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March 4, 2024

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VIA EMAIL AND U.S. MAIL

1120 Lincoln Street, Suite 801
Denver, Colorado, 80203
Colorado Energy and Carbon Management Commission
ATTN: Director Julie Murphy
Julie.murphy@state.co.us

Dear Director Murphy:

On behalf of former operator HRM Resources III, LLC¹, this letter informs you, and requests immediate correction, of an error Colorado Energy and Carbon Management Commission (“ECMC”) staff has made in ECMC records regarding the Evans #1 (API#05-081-06984) Well (the “Evans #1 Well”). Specifically, the COGIS Well Scout Card for the Evans #1 Well, attached herein as Appendix A, incorrectly lists Painted Pegasus Petroleum, LLC, (Operator No. 10711) (“P3”) as the operator of the well. Neither the ownership nor the operatorship of the Evans #1 Well was ever transferred from any prior operator of the Evans #1 Well to P3.

The Evans #1 Well was plugged and abandoned in accordance with all applicable law in 2009, by prior operator Samson Resources Company (Operator No. 76104) (“Samson”). After plugging and abandonment, Samson also remediated and reclaimed, in accordance with all applicable law, the Evans #1 Well’s associated location (Location Id. # 313111) prior to 2019. Subsequent to Samson’s plugging and abandonment of the Evans #1 Well and associated remediation and reclamation of the well location, HRM III was the ECMC operator of record for the Evans #1 Well and associated location for the period of 2019 (when Samson transferred the Evans #1 Well to HRM III) until 2023 (when HRM III dissolved). But due to Samson’s asset retirement activities, HRM III never had asset retirement obligations associated with the Evans #1 Well.

Even were HRM III to have had asset retirement obligations associated with the Evans #1 Well during its brief stint as operator of record, ECMC, as you know, found them satisfied. Specifically, you concluded in your letter dated October 12, 2023 (ECMC Document No.2422650), that HRM III had met “[a]ll obligations” for its former operations, including any that could be attributed to the Evans #1 Well, “pursuant to the Colorado Energy & Carbon Management Commission rules and regulations.”

¹ HRM Resources III, LLC (“HRM III”) was dissolved on November 6, 2023. As ECMC is aware, HRM III is no longer operating wells in Colorado.

To avoid confusion or the false implication that any prior operator of the Evans #1 Well ever transferred the Evans #1 Well to P3, please immediately correct ECMC's inadvertent mistake by removing P3 as the listed operator of the Evans #1 Well in ECMC's records, including the Evans #1 Well's Scout Card and in each and every other instance ECMC's records, whether paper, online, or otherwise, may incorrectly list P3 as operator of the Evans #1 Well. Please also confirm in writing once this has been completed and provide a copy of the corrected Evans #1 Well's Scout Card and any other corrected ECMC records. We respectfully request that you correct the records and provide confirmation of the same within five business days. If you anticipate the task to take longer, please advise by what date certain you anticipate having the task completed.

Thank you for your prompt attention to this matter. Please direct any questions and all future communications to the undersigned.

Sincerely,

A handwritten signature in blue ink, appearing to read "Julia E. Rhine".

Julia E. Rhine

Appendix A

COGIS - WELL SCOUT CARD

[Related](#)
[Insp](#)
[MIT](#)
[GIS](#)
[Doc](#)
[COA](#)
[Wellbore](#)
[Orders](#)
[Bradenhead](#)

This operator is no longer active in the State of Colorado.

Surface Location API# 05-081-06984	Well Classification: CBM	Status: PA - 8/12/2009
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<p>Well Name/No: EVANS #1 <small>(Click Well Name for Production Data)</small></p> <p>Operator: PAINTED PEGASUS PETROLEUM LLC - 10711 <small>(Click Operator Name for Company Detail Report)</small></p> <p>Facility Status: PA</p> <p>FacilityID: 257270</p> <p>County: MOFFAT #081</p> <p>Field: WILDCAT - #99999</p> <p>Planned Location: 348FSL 2195 FEL</p> <p>As Drilled Location: Footages Not Available</p>	<p>Click Here for Transporter Gatherer Info</p> <p>Federal Or State Lease #:</p> <p>Status Date: 8/12/2009</p> <p>LocationID: 313111</p> <p>Location: SWSE 18 12N92W 6</p> <p>Elevation: 6162 ft.</p> <p>Lat/Long: 40.993821 / -107.762121</p> <p>Lat/Long: 40.993975 / -107.762090</p>	<p>Lat/Long Source: Calculated From Footages</p> <p>Lat/Long Source: Field Measured</p>
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Expand Section

Wellbore And Formation Details -- select either a wellbore Or formation to expand.

Wellbore #00	Status: PA - 8/12/2009	Measured TD: 2700 ft.	Vertical TD: 2700 ft.	▼
Formation FTUNC	Status: AB - 8/12/2009	Interval Top: 3949 ft.	Interval Bottom: 3977 ft.	▼

Primary Well Designation:	
None <i>i</i>	
All Designations	Date
Reported Plugged	N
Out Of Service Repurposed	N
Out Of Service	N
Inactive Exception	N
Noticed Inactive	N
Defined Inactive	N
Low Producing	N

BOE/MCFE/GOR Calculations Production for Previous 12 Months	
December 2022 - November 2023 <i>i</i>	
Total Oil Produced (Barrels)	0
Total Gas Produced (MCF)	0
GOR	
GOR Determination	
Average BOE per Day	0.000
Average MCFE per Day	0.000

Federal Financial Assurance	<i>i</i>
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Tribal Well	<i>i</i> No
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Source: <https://ecmc.state.co.us/cogisdb/Facility/FacilityDetail?api=08106984> (last accessed March 1, 2024)