

From: [Magee - DNR, Brian](#)
To: [Tracy Arnett](#)
Cc: [Foote - DNR, Peter](#); [Eric Sanford](#); [Brenda Lamiroy](#)
Subject: Re: CPW Consultation NSO - Federal 10-90-31 API 05-051-06009
Date: Tuesday, October 14, 2025 12:39:33 PM
Attachments: [image001.png](#)

Thanks Tracy-

Pete is out on annual leave for the rest of the week and asked if I could respond to your email so that you were not waiting on CPW longer than necessary.

We think these BMPs look good. Assuming that ECMC agrees, CPW does not have anything else to add or recommend at this time.

Since there is no surface disturbance and you are not required to obtain an OGDPA or Form 2A, I'm not sure that you need a waiver from CPW for Rule 1202.a.(3). I think that rule does not apply in this situation. We should seek clarification from ECMC on this point.

SG consulted with CPW per rule 1202.c.(2).B.ii in order to complete this project. CPW identified specific BMP's to minimize adverse impacts to the species. Since the parties have agreed on the BMPs, I think this email string documents the consultation. If ECMC needs something else from CPW, please let us know.

Let Pete or I know if you have any questions.

Thanks,

Brian

On Tue, Oct 14, 2025 at 10:28 AM Tracy Arnett <tarnett@sginterests.com> wrote:

Hi Peter,

Thank you for your response and review of the proposed BMP's.

This site does not have a SCADA. SG proposes the below BMP in response to your concern related to spill response.

The reasoning behind this proposed BMP is due to the unknown nature of production anticipated from this recompletion.

SG has not completed a well in this general area in the Rollins Sandstone.

Due to these unknowns, we would need operational flexibility based on the results of the recompletion.

There could be no additional water or liquids associated with this recompletion, or there could be an increase in both produced water and liquids.

The current Cozette Corcoran Sandstone well produces almost no water and approximately no liquids (See ECMC production data at

https://ecmc.state.co.us/cogisdb/Facility/Production?api_county_code=051&api_seq_num=06009

Proposed BMP:

If recompletion of the Fed. 10-90-31 well in the Rollins Sandstone formation results in a significant increase in produced water and/or liquids, SG will set an additional 400 bbl tank inside the lined containment area.

Additionally, SG will install a positive pressure safety shut-in valve on the well head flow line.

This positive pressure safety valve will be triggered if/when floats in the tanks reach a pre-set level, thus shutting in the well.

Once shut-in by this mechanism, the valve could only be re-opened manually and placed back into service by an operator visiting the site.

We appreciate your review and consideration of this additional proposed BMP to the waiver request as outlined below.

Please let us know if you have any questions.

Thank you,

Tracy

Tracy Arnett

SG Interests

922 E. Second Ave Durango CO 81301

tarnett@sginterests.com

970-385-0696

From: Foote - DNR, Peter <peter.foote@state.co.us>
Sent: Friday, October 10, 2025 4:31 PM
To: Tracy Arnett <tarnett@sginterests.com>
Cc: Magee - DNR, Brian <brian.magee@state.co.us>; Eric Sanford <esanford@sginterests.com>; Brenda Lamiroy <blamiroy@sginterests.com>
Subject: Re: CPW Consultation NSO - Federal 10-90-31 API 05-051-06009

Hi Tracy,

Thanks for providing those additional BMPs. One aspect that would typically be addressed is spill response. Is this location equipped with SCADA or another 24-hour spill monitoring and remote shut-down system? If it is or will be added with this effort and the proposed upgrades, then I would recommend addressing spill response in the BMP list.

Thanks,

On Wed, Oct 8, 2025 at 3:12 PM Tracy Arnett <tarnett@sginterests.com> wrote:

Hi Peter,

Thank you for reviewing our proposed project at this location.

SG would like to pursue a waiver to grant an exemption from Rule 1202.c.(1).S and Rule 1202.a.(3) for our proposed project.

As mentioned below, the proposed project would involve a workover rig to pull tubing and set a plug, followed by a frac crew to complete the one stage completion of the well in the Rollins formation. Water (fresh) for this single stage completion would be trucked to location on the existing access roads. The well would then return to production. The estimated timeframe to complete the project is 5 days.

SG is proposing the following BMP's as part of our waiver request:

BMP's per Rule 309.e.(5).[d.i.bb](#):

1. Contain Flowback and Stimulation Fluids in Tanks that are placed on a Working Pad Surface in an area with downgradient perimeter berming;
2. Construct lined berms or other lined containment devices pursuant to Rule 603.o around any new crude oil, condensate, and produced water storage Tanks that are installed after January 15, 2021;
3. Inspect the Oil and Location on a daily basis, unless the approved Form 2A provides for different inspection frequency or alternative method of compliance;
4. Maintain adequate Spill response equipment at the Oil and Gas Location during drilling and completion operations;
5. and Not construct or utilize any Pits, except that Operators may continue to utilize existing Pits that were properly permitted, constructed, operated, and maintained in compliance prior to January 15, 2021.

In addition to the above, SG will commit to the following BMP's:

1. Install wattles around the down-gradient perimeter of the location during the recomple to protect wetlands associated with South Bainard Creek.
2. Construct earthen berm along southern edge of pad to protect wetlands associated with South Bainard Creek.
3. Construct a diversion-ditch-around the south edge of the working pad surface (inside new berm) during the recompletion operations, to direct any surface spill away from South Bainard Creek.
4. Secondary containment for hazardous liquids will be installed during all phases of the project (recompletion, production, and any subsequent P&A).
5. Install new steel lined containment around existing production tanks on location. (SG will remove existing earth berm around tank).
6. Not conducting recompletion during high water flow of South Bainard Creek.
7. Daylight operations only.

