

April 20, 2021



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

FINAL RECLAMATION VARIANCE REQUEST	
Operator Location Name	Maxey-Hoff 1 & 2 Production Facility
COGCC Location Name (ID)	MAXEY-HOFF-65N64W /19SWSW (322718)
Legal Description	SWSW Sec. 19 T5N R64W
Coordinates (Lat/Long)	40.378965 / -104.599756
County	Weld
Form 4 Document #	402680146

Dear Director Murphy,

PDC Energy Inc. (PDC) [Operator #: 69175] is submitting this variance request for the location referenced above (Location) to request deviation from certain COGCC Rule 1004 requirements for final reclamation. The Location was a production facility pad consisting of one well (MAXEY-HOFF #1 API: 05-123-11927), initially drilled 10/01/1984 and plugged and abandoned 02/12/2021. In accordance with COGCC Rule 1001.c, and Operator Guidance (Guidance) updated on December 17, 2019, PDC entered an agreement with Deanne and Jeffrey Maxey (Surface Owners), regarding topsoil protection, reclamation of the land, and their request to waive certain Rule 1004 requirements for final reclamation.

The Surface Owners wish to retain the well pad and current/historical facility pad surfaces to use as a storage area for farm implements, vehicle turnarounds, and storage of goods related to farming activities. These features are identified in the attached Site Diagram of Variance and Reclamation Areas. This variance request seeks to waive Rule 1004.a. requirements that all access roads to plugged and abandoned wells and associated production facilities shall be closed, graded and recontoured and that well locations, access roads and associated facilities shall be reclaimed.

An assessment of potential impacts related to this variance request was completed. Based on this analysis, PDC sees no threat of harm to public health, safety, welfare, or the environment should this variance be approved, and requests concurrence from the COGCC on this conclusion.

All supporting documentation has been attached to the submitted Form 4 Sundry Notice referenced above. Please contact me if you have any questions or need additional information.

Respectfully,

Phillip Porter, CHMM

Phillip Porter
Senior Environmental Representative - Wattenberg
Phillip.Porter@pdce.com
(970) 313-5525

Attachments:

1. Historical Site Evaluation and Impact Assessment
2. Surface Owner Final Reclamation Agreement
3. Site Diagram of Variance and Reclamation Areas
4. Project Photos of Reclamation and Variance Areas
5. Hydrology Features Diagram
6. Wildlife Assessment Diagram

Historical Site Evaluation and Impact Assessment

Well Plugging and Abandonment (P&A)

The associated MAXEY-HOFF #1 well was initially drilled 10/01/1984 and plugged and abandoned on 02/12/2021. The Form 42 – Field Operations Notice (Document # 402597424) has been approved. The associated Form 6 - Well Abandonment Report (Document # 402653626) is in process.

Production Facility Equipment Removal

Removal of all associated production facility equipment is underway and will be completed per applicable rules and regulations.

Pits, Spills, and Remediation

There are no reportable spills associated with the Location. Produced water vessel closure is underway: The associated Form 27 - Site Investigation and Remediation Workplan (Initial Form) (Document # 402606405) was approved on 03/04/2021. Final facility closure and investigation will be completed per applicable rules and regulations.

Flowlines, Gathering Lines, and Other Pipeline Infrastructure

All production facility gathering lines and pipeline infrastructure are being removed during facility decommissioning. Off-location flowlines (Facility ID 472185 and 472186) will be abandoned per Rule 1105.

Waste Removal, Trash, and Debris

All waste, trash, and debris associated with operation of the Location is currently being removed per COGCC Rule 1003.a.

Revegetation and Management of Noxious and Undesirable Weeds

The historical drilling pad footprint was reduced, interim reclaimed, and returned to the surface owner for agricultural use. Per the associated Surface Owner Final Reclamation Agreement, no further revegetation is planned. Weed management is ongoing in accordance with COGCC Rule 1003.f. and will continue until the site passes a final reclamation inspection.

Hydrology and Stormwater Control Measures

All current and former working surfaces were stabilized to minimize erosion to the extent practicable. The former interim reclamation area has been revegetated and is comparable to adjacent reference areas. The current working surfaces (Variance Area) have been compacted, graveled, and stabilized. No erosion features were observed as part of an environmental site inspection performed by Confluence Compliance Companies LLC (Confluence) on 03/12/2021.

