



November 24, 2025

Meredith Greager  
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Engineering QA Specialist  
Colorado Energy & Carbon Management Commission  
1120 Lincoln Street, Suite 801  
Denver, CO 80203

RE: Warning Letter #404426355 Response

Dear Ms. Greager,

TEP Rocky Mountain LLC ("TEP") submits this Warning Letter Response to the Colorado Energy & Carbon Management Commission ("ECMC") as required in response to the Warning Letter referenced above. The information outlined below responds to Corrective Actions due on 11/24/25, for the wells included in Doc# 404429578, including Kelton WGV 414-27-697 (API 045-24586); Kelton WGV 311-27-697 (API 045-24579); and SAVAGE RMV 149-26 (API 045-16886).

The Warning Letter alleges a violation of Rule 434.a.(5) which states an "Operator will not cap or seal the Well until 5 days after placing the last plug to allow monitoring for successful plugging and will cap or seal the Well within 90 days after placing the last plug". Additionally, the Warning Letter states, "on the Operator's Form 6, Subsequent Report of Abandonment ("Form 6SRA"), Operator indicated they did not wait 5 days to cap or seal the Well after placing the last plug to allow monitoring for successful plugging and/or capped or sealed the Well after the 90-day period following the placement of the last plug."

The Required Corrective Actions due 11/24/25 include:

1. Operator will submit a response to this Warning Letter providing an explanation for not complying with the required timeline between placing the surface plug and capping the well. The explanation must detail how complete and effective isolation was achieved and confirmed.
2. Operator will submit a Standard Operating Procedure ("SOP") and plan for how they will comply with Rule 434.a.(5) in the future, and submit their verification for how they complied with the COAs in their Form 6SRA: "After surface plug and prior to cap, verify isolation by either a 15 minute bubble test or 15 minute optical gas imaging. If there is indication of flow contact ECMC Engineering. Provide a statement on the Form 6SRA which method was used and what was observed. Retain records of the final isolation test for 5 years."

Corrective Actions for each well will be addressed below:

**1. WGV 414-27-697 (045-24586):**

This well is one of two wells TEP was forced to plug on the Arco Deep 1-27 pad during drilling operations following drill skid. TEP initially reached out to Diana Burn with ECMC engineering for

guidance and received verbal approval to proceed with operations. TEP submitted an initial Form 6I (Doc# 404336094) on 9/3/25, which included an email dated 8/23/25 outlining a procedure and plan to plug the well (see Doc# 404336179). TEP communicated an initial plugging procedure that ensured the well was secured prior to rig skid and continued drilling operations. TEP stated it would then finalize P&A procedures following drilling operations. Following initial P&A operations, TEP submitted a subsequent Form 6S (Doc# 404336135) on 9/10/25 which mistakenly reported the Cut and Cap date as 8/24/25, the same date the surface plug was set. The actual date TEP capped the well was 11/3/25, which is 71 days from setting the surface plug; TEP performed a 15-minute bubble test and observed no bubbles prior to capping the conductor pipe. The 71-day delay in capping the well was required since access to the well was constrained during drilling operations on the multi-well pad. The well was safely made accessible to complete capping operations after 10/30/25 following demobilization of rig equipment covering the cellar and access to the well. TEP will submit a revised Form 6S (Draft Doc# 404443977), which will report the actual cut and cap date of 11/3/25 and provide plugging details and an operations summary.

The following documents COA compliance:

COAs (Form 6I – Doc# 404336094)

- COA 1) Consistent with Rule 911.a, a Form 27 must be approved prior to cut and cap, conducting flowline abandonment, or removing production equipment. Allow 30 days for Director review of the Form 27; include the Form 27 document number on the Form 44 for offsite flowline abandonment (if applicable) and on the Form 6 Subsequent. Properly abandon flowlines per Rule 1105. If flowlines will be abandoned in place, include with the Form 27: pressure test results conducted in the prior 12 months as well as identification of any document numbers for a ECMC Spill/Release Report, Form 19, associated with the abandoned line.
  - **TEP did not submit a Form 27 initially but will complete a Form 27 along with the revised Form 6S. It is rare for TEP to plug wells during drilling operations, however, for future rig skid operations requiring plugging, TEP will review Form 6I COAs and Rule 434 to ensure compliance and timing of operations.**
- COA 2) With the Form 6 SRA operator must provide written documentation which positively affirms each COA listed above has been addressed.
  - **TEP did not initially provide documentation which positively affirms COA compliance in the Form 6S (Doc# 404336135), however the revised Form 6S (Draft Doc# 404443977) will provide affirmative documentation, consistent with this response.**
- COA 3) Due to proximity to a wetland, surface water and expected shallow groundwater, operator will use secondary containment for all tanks and other liquid containers. Operator will implement stormwater BMPs and erosion control measures as needed to prevent sediment and stormwater runoff from entering the wetland and surface water.
  - **TEP complied with all secondary containment and stormwater BMPs during drilling and plugging operations. TEP will continue to maintain stormwater BMPs and erosion control measures due to the proximity to the wetland, surface water and ground water during production operations.**

