that the COGCC does not have authority to directly require the landowner to take any action. COGCC staff recommended a variance request as an administrative resolution to the dilemma presented. The landowner's intended use of the strip is the same as the use historically made (e.g., storage sheds, tools, equipment). This SOVR is intended to accommodate the landowners' use of the subject strip of land. There is no permit required from the county or any other governmental agency in connection with such use. Because of his intended and continued use, the landowner requests that this narrow strip be left as is (i.e., flat and without vegetation or seeding). No change in the existing access road is needed or requested. No additional access is needed. The existing access road will continue to be used by the operator and the landowner. Final consultation with the landowner was conducted on March 29, 2021 and a surface owner agreement was reached. The rules for which a variance request is being made are with respect to the landowner's strip only and the unusual circumstances and history presented. That is to say, the series 1000 rules will be addressed generally when the well is plugged and abandoned. In this sense, most of the series 1000 rules are not applicable at this time to this strip of land. The primary rule involved in this SOVR is Rule 1004.a with respect to the parts involving re-grading, re-contouring and the access road. The surface owner requests that those parts be waived due to his intended and continued use. In addition, the following rules generally are requested to be waived or given variance (as not applicable to this strip or not applicable at this time: Rule 1002 (except 1002.e.(1), 1002.e.(4) and 1002.f), Rule 1003, and Rule 1004 (except 104.c.(4) and (5)).

Public Health, Safety, Welfare and Environment (“PHSW&E”)

None of the following exist on the landowner’s strip:

- No flow lines
- No steep cut and/or fill slopes (the area is flat)
- No road or culverts
- No drill cuttings
- No spills or remediation
- No pits
- No meter shed
- No production equipment, excess material or debris related to operations
- No electrical equipment
- No gathering line equipment or risers
- No weeds
- No tank batteries

The landowner’s strip complies with the set back contained in Rule 602.f. If the SOVR is approved as to this narrow strip of land, there would be no effect on wildlife resources or water resources. Compliance with the rules to be waived is not necessary at this time for this strip of land in order to protect the PHSW&E.

Conclusion

Enduring and Mr. St. Ours respectfully request that the SOVR be approved. Should there be any questions, do not hesitate to contact me. Pursuant to agreement with COGCC staff, Enduring reserves all rights and arguments regarding whether the landowner’s strip is a part of the Oil and Gas Location and does not waive those by submitting this request.

Yours truly,



Alex Campbell
Vice President

AC/

cc: Thomas Dugan (attorney for Enduring by email)
J. Ferrin (by email)