A review of hydrology features within a one-mile radius of the Location was performed and is illustrated in the attached Hydrology Features Diagram. Based on stabilization of the Variance Area through compaction and gravel application, as well as the soil type and topography of the area, erosion and sediment transport potential is low. The surface owner's crop perimeter road

and a vegetated berm separate the Variance Area from Latham Ditch, reducing the risk of sediment transport to surface waters.

Assessment of Potential Impacts to Wildlife

An assessment of potential impacts to wildlife was performed through a review of publicly available Colorado Parks and Wildlife data on the COGCC GISOnline website and during the on-site environmental assessment. The findings are illustrated in the attached Wildlife Assessment Diagram. An active Bald Eagle nest site half-mile buffer intersects with the 1-mile buffer of the Variance Area. However, the proposed Variance Area is outside of the half-mile nest buffer. The Variance Area is greater than 0.25 mile from the active nest site and is therefore in compliance with the Colorado Division of Wildlife's Actions to Minimize Adverse Impacts to Wildlife Resources guidance document published in October 2009.

Variance Area Land Use

The Surface Owners plan to utilize the Variance Area for access and storage associated with agricultural and farming activities, which parallels the current land use of the property and surrounding area.



District Office
4000 Burlington Avenue
Evans, CO 80620
970-506-9272
www.pdce.com

March 4, 2021

Jeff & Deanne Maxey
26468 County Road 49
Greeley, CO 80631

Re: **Final Reclamation Agreement**
Maxey-Hoff 1 & 2; 05-123-11927, 23688 (*Well API # and Common Name*)
Township 5 North, Range 64 West, 6th P.M.
Section 19: West Half of the Southwest Quarter
Weld County, Colorado

Dear Mr. & Mrs. Maxey (the "Surface Owner(s)"):

PDC Energy, Inc. ("PDC") has previously consulted with the Surface Owner(s) concerning the final reclamation of the above-captioned well(s) and/or facility discussing the future land use and applicability of the rules of the Colorado Oil and Gas Conservation Commission ("COGCC") as they pertain to your lands. The well(s) were plugged and abandoned and PDC has removed all associated well and production facility equipment from the site(s). PDC and the Surface Owner completed a surface owner consultation in accordance with COGCC Rule 309.b on January 18, 2021. Based on this consultation PDC 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 photographs labeled as Exhibit A (the "Location") subject to this Final Reclamation Agreement and waiver include:

- The current Production Facility location for the Maxey-Hoff 1 & 2 as well as the historical Production Facility location for the Maxey-Hoff 1.

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

- The production facility pads are beneficial to the operation of land owner's farm and will be used for multiple purposes including; vehicle parking, equipment storage and materials storage.

As the Surface Owner, you acknowledge that the current condition of the property subject to this Final Reclamation Agreement is satisfactory to you or will be satisfactory once PDC performs the agreed upon plan. If applicable, you acknowledge responsibility of topsoil protection. Additionally, 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 these sites. Provided however, PDC

must comply with all final reclamation requirements under the Rule 1000-series that may not be waived by Surface Owner including COGCC Rule 1004.c.(4-5).

If this Final Reclamation Agreement correctly reflects your agreement, please sign, date, and have your signature notarized on both originals of this letter, keep one for your files and return one to the undersigned.

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

Thank you for your time and consideration in this matter. If you have any questions or comments, please contact me at (970) 342-0135.

Respectfully,



Brian DeRose
Surface Land Supervisor

I (we) acknowledge and agree as set forth above.

Jefferey A. Maxey (SURFACE OWNER)

Signed: Jefferey A Maxey

Date: 3-4-2021

Deanne M. Maxey (SURFACE OWNER)

Signed: Deanne M Maxey

Date: 3-4-2021

ACKNOWLEDGEMENTS

State of Colorado)
) §
County of Weld)

On this 4 day of MARCH, 2021, before me personally appeared Jeffery A. & Deanne M. Maxey, as land owners, 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)

Paul F. Montville
Notary Public - State of Colorado
Notary Identification #20154035574
My Commission Expires 9/17/2023

My commission expires: 9/17/23



Notary Public

Exhibit A



**Weld County
Access Roads**

If you have elected for limited reclamation and would like to keep a road that either PDC built or an existing road that PDC upgraded and used while our well was in production, please note the following.

