

BEFORE THE ENERGY AND CARBON MANAGEMENT COMMISSION  
OF THE STATE OF COLORADO

IN THE MATTER OF AN APPLICATION BY UTAH ) CAUSE NO. 1  
GAS OP LTD CORP. FOR AN ORDER TO ALLOW A )  
VARIANCE FROM RULES 1004.a.AS THEY ) DOCKET NO. 250100002  
RELATE TO CERTAIN LANDS LOCATED IN )  
GARFIELD COUNTY, COLORADO ) TYPE: VARIANCE  
)  
) ORDER NO. 1-432

REPORT OF THE COMMISSION

The Commission heard this matter on March 4, 2026, at the Colorado Energy and Carbon Management Commission, 1120 Lincoln St., Suite 801, Denver, Colorado, upon application for an order to approve a Rule 502.a. variance from final reclamation requirements under Rule 1004 for the Evacuation Creek COM C-65S102W/18NENW Oil and Gas Location (Loc. ID 322443) located in Garfield County, Colorado:

Township 5 South, Range 102 West, 6th P.M.  
Section 18: NE $\frac{1}{4}$ NW $\frac{1}{4}$

FINDINGS

The Commission finds as follows:

1. Utah Gas OP Ltd d/b/a Utah Gas Corp. (“Applicant” or “Utah Gas”), Operator No. 10539, as applicant herein, is an interested party in the subject matter of the above-referenced proceeding.
2. Due notice of the time, place, and purpose of the proceeding has been given in all respects as required bylaw.
3. The Commission has jurisdiction over the subject matter embraced in said notice, and of the parties interested therein, and jurisdiction to promulgate the hereinafter prescribed order pursuant to the Energy and Carbon Management Act, C.R.S. § 34-60-101 et seq. (“the Act”).
4. Pursuant to C.R.S. § 34-60-106(2.5)(a), the Commission shall regulate oil and gas operations in a reasonable manner to protect and minimize adverse impacts to public health, safety, and welfare, the environment, and wildlife resources, and shall protect against adverse environmental impacts on any air, water, soil, or biological resource resulting from oil and gas operations.
5. Rule 1004 addresses final reclamation of well sites and associated production facilities. Rule 1004.a provides that Well sites and associated production facilities. Upon the plugging and abandonment of a well, all pits, mouse and rat holes and cellars shall be backfilled. All debris, abandoned gathering line risers and flowline risers, and surface equipment shall be removed within three (3) months of plugging a well. All access roads to plugged and abandoned wells and associated production facilities shall be closed, graded and recontoured. Culverts and any other obstructions that were part of the access road(s) shall be removed. Well locations,

access roads, and associated facilities shall be reclaimed. As applicable, compaction alleviation, restoration, and revegetation of well sites, associated production facilities, and access roads shall be performed to the same standards as established for interim reclamation under Rule 1003. All other equipment, supplies, weeds, rubbish, and other waste material shall be removed. The burning or burial of such material on the premises shall be performed in accordance with applicable local, state, or federal solid waste disposal regulations and in accordance with the 900-Series Rules. In addition, material may be burned or buried on the premises only with the prior written consent of the surface owner. All such reclamation work shall be completed within three (3) months on crop land and twelve (12) months on non-crop land after plugging a well or final closure of associated production facilities. The Director may grant an extension where unusual circumstances are encountered, but every reasonable effort shall be made to complete reclamation before the next local growing season.

6. Rule 1001.c provides that the Commission “shall not require compliance with” the reclamation requirements of Rule 1004 (except Rules 1004.c.(4) and 1004.c.(5)) “if the operator can demonstrate . . . both that compliance with such rules is not necessary to protect the public health, safety and welfare, including prevention of significant adverse environmental impacts, and that the operator has entered into an agreement with the surface owner regarding topsoil protection and reclamation of the land.” Prior to final reclamation approval, the operator “shall either comply with the rules or obtain a variance.”

7. Rule 502.a. provides that “[r]equests for variances to any of the Commission’s Rules or orders will be filed with the Commission.”

8. Rule 502.c provides that an applicant requesting a variance from the Commission pursuant to Rule 502.a must show:

- A. It has made a good faith effort to comply, or is unable to comply, with the specific requirements contained in the Commission’s Rule or order from which it seeks a variance, including, without limitation, securing a waiver or an exception, if any;
- B. The requested variance will not violate the basic intent of the Act;
- C. The requested variance is necessary to avoid an undue hardship;
- D. Granting the variance will result in no net adverse impact to public health, safety, welfare, the environment, or wildlife resources; and
- E. The requested variance contains reasonable conditions of approval or other mitigation measures to avoid, minimize, or mitigate adverse impacts to public health, safety, welfare, the environment, and wildlife resources.

