



December 1, 2022

Taylor Elm
Northwest Energy Liaison
Colorado Parks and Wildlife
88 Wildlife Way
Glenwood Springs, Colorado 81601

**Re: Rule 304.b.(2) Alternative Location Analysis Waiver
Operations on the Janet 0780 S5 Pad, NE¼NE¼ Section 5-T7N-R80W
and Ray Ranch North 0880 S32 CTB Pad, SE¼SW¼ Section 32-T8N-R80W
Jackson County, Colorado**

Mr. Elm,

The Colorado Oil & Gas Conservation Commission ("COGCC") has established rules regarding when an alternative location analysis ("ALA") should be conducted as part of the submission of a Form 2A in association with a proposed new or amended Oil and Gas Location (COGCC Rule 304.b.(2)). As we have previously discussed with you, COGCC regulations require the inclusion of an ALA with the submission of a Form 2A if certain criteria described in Rule 304.b.(2).B. are met. One triggering criteria is the location of the proposed Oil and Gas Locations within High Priority Habitat ("HPH") where the Operator has not obtained an ALA waiver through pre-application consultation with Colorado Parks and Wildlife ("CPW"). See Rule 304.b.(2).B.vii.

Gondola Resources, LLC ("Gondola"), acting by and through Fulcrum Energy Operating, LLC ("Fulcrum"), plans to drill and complete one or more oil and gas wells from the Janet 0780 S5 Pad in the summer of 2023. The Ray Ranch North S32 CTB will be the location of the production facilities for all wells drilled on the Janet 0780 S5 Pad. Fulcrum is currently preparing to file Form 2As and the associated Oil and Gas Development Plan application for the Janet 0780 S5 Pad and the Ray Ranch North 0880 S32 CTB Pad. Both the Janet 0780 S5 Pad and the Ray Ranch North 0880 S32 CTB Pad are located within HPH for the Greater Sage Grouse species, which without waiver from CPW would require the relevant Form 2As to include an ALA for the proposed Oil and Gas Locations.

Gondola consulted with CPW regarding oil and gas operations, specifically including the locating of the Oil and Gas Locations, within the triggering Greater Sage Grouse HPH, and as a result of these consultations, Gondola previously entered into a Wildlife Mitigation Plan with CPW pertaining to such proposed operations. The provisions of the Wildlife Mitigation Plan, as agreed to by CPW, provide measures to ensure that Gondola and Fulcrum's proposed Oil and Gas Locations have been located in such a manner that allows for the avoidance, minimalization, and mitigation of adverse impacts to sage grouse and their habitat.

Additionally, the Oil and Gas Locations are adjacent to State Highway 14, which is one of the most heavily traveled major roads in the area. Consequently, the addition of Gondola and Fulcrum's proposed Oil and Gas Locations within close proximity to State Highway 14 will minimally, if at all, cause any additional adverse impacts to the identified Greater Sage Grouse HPH.

Based on the governing Wildlife Mitigation Plan and the minimized potential impacts to wildlife resulting from the site, CPW has agreed to waive the ALA requirements as it pertains to the Form 2As for the Oil and Gas Locations consistent with Rule 304.b.(2).B.vii. If this accurately summarizes CPW's position, please execute and return this waiver to my attention. This waiver will be included as an attachment to the Form 2As submitted to COGCC for the above-described Oil and Gas Locations.

Respectfully,

GONDOLA RESOURCES, LLC



Douglas C. Sandridge,
Senior Vice President of Fulcrum Energy Capital Funds
on behalf of Gondola Resources, LLC

The undersigned hereby waives Gondola Resources, LLC and Fulcrum Energy Operating, LLC's obligation to provide an ALA with the submission of its Form 2A and Amended Form 2A for the Janet 0780 S5 Pad and the Ray Ranch North 0880 S32 Pad, respectively, as allowed by Rule 304.b.(2).B.



Taylor Elm, Northwest Energy Liaison
Colorado Parks and Wildlife

12/1/2022

Date