Weld County Code may require you to hold a current Access Permit for any access off of a county road onto your property. Currently, there is an existing Weld County Access Permit for this access.

Permit Number AP15-00596 & AP15-00219
Use: Oil and Gas

To apply for a new Access Permit or change the use of the above referenced existing Access Permit with Weld County, please contact:

Weld County Public Works Department
1111 H Street
PO Box 758
Greeley, CO 80632
970-340-6496

Or visit the Weld County website to find the Access Permit Application and to learn more about Access Permits and requirements for approval at:

www.weldgov.com/departments/public_works

Site Diagram

PDC Energy Inc.

MAXEY-HOFF 1 & 2 Production Facility

API: 05-123-11027





(MAXEY-HOFF-65N64W /19SWSW)

COGCC Location ID: 322718

Weld County

SWSW Sec. 19 T5N-R64W

Legend

-  Reclaimed Area (0.78 Acre)
-  Well and Facility Pad Variance Area (0.47 Acre)
-  Property Boundaries
-  Photo Point

Map created by Adam Roll on 04/20/2021.

MAXEY JEFFREY A
MAXEY DEANNE M

MAXEY KEITH R

MILLER RICHARD O
MILLER MARGARET E

Photo Illustrations of Reclamation and Variance Areas

Final Reclamation Variance

MAXEY-HOFF 1 & 2 Production Facility (COGCC Location ID: 322718)



Photo Point A: Facility Pad - Facing West From Southeast Corner

Photo Illustrations of Reclamation and Variance Areas

Final Reclamation Variance

MAXEY-HOFF 1 & 2 Production Facility (COGCC Location ID: 322718)



Photo Point B: Facility Pad - Facing Southwest From Northeast Perimeter

Photo Illustrations of Reclamation and Variance Areas

Final Reclamation Variance

MAXEY-HOFF 1 & 2 Production Facility (COGCC Location ID: 322718)



Photo Point C: Facility Pad - Facing Northeast From Southwest Perimeter

Photo Illustrations of Reclamation and Variance Areas

Final Reclamation Variance
MAXEY-HOFF 1 & 2 Production Facility (COGCC Location ID: 322718)



Photo Point D: Facility Pad - Facing Southeast From Northwest Perimeter

Photo Illustrations of Reclamation and Variance Areas

Final Reclamation Variance
MAXEY-HOFF 1 & 2 Production Facility (COGCC Location ID: 322718)



Photo Point E: Historical Facility Pad with Surface Owner Stockpile

Hydrology Features Diagram

PDC Energy Inc.

Maxey-Hoff 1 & 2 Production
Facility






API: 05-123-11927
(MAXEY-HOFF-65N64W
/19SSSW)