## **2. WGV 311-27-697 (045-24579):**

Similarly, TEP encountered difficulties drilling the WGV 311-27-697 well and contacted ECMC engineering to seek guidance and verbal approval to plug the well and skid the rig. Per ECMC

guidance, TEP submitted Form 6I (Doc# 404304356) on 8/4/25, which included correspondence dated 7/23/25 between ECMC and TEP (see Doc# 404304534) outlining a proposed plugging procedure. TEP communicated an initial plugging procedure that ensured the well was secured prior to rig skid and then continued drilling operations. TEP stated it would finalize P&A procedures following drilling operations. Following P&A operations, TEP submitted a subsequent Form 6S (Doc# 404305825) on 8/6/25 which mistakenly reported the Cut and Cap date as 7/24/25, the day after the surface plug was set on 7/23/25. The actual date TEP capped the well was 11/3/25, which is 103 days from setting the surface plug. While this date exceeds the 90-day requirement of Rule 434.a.(5), the delay in capping the well was required since access to the well was constrained during drilling operations on the multi-well pad. The well was safely made accessible to complete capping after 10/30/25 (99 days) following demobilization of rig equipment covering the cellar and access to the well. TEP will submit a revised Form 6S (Draft Doc# 404443977), which will report the actual cut and cap date of 11/3/25 and provide plugging details and an updated operations summary.

TEP's Piceance drilling operations typically involves drilling between 15-30+ directional wells on multi-well pads. If potential rig skid operations require plugging wells on active drilling pads, TEP will monitor pad conditions and timing to ensure operational safety and compliance with Rule 434.a.(5). TEP will update operating procedures to ensure compliance with cut and cap timing and/or increase communication with ECMC in the event timing exceeds the requirement.

The following documents COA compliance:

COAs (Form 6I – Doc# 404304356)

- COA 1) Due to proximity to a mapped wetland, surface water and potential shallow groundwater, operator will use secondary containment for all tanks and other liquid containers. Operator will implement stormwater BMPs and erosion control measures as needed to prevent sediment and stormwater runoff from entering the wetland and surface water.
  - **TEP complied with all secondary containment and stormwater BMPs during drilling and plugging operations. TEP will continue to maintain stormwater BMPs and erosion control measures due to the proximity to the wetland to prevent sediment and stormwater runoff from entering the wetland and surface water.**
- COA 2) After surface plug and prior to cap, verify isolation by either a 15 minute bubble test or 15 minute optical gas imaging. If there is indication of flow contact ECMC Engineering. Provide a statement on the 6SRA which method was used and what was observed. Retain records of final isolation test for 5 years.
  - **TEP performed a 15-minute bubble test and observed no bubbles prior to capping the well.**
- COA 3) Operator shall implement measures to control venting, to protect health and safety, and to ensure that vapors and odors from well plugging operations do not constitute a nuisance or hazard to public welfare.
  - **TEP's plugging operations included the required measures to control venting and ensure vapors were controlled during operations.**
- COA 4) With the Form 6 SRA operator must provide written documentation which positively affirms each COA listed above has been addressed.
  - **TEP did not initially provide documentation which positively affirms COA compliance in the Form 6S, however the revised Form 6S (Draft Doc# 404444063) will provide affirmative documentation, consistent with this response.**

### **3. RMV 149-26 (API 045-16886):**

TEP submitted a subsequent Form 6 (Doc# 403962065) on 10/17/24, following plugging operations of the RMV 149-26 well which began 9/3/24, and ended on 10/4/24 (see Operations Summary, Doc# 403962255 attached to the Form 6S). The Form 6S reported TEP set the Surface Plug on 9/30/24 and reported Cut and Cap as 10/4/24, which is 4 days between setting the surface plug and capping or sealing the well. Based on an internal investigation of this well, TEP confirmed the proposed plugging procedure, which is part of TEP's plugging procedure, included a step to "Monitor well for 5 days to ensure successful plugging." See Doc# 403855901 attached to Form 6I.

TEP believes the operator counted the fifth day of the week, which was a Friday, as the required 5<sup>th</sup> day to comply with the Rule. This is corroborated in the Operations Summary (see Doc# 403962255, attached to Form 6S), which states "well cemented to surface. 0psi after SI period." The operator's intent was to actively comply with the proposed procedure and Rule, and the oversight was unintentional. In response to this oversight, TEP production engineering has reviewed current procedures to ensure operational consistency and reminded operations staff of the 5<sup>th</sup> day requirement outlined in the procedure and Rules.