Please let me know if CPW is agreeable to the waiver request with the BMP's as outlined above.

Thank you,

Tracy

Tracy Arnett

SG Interests

922 E. Second Ave Durango CO 81301

tarnett@sginterests.com

970-385-0696

From: Foote - DNR, Peter <peter.foote@state.co.us>
Sent: Friday, September 19, 2025 11:32 AM
To: Magee - DNR, Brian <brian.magee@state.co.us>
Cc: Tracy Arnett <tarnett@sginterests.com>; Eric Sanford <esanford@sginterests.com>; Brenda Lamiroy <blamiroy@sginterests.com>
Subject: Re: CPW Consultation NSO - Federal 10-90-31 API 05-051-06009

Tracy-

I talked with our fisheries biologist. It is our understanding that this stretch of South Bainard Creek is an intermittent stream that does not contain fish during this time period. CPW also has no fish survey data for this reach of the creek. If it is determined, by the assigned ECMC LAS, that a waiver from CPW is required to grant an exemption from Rule 1202.c.(1).s or Rule 1202.a.(3), then I would recommend SG email me a list of BMPs that are equal to or more protective than the ones found in Rule 309.e.(5).[d.ii.bb](#). That email chain will serve as documentation for the waiver request needed for the Form 2.

I also talked with our terrestrial biologist and the district wildlife manager for this area. They were not aware of any unmapped sensitive wildlife habitats in the area. Since no additional well pads are needed for this proposal, CPW's well pad density recommendation for Elk Migration Corridor HPH does not apply.

Let me know if you have any questions about this recommendation.

Thanks,

On Fri, Sep 12, 2025 at 11:04 AM Foote - DNR, Peter <peter.foote@state.co.us> wrote:

Tracy,

I will send these two locations to our specialist today and will contact you once I hear back from our Area staff on the wildlife concerns associated with this project and the Spadafora 1190 well.

Thanks,

On Fri, Sep 12, 2025 at 8:32 AM Magee - DNR, Brian <brian.magee@state.co.us> wrote:

Tracy-

Thanks for the email. I'm adding Pete Foote who is now the Energy Liaison In the SW Region. Pete is your primary contact for oil and gas matters in the SW Region. He can help coordinate CPW staff review of your proposal and get you some feedback. I will also add him to the Spadafora 1190 email request.

Thanks,

Brian

Brian Magee

Senior Resource Manager

Southwest Region



P 970.375.6707 | C 970.759.9587

415 Turner DR., Durango, CO 81303

brian.magee@state.co.us | cpw.state.co.us

On Thu, Sep 11, 2025 at 3:25 PM Tracy Arnett <tarnett@sginterests.com> wrote:

Hi Brian,

The Federal 10-90-31 is an existing well that SG recently acquired from Gunnison Energy.

SG would like to complete a one stage frac within the existing wellbore to test the Rollins formation.

The purpose of this project is simply to test the Rollins formation in this geographic location for future horizontal development from other well pad locations.

SG does not have any current plans to expand this well pad to drill more wells from this location.

This well is within a NSO for Aquatic Sportfish Management Waters (Rule 1202.c.S, South Bainard Creek near the edge of the pad). Please see the map below. This location is also in HPH for Elk Migration Corridor.

A third-party consultant conducted a site visit to obtain the OHWM of South Bainard Creek. In this area, South Bainard Creek is more of a vegetated grassy area (see attached photo of the “creek”). At the east end of the wetlands the OHWM disappears and becomes very braided and completely disappears into a large wet meadow complex. The attached map shows the delineated OHWM from the well location @ ~150’.

The proposed project would involve a workover rig to pull tubing and set a plug, followed by a frac crew to complete the one stage completion of the well in the Rollins formation.

Water (fresh) for this single stage completion would be trucked to location on the existing access roads.

The well would then return to production. The estimated timeframe to complete the project is 5 days.

The permitting of this project would involve an ECMC approved Form 2 and a BLM Sundry. No OGDG would be required as there will be no expansion of the existing well pad and no new wells are proposed. All the work will take place within the existing wellbore.

SG would like to consult with CPW per rule 1202.c.(2).B.ii in order to complete

this project and identify specific BMP's to minimize adverse impacts to the species for which the HPH exists.

SG would be able to meet onsite if an in-person review of the location would be helpful.

Please let me know if you would like to set up an onsite or set up a call to discuss this project.

Thank you,

Tracy



Tracy Arnett

SG Interests

[922 E. Second Ave Durango CO 81301](https://www.sginterests.com)

tarnett@sginterests.com

970-385-0696

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Peter Foote

Energy Liaison

Southwest Region



P 970.375.6713 | C 970.880.0023

415 Turner DR., Durango, CO 81303

peter.foote@state.co.us | cpw.state.co.us

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Peter Foote

Energy Liaison

Southwest Region



P 970.375.6713 | C 970.880.0023

415 Turner DR., Durango, CO 81303

peter.foote@state.co.us | cpw.state.co.us

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Peter Foote

Energy Liaison

Southwest Region



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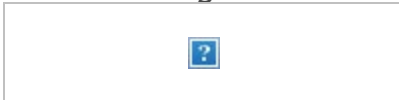
peter.foote@state.co.us | cpw.state.co.us

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Brian Magee

Senior Resource Manager

Southwest Region



P 970.375.6707 | C 970.759.9587

415 Turner DR., Durango, CO 81303

brian.magee@state.co.us | cpw.state.co.us