

June 18, 2024

Ms. Julie Murphy, Director
Colorado Energy and Carbon Management Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

RE: ECMC Rule 502.b. Variance Request to 1003.b
PRU Alcorn 0880 S10 Pad
NWNE Section 10, Township 8 North, Range 80 West
ECMC Loc ID 463987
Jackson County, Colorado

Dear Director Murphy,

Fulcrum Energy Operating, LLC (Fulcrum) is requesting a variance with the Colorado Energy and Carbon Management Commission (ECMC) for the above referenced location. In accordance with the requirements of Rule 502.b, this letter serves as a request to the Director for a variance to Rule 1003.b.

Rule 1003.b states: *"Interim reclamation shall occur no later than three (3) months on crop land or six (6) months on non-crop land after such operations unless the Director extends the time period because of conditions outside the control of the operator. Areas reasonably needed for production operations or for subsequent drilling operations to be commenced within twelve (12) months shall be compacted, covered, paved, or otherwise stabilized and maintained in such a way as to minimize dust and erosion to the extent practicable."*

The existing PRU Alcorn 0880 1-10 well is presently classified under Suspended Operations (SO) status, following the abrupt cessation of drilling activities by D90 Energy, LLC (D90) due to unforeseen complications during the drilling and casing process. This location has since been transferred from D90 to Fulcrum via subsequent Form 9 Doc #403192640. The pad is situated on private land owned by Gondola Resources, LLC (Gondola) and Fulcrum has secured the surface owner's concurrence for this variance request.

Fulcrum hereby petitions for a variance to Rule 1003.b. pertaining to interim reclamation. This request is justified by the planned future drilling operations articulated in the imminent Alcorn-Eagles Watch OGDG submission, with a draft Form 2A Doc #402996105 projected for submission in July 2024. Conducting reclamation activities during winter months is deemed impractical due to adverse weather conditions. Fulcrum's drilling schedule for 2025 underscores the inefficiency of interim reclamation efforts, which would merely result in the disruption of the area before any vegetation could be properly established. Upon securing approval of the Alcorn-Eagles Watch Point OGDG, Fulcrum intends to expedite the commencement of drilling and production activities at this location, targeting an initiation within 12 months, in alignment with the Notice to Operators: Interim Reclamation Procedures for Delayed Operations dated January 5, 2017. The improved pad surface will be stabilized and maintained to effectively mitigate dust and erosion. This strategic approach ensures resource optimization and environmental stewardship, aligning with both operational and regulatory mandates.



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Fulcrum respectfully requests the Director to review the information within this variance request for substantially equivalent protections for public health, safety, welfare, the environment, and wildlife resources, in order to make a Recommended Decision to approve the variance request. Thank you for your consideration of this matter.

Respectfully Submitted,

Fulcrum Energy Operating, LLC



Douglas C. Sandridge
Vice President