With regard to confirming Form 6I COAs, the following COA was not included in Doc# 403855901: "After surface plug and prior to cap, verify isolation by either a 15 minute bubble test or 15 minute optical gas imaging. If there is indication of flow contact ECMC Engineering. Provide a statement on the Form 6SRA which method was used and what was observed. Retain records of the final isolation test for 5 years." However, as noted above, TEP's operations summary reported 0 psi on the well on 10/4/24 confirming complete and effective isolation was achieved prior to completing final abandonment and capping the well.

Below is verification for how TEP complied with the COAs in Form 6SI (Doc# 403855901):

- COA 1) Provide electronic Form 42 Notice of MIRU 2 business days ahead of operations and electronic Form 42 Notice of Plugging Operations 48 hours prior to mobilizing for plugging operations. These are two separate notifications, required by Rules 405.e and 405.l.
  - **Form 42s were submitted on 9/23/24 (Docs# 403930199 & 403930200).**
- COA 2) The approved Form 6, Notice of Intent will be at the location during all phases of plugging operations.
  - **The Form 6 notice of intent was filed and available at the location during operations.**
- COA 3) Operator shall implement measures to control venting and to ensure that vapors and odors from well plugging operations do not constitute a nuisance or hazard.
  - **TEP's plugging operations included the required measures to control venting and ensure vapors were controlled during operations.**
- COA 4) Prior to placing surface shoe plug verify that all fluid (liquid and gas) migration has been eliminated. If evidence of fluid migration or pressure remains, contact ECMC Engineer for an update to plugging orders.
  - **TEP Operations confirmed 0 psi following the shut-in period (counted the Friday as the 5<sup>th</sup> day of the week, following Monday 9/30 noon setting of the final plug).**
- COA 5) If applicable properly abandon flowlines as per Rule 1105. Pursuant to Rule 911.a. Closure of Oil and Gas Facilities, Operator will submit Site Investigation and Remediation

Work plans via Form 27 for ECMC prior approval before cutting and capping the plugged well, conducting flowline abandonment, and removing production equipment. Pursuant to Rule 1105.f. Abandonment Verification, within 90 days of an operator completing abandonment requirements for a flowline or crude oil transfer line, an operator must submit a Field Operations Notice, Form 42-Abandonment of Flowlines for on-location flowlines, and a Flowline Report, Form 44, for off-location flowlines or crude oil transfer lines.

- **TEP submitted an initial Form 27 (Doc#403881981) on 8/8/24 and a subsequent Form 27 (Doc# 403967529) on 10/23/24.**
- COA 6) Prior to starting plugging operations a bradenhead test shall be performed if there has not been a reported bradenhead test within the 60 days immediately preceding the start of plugging operations. If, before opening the bradenhead valve, the beginning pressure is greater than 25 psi, sampling is required. If pressure remains at the conclusion of the test, or if any liquids were present during the test, sampling is required. The Form 17 shall be submitted within 10 days of the test. Sampling shall comply with Operator Guidance - Bradenhead Testing and Reporting Instructions. If samples are collected, copies of all final laboratory analytical results shall be provided to the ECMC within three (3) months of collecting the samples.
  - **The Form 17 test was performed on 9/26/24. TEP reported 0 psi on the BH and 235 psi on the Production Casing. The form was submitted on 9/30/24.**
- COA 7) With the Form 6 SRA operator must provide written documentation, which positively affirms each COA listed above has been addressed.
  - **Form 6 Subsequent #403962065 did not include documentation. Since this form was submitted in October 2024, TEP has changed regulatory staff and initiated COA review process to positively affirm COAs in Form 6S comments moving forward.**
- COA 8) Operator shall notify ECMC engineering staff of changes to the approved plugging plan or unexpected conditions in the field as soon as feasible. Primary contact is Aaron Katz at 970-765-6300. Alternate ECMC contact is Curtis Haverkamp at 720-786-5560.
  - **TEP engineering actively contacted Aaron Katz, as noted in the Operations Summary (Doc# 403962255) attached to the Form 6S.**
- COA 9) Contact Area Engineer if bradenhead pressure is greater than 25 psi after repairing the casing.
  - **The bradenhead pressure was 0 psi following repair operations.**

Thank you for your review and consideration of our Response to Warning Letter Doc# 404426355. If you have any further questions or concerns, please contact me at jeff.kirtland@flywheelenergy.com, or by cell phone at 970-312-5643.

Respectfully,

Jeffrey D. Kirtland  
VP of Regulatory & Government Relations  
TEP Rocky Mountain LLC