

STATE OF
COLORADO

Andrews - DNR, Doug <doug.andrews@state.co.us>

COGCC Form 2A & 2B review for Mallard Exploration's Shellduck South Pad location - Doc #402657658 & #402657681

3 messages

Andrews - DNR, Doug <doug.andrews@state.co.us>

Tue, Mar 22, 2022 at 9:38 AM

To: Erin Mathews <emathews@mallardexploration.com>, Regulatory Team <regulatory@ascentgeomatics.com>

Erin & Justin,

I have reviewed the referenced Form 2A and Form 2B and have the following questions/issues/concerns that require your attention.

FORM 2A

- 1) Mallard Exploration has submitted the Form 2A indicating it is a Refile. However, when reviewing this Form 2A against the previously approved Form 2A, there are some changes being made to the location (e.g. equipment counts and size of the disturbance area). I think this FORM 2A would be more accurate to indicate it is Amending existing Location ID #455769 instead. Let me know if you concur with this change.
- 2) The Surface Owner listed on the Form 2A is ALic M. Jones. The executed SUA that is attached to the Form 2A was signed by Donald James West. A review of the Weld County Assessor's Office records indicates the parcel of land the proposed Oil & Gas Location is sited on has five owners. Ideally, listing all surface owners and their contact information is preferred. At a minimum we would like to see the surface owner who signed the SUA listed with their contact information. Please provide me with the contact information for Donald James West and I will add it to the Form 2A.
- 3) The two parties who signed the SUA are Donald James West (owner) and DPOC, LLC (operator). What is DPOC, LLC's relationship to Mallard Exploration when it comes to establishing Mallard's right to construct this oil and gas location?
- 4) The Surface Owner email address provided on the Form 2A is actually Erin Matthews work email address with Mallard Exploration. Per Rule 306.c.(1), the Director must send Notice of the Director Recommendation Decision **electronically** to the Surface Owner. Please provide me with an email address of the Surface Owner (ideally the one who signed the SUA - see my Comment #2 above).
- 5) Mallard has indicated the size of the disturbed area during construction will be 11.00 acres. This appears to only be the acreage associated with the Oil & Gas Location and does not include the Access Road. Furthermore, the Wildlife Habitat Drawing indicates the total disturbance area will be 13.6 acres. Please confirm the total size of the disturbed area.
- 6) The Noise Mitigation Plan does not discuss expected noise levels from this location. Please revise the Noise Plan to include a discussion on the expected noise levels during construction, drilling, completions/flowback, and production phases of operations.
- 7) The Dust Mitigation Plan and Cumulative Impacts Plan include a table showing the estimated start dates of the various phases of operations. The operations appear to occur continuously over the course of a full calendar year. How does that operational timeline relate to any timing stipulations associated with the location being within an HPH for Pronghorn Winter Concentration Area?
- 8) During a recent Commission Hearing, the Commissioners expressed a concern with CPW waivers on the Form 2A being provided as a copy of email correspondence between the operator and CPW. The Commissioners indicated they would like operators to obtain a more formal written waiver from CPW that summarizes the issue (in this the Alternative Location Analysis requirements, and what information CPW reviewed that led them to granting the waiver). Please contact CPW Energy Liaison Brandon Marrette and

request he provide a more formal written waiver from CPW. OGLA staff have discussed this issue with him recently so it should not come as a surprise to him. The PDF of the email correspondence can be included as supporting documentation with the written waiver, but should not act alone as the CPW waiver.

FORM 2B

1) In the Ecosystem & Wildlife Resources section of the Oil & Gas Location Data tab, Mallard has indicated the total size of the disturbed acreage and disturbed HPH area during construction will be 11.00 acres. This appears to only be the acreage associated with the Oil & Gas Location and does not include the Access Road. Furthermore, the Wildlife Habitat Drawing on the Form 2A indicates the total disturbance area will be 13.6 acres. Please confirm the total size of the disturbed area.

If you have any questions, please contact me.