9. On January 9, 2025, Utah Gas, through counsel, filed a verified application (“Application”) pursuant to Rules 502 and 503.g.(9) for a variance from final reclamation requirements of Rule 1004.a. Specifically, Utah Gas requests that a portion of the well site the access road be left un-reclaimed. The Surface Owner confirmed that a portion of the Location be left stabilized and compacted and the improved access road be left in place for Surface Owner’s continued access to the property. In other areas of the Location, however, the Location has been reclaimed and is in the process of revegetation to stabilize the area and prevent stormwater runoff, erosion, and topsoil loss.

10. On January 28, 2025, the Colorado Energy and Carbon Management Commission (“ECMC”) Permitting Group provided its review of the Application, stating that the Permitting Group “has no concerns with this application.”

11. On February 6, 2026, the Director issued a recommendation that the Commission approve the Application on the basis that the application includes a signed request by the landowners to grant the variance and acknowledgement of responsibility for the disposition of the un-reclaimed area and that the Application complies with all requirements of the Rule 502.c. The Director’s Recommendation was posted on the Commission’s website and filed with the Hearings Unit.

12. The Location also has outstanding corrective actions from the most recent inspection on July 11, 2024, see document number 696205971. Granting this variance will render moot the corrective action only as it applies to the portion of the location and access road and the portion of the reclamation rules for which the variance is related. The corrective actions will continue to apply to the remaining portions of the location and access road and reclamation rules not covered by this variance request.

13. The Commission has not received any petitions pursuant to Rule 507. Therefore, the Application is uncontested.

14. The Application requests a variance from specific final reclamation requirements of Rule 1004.a. for a portion of the location and access road on the Oil and Gas Location.

15. Based on the Application, Final Reclamation Letter Agreement, and other written filings, the Commission concludes the Application satisfies the requirements of Rule 502.c. because:

- A. Utah Gas has made a good faith effort to comply with Rule 1004.a. at the Location and access road. See Rule 502.c.(1). Utah Gas has completed all other reclamation requirements except for that explicitly requested by the Surface Owner.
- B. Utah Gas’s requested variance will not violate the basic intent of the Oil and Gas Conservation Act. See Rule 502.c.(2). Deference to the surface owner’s wishes regarding continued use of their property is consistent with multiple provisions of the Act recognizing the significant role the surface owner should play regarding the reclamation of and operations on his or her land. See, e.g., C.R.S. § 34-60-106(3.5) (directing that land restoration occur “in accordance with the owner of the surface of the lands”); C.R.S. § 34-60-127(1)(a) (requiring that oil and gas operations “accommodate[] the surface owner” in conducting oil and gas operations). The requested relief is consistent with Commission Rules, and will not endanger public health, safety, welfare, the environment and wildlife resources.
- C. The variance is necessary to avoid undue hardship on the Surface Owner. See Rule 502.c.(3). If the entire location and access road were recontoured and fully reclaimed, it would increase unnecessary disturbance and deprive the Surface Owner of the use of its property in the manner and condition that it desires.

- D. The variance will not result in a “net adverse impact to public health, safety, welfare, the environment, or wildlife resources.” See Rule 502.c.(4). Utah Gas conducted an environmental review of the potential impacts associated with the requested variance and determined that approval of the requested variance will not result in any adverse impacts to public health, safety and welfare, the environment or wildlife resources.
- E. Pursuant to Rule 502.c.(5), the variance contains reasonable conditions of approval and mitigation measures to avoid, minimize, or mitigate adverse impacts to public health, safety, welfare, the environment, and wildlife resources.
16. Utah Gas agrees to be bound by oral order of the Commission.
17. Based on the facts stated in the verified Application, Final Reclamation Agreement, and other materials submitted by Utah Gas, and no Rule 507 petitions having been received, the Commission finds that Utah Gas has satisfied Rule 502.c. and that the requested variance to Rule 1004.a. is warranted for the Location.

ORDER

NOW, THEREFORE IT IS ORDERED, that:

1. The Application for Rule 502 variance from the final reclamation requirements of Rule 1004.a. for the Location in Garfield County, Colorado is GRANTED.
2. The provisions contained in the above Order shall become effective immediately.
3. Within 30 days of this Order, Applicant will submit a Form 4 documenting the variance relief to Location ID: 322443. The Form 4 will include the Order number, all Rules from which relief was granted, a summary of the relief granted, the date of variance approval, and any COAs that the Commission approved as part of the variance.
4. The Commission expressly reserves its right, after notice and hearing, to alter, amend or repeal any and/or all of the above orders.
5. Under the State Administrative Procedure Act, the Commission considers this Order to be final agency action for purposes of judicial review within 35 days after the date this Order is mailed by the Commission.
6. An application for reconsideration by the Commission of this Order is not required prior to the filing for judicial review.

ENTERED this 11<sup>th</sup> day of March, 2026, as of March 11, 2026

ENERGY AND CARBON MANAGEMENT COMMISSION  
OF THE STATE OF COLORADO

By   
Elias J. Thomas, Commission Secretary