COGCC Location ID: 322718

Weld County

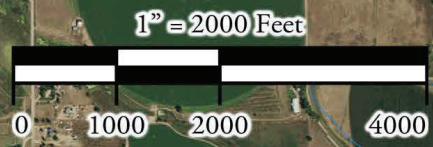
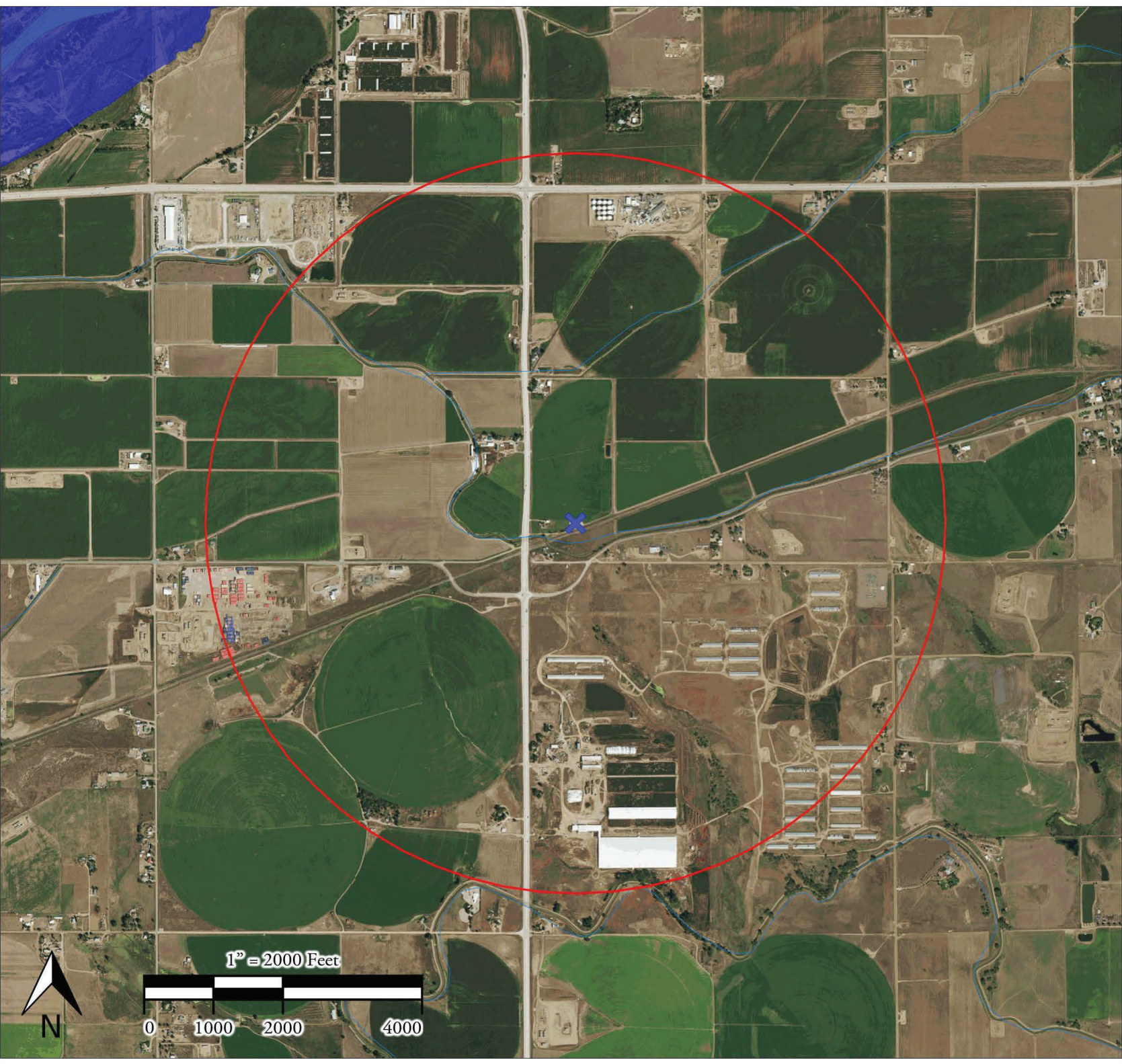
SWSW Sec. 19 T5N-R64W

Legend

-  Location
-  1 Mile Buffer
-  Stream / River / Canal
-  Lake
-  100-Year Floodplain (FEMA)

*Spatial data provided by Department of Natural Resources COGCC GISOnline. This information is used for reference purposes only. Confluence does not guarantee the accuracy of this material and is not responsible for any misuse or misinterpretation of this information.

Map created by Adam Roll on 04/13/2021.



Wildlife Assessment Diagram

PDC Energy Inc.

Maxey-Hoff 1 & 2 Production
Facility

API: 05-123-11927
(MAXEY-HOFF-65N64W
/19SWSW)

COGCC Location ID: 322718
Weld County
SWSW Sec. 19 T5N-R64W

Legend

-  Location
-  1 Mile Buffer
-  Bald Eagle Active
Nest Site Half Mile

*Spatial data provided by Department of Natural Resources COGCC GISOnline. This information is used for reference purposes only. Confluence does not guarantee the accuracy of this material and is not responsible for any misuse or misinterpretation of this information.

Map created by Adam Roll on 04/13/2021.