Doug Andrews

Oil & Gas Location Assessment Specialist - Northeast Colorado



COLORADO
Oil & Gas Conservation
Commission
Department of Natural Resources

303.894.2100 Ext. 5180

1120 Lincoln St., Suite 801, Denver, CO 80203

doug.andrews@state.co.us | <http://cogcc.state.co.us/>

Erin Mathews <emathews@mallardexploration.com>

Tue, Mar 29, 2022 at 10:10 AM

To: "Andrews - DNR, Doug" <doug.andrews@state.co.us>, Regulatory Team <regulatory@ascentgeomatics.com>

Doug,

Thank you for the email. Please see below for responses to your questions and comments in [blue](#). We are still waiting on information from CPW, but I did want to get back to you as much information as possible so you can continue processing this application.

Thanks,

Erin

Erin Mathews

VP of Development

Mallard Exploration

(970) 302-6171

From: Andrews - DNR, Doug <doug.andrews@state.co.us>

Sent: Tuesday, March 22, 2022 9:39 AM

To: Erin Mathews <emathews@mallardexploration.com>; Regulatory Team <regulatory@ascentgeomatics.com>

Subject: COGCC Form 2A & 2B review for Mallard Exploration's Shellduck South Pad location - Doc #402657658 & #402657681

Erin & Justin,

I have reviewed the referenced Form 2A and Form 2B and have the following questions/issues/concerns that require your attention.

FORM 2A

1) Mallard Exploration has submitted the Form 2A indicating it is a Refile. However, when reviewing this Form 2A against the previously approved Form 2A, there are some changes being made to the location (e.g. equipment counts and size of the disturbance area). I think this Form 2A would be more accurate to indicate it is Amending existing Location ID #455769 instead. Let me know if you concur with this change.

Please change the Form 2A from Refile to Amend.

2) The Surface Owner listed on the Form 2A is ALic M. Jones. The executed SUA that is attached to the Form 2A was signed by Donald James West. A review of the Weld County Assessor's Office records indicates the parcel of land the proposed Oil & Gas Location is sited on has five owners. Ideally, listing all surface owners and their contact information is preferred. At a minimum we would like to see the surface owner who signed the SUA listed with their contact information. Please provide me with the contact information for Donald James West and I will add it to the Form 2A.

Please use the following contact information:

Donald James West, Trustee

The Don West Trust

1515 Ridgemark Road

Harrison, AR 72601

870-741-7248

patwest1515@cox.net

3) The two parties who signed the SUA are Donald James West (owner) and DPOC, LLC (operator). What is DPOC, LLC's relationship to Mallard Exploration when it comes to establishing Mallard's right to construct this oil and gas location?

DPOC, LLC, a Delaware limited liability company is a wholly owned subsidiary of Mallard Exploration, LLC, a Delaware limited liability company.

4) The Surface Owner email address provided on the Form 2A is actually Erin Matthews work email address with Mallard Exploration. Per Rule 306.c.(1), the Director must send Notice of the Director Recommendation Decision **electronically** to the Surface Owner. Please provide me with an email address of the Surface Owner (ideally the one who signed the SUA - see my Comment #2 above).

Please confer with Sabrina and John and let us know if the SO email address for Mr. West may be provided to COGCC for notice of Director's Recommendation but not published on the 2A. The surface owner's email can be found in the contact information provided above.

5) Mallard has indicated the size of the disturbed area during construction will be 11.00 acres. This appears to only be the acreage associated with the Oil & Gas Location and does not include the Access Road. Furthermore, the Wildlife Habitat Drawing indicates the total disturbance area will be 13.6 acres. Please confirm the total size of the disturbed area.

The total size of disturbed area for the Shelduck South project is 13.6 acres; comprised of the Shelduck OGL at 11.0 acres and the Access Road disturbed area at 2.6 acres.

6) The Noise Mitigation Plan does not discuss expected noise levels from this location. Please revise the Noise Plan to include a discussion on the expected noise levels during construction, drilling, completions/flowback, and production phases of operations.

