

Objective Criteria Review Memo - Foundation Energy Management LLC

Kinzie et al 1-4 -- Form 2 Application for Permit to Drill (APD) Doc# 402078679

KINZIE ET AL 1-4

Approved Form 2A Oil & Gas Location Assessment (Doc# 2587800, approved 8/19/2011)

Location ID# 387102

This memo summarizes COGCC's technical review of the subject well within the context of SB 19-181 and the required Objective Criteria. The Operator originally built the location and drilled the subject well back in 2011. Foundation Energy Management LLC has since submitted this subject APD to re-complete the well on this approved Oil & Gas Location in an additional formation.

For Oil & Gas Locations approved prior to SB 19-181, the Objective Criteria apply to any wells proposed on those approved or existing Oil & Gas Locations. This APD meets the following Objective Criteria:

1. (Criteria 6) Oil and Gas Locations within a Colorado Parks and Wildlife ("CPW") mapped Restricted Surface Occupancy Area ("RSO") or Sensitive Wildlife Habitat ("SWH"), or locations receiving site- or species-specific CPW comments. The location lies within the Sensitive Wildlife Habitat ("SWH") for the Lesser Prairie Chicken.

The following sections provide details regarding the evaluation of each criterion:

Criteria 6: Oil and Gas Locations within a Colorado Parks and Wildlife ("CPW") mapped Restricted Surface Occupancy Area ("RSO") or Sensitive Wildlife Habitat ("SWH"), or locations receiving site- or species-specific CPW comments.

Site Specific Description of Applicability of Criteria 6: The location lies within the Sensitive Wildlife Habitat ("SWH") for the Lesser Prairie Chicken.

Site Specific Measures to Address Criteria 6: Following discussions between COGCC and CPW staff, the following COA was presented to and agreed to by the Operator to mitigate possible impacts from having operations on a location that lies within the Sensitive Wildlife Habitat ("SWH") for the Lesser Prairie Chicken:

- If oil and gas operations must occur (with documented justification) within Sensitive Wildlife Habitat for lesser prairie-chickens, the operator agrees to conduct oil and gas operations outside the period between March 15 and June 15.

Summary: Foundation agreed to a CPW COA that addresses possible impacts to the SWH of the Lesser Prairie Chicken. The COA is a timing stipulation to not conduct operations during the March 15th-June 15th time period.

Director Determination: Based on the Objective Criteria review, the Director has determined that this permit application meets the standard for protection of public health, safety, welfare, the environment and wildlife resources set by SB 19-181.