A revised Noise Mitigation Plan is attached.

7) The Dust Mitigation Plan and Cumulative Impacts Plan include a table showing the estimated start dates of the various phases of operations. The operations appear to occur continuously over the course of a full calendar year. How does that operational timeline relate to any timing stipulations associated with the location being within an HPH for Pronghorn Winter Concentration Area?

At the time of the initial submittal of the Shellduck South OGD application, we had hoped to be starting operations now as indicated in the provided schedule, however that clearly hasn't happened as we are still working through the permitting process. Therefore, Mallard would like to propose the following revised schedule of operations and would also like to propose the following BMP. This BMP will need to be finalized with the final compensatory mitigation amounts from CPW. In our request to CPW for the formal waiver, I asked for final compensatory costs rather than the ranges that were initially provided.

Anticipated schedule:

Pad & Facility Construction: May 2023

Drilling: June 2023

Completion: August 2023

Flowback: October 2023

Production: December 2023

Interim Rec: May 2024

Mallard plans on conducting all construction, drilling, and completion operations between May 1 and December 31, outside of the Pronghorn Winter Concentration season; and therefore, will pay the Indirect Impact Habitat Mitigation Fee of \$XX,XXX (at least 32 days prior to construction). If Mallard is unable to complete all operations between May 1 to December 31, the operator will provide notice as soon as practical indicating that operations will be occurring within the Pronghorn Winter Concentration season (January 1 to April 30) via a Form 4 Sundry Notice to COGCC and direct communication with CPW. With the Form 4 Sundry Notice, Mallard will indicate an estimate of the planned duration of the operations needing to be completed. In addition, Mallard will pay an additional Indirect Impact Habitat Mitigation Fee of \$XXX,XXX directly to CPW. This amount is the difference between the 'Operating Exclusively Outside of the Pronghorn Winter Season Fee' of \$XX,XXX (originally paid to CPW prior to construction) and the 'Operating Within any Portion of the Pronghorn Winter Season Fee' of \$XXX,XXX.

8) During a recent Commission Hearing, the Commissioners expressed a concern with CPW waivers on the Form 2A being provided as a copy of email correspondence between the operator and CPW. The Commissioners indicated they would like operators to obtain a more formal written waiver from CPW that summarizes the issue (in this the Alternative Location Analysis requirements, and what information CPW reviewed that led them to granting the waiver). Please contact CPW Energy Liaison Brandon Marrette and request he provide a

more formal written waiver from CPW. OGLA staff have discussed this issue with him recently so it should not come as a surprise to him. The PDF of the email correspondence can be included as supporting documentation with the written waiver, but should not act alone as the CPW waiver.

We have reached out to CPW requesting the more formal waiver. We will provide the document as soon as its received.

FORM 2B

1) In the Ecosystem & Wildlife Resources section of the Oil & Gas Location Data tab, Mallard has indicated the total size of the disturbed acreage and disturbed HPH area during construction will be 11.00 acres. This appears to only be the acreage associated with the Oil & Gas Location and does not include the Access Road. Furthermore, the Wildlife Habitat Drawing on the Form 2A indicates the total disturbance area will be 13.6 acres. Please confirm the total size of the disturbed area.

As discussed above, the total size of disturbed area for the Shellduck South project is 13.6 acres; comprised of the Shellduck OGL at 11.0 acres and the Access Road disturbed area at 2.6 acres.

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Shellduck South Noise Plan 2022-03-25.pdf

211K

Erin Mathews <emathews@mallardexploration.com>
To: "Andrews - DNR, Doug" <doug.andrews@state.co.us>
Cc: Regulatory Team <regulatory@ascentgeomatics.com>

Tue, Apr 12, 2022 at 3:08 PM

Afternoon Doug,

I just wanted to let you know that we are still waiting on the waiver from CPW. Last week Brandon Marette requested some additional information from us that I provided to him on Monday so hopefully we can wrap this up soon. Please let me know if you have any questions for Mallard that I can provide while waiting on the waiver.

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