

Miracle Pfister

From: Taylor Elm - DNR <taylor.elm@state.co.us>
Sent: Thursday, August 25, 2022 2:44 PM
To: Katie Taylor
Cc: Dave Kubeczko - DNR; Miracle Pfister; Steve Seidel; Clint Beck; Rebecca Deal; Danielle Neumann - DNR
Subject: Re: Anschutz Exploration Corporation: Request for Waiver to Rule 1202.c.(1)S. and 1202.a.(3) for
Attachments: Anschutz_Coyote 0397-14_Request for Waiver to 1202.c.(1)S. & 1202.a.(3)_2022.08.23.pdf

Katie,

Thank you for providing this waiver request on August 23rd, 2022, including thorough details on best management practices, current site and hydrological conditions, and location photos. As you are aware, CPW staff attended an on-site consultation meeting with Anschutz, Grouse Mountain, and the Bureau of Land Management on May 17th, 2022. Following this on-site consultation, CPW has participated in numerous discussions with Grouse Mountain and Anschutz regarding development plans for the Coyote 0397-14 pad and wells. Below are CPW's responses to each waiver request that have been made.

COGCC Rule 1202.c.(1).S. Waiver for Sportfish Management Waters NSO Designation

CPW staff, including local aquatic biologists, agree with your assessment regarding the intermittent nature of these two drainages. Based on NHD mapping and our on-site assessment, the unnamed tributary to Deep Channel Creek appears to rarely convey water and most likely only during extreme storm events. Furthermore, Deep Channel Creek may convey water on a more frequent basis, but does not contain year-round flows that would be required to support a sport fishery. In addition to the intermittent nature of these waterways, the nearest downgradient perennial waterway that contains fish populations is significantly downstream of the proposed pad location (i.e. approximately 12 stream miles). Native fish species (Bluehead Suckers, Flannel-mouth Suckers, Roundtail Chub, etc.) that reside in the White River are not likely to use the upper reaches of Deep Channel Creek, and CPW does not have concerns other than the sportfish management waters designation.

CPW has reviewed the proposed spill prevention and stormwater/sediment containment BMPs, as proposed in your waiver request. CPW has also confirmed that remote monitoring and remote shut-in technology (e.g. telemetry/SCADA) may be installed at this location in the future, depending on production results. CPW finds these measures to be adequate to reduce and minimize any potential risks to these waterways. Based on the BMPs and current site conditions, CPW agrees to waive the no surface occupancy stipulation (*for oil and gas locations*) associated with [Rule 1202.c.\(1\).S.](#) This authority is granted to CPW under COGCC [Rule 309.e.\(5\).D.ii.bb.](#)

COGCC Rule 1202.a.(3). Waiver for Chemical Storage Facilities within 500 ft. of Intermittent Streams and Wetlands

In addition to the above waiver request, CPW has also reviewed the request to waive the 1202.a.(3). statewide operating requirement that precludes situating new staging, refueling, or chemical storage areas within 500 feet of the Ordinary High Water Mark ("OHWM") of any river, perennial or intermittent stream, lake, pond, or wetland. Based on the site conditions mentioned

above and the best management practices contained within your waiver request (including: secondary and tertiary containment measures, siting of tanks away from drainages, remote monitoring, and staging of an emergency spill response kit), CPW also agrees to waive this statewide operating requirement. This authority is granted to CPW through COGCC Rule 1202.a. Consider this email response as your official signed waiver from CPW. Note that CPW does not have jurisdictional authority regarding impacts to delineated wetlands or mapped waters of the U.S. For relevant stream and/or wetland impacts, consultation with the US Army Corps of Engineers may be required.

If there are any questions regarding this response or needs for additional details, please feel free to reach out to me directly.



Taylor Elm
NW Region Energy Liaison



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On Tue, Aug 23, 2022 at 3:05 PM Katie Taylor <ktaylor@gmecwy.com> wrote:

Hi Taylor and Dave-

Anschutz Exploration Corporation is requesting a waiver to Rules 1202.c.(1)S. and 1202.a.(3) for the Coyote Fed 0397-14 location. Please see the attached detailed request and let us know if you require any additional information.

Thanks again!

KATIE TAYLOR

Project Manager/Senior Biologist

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Buffalo, WY 82834
grousemtnconsultants.com





August 23, 2022

To:

Taylor Elm, NW Region Energy Liaison
Colorado Parks and Wildlife
711 Independent Ave.
Grand Junction, CO 81505

On Behalf of:

Anschutz Exploration Corporation
555 17th St UNIT 2400
Denver, CO 80202

Re: Anschutz Exploration Corporation: Request for Waiver to Rule 1202.c.(1)S. and 1202.a.(3) for Coyote Fed 0397-14 Proposed Location

Mr. Taylor Elm:

Introduction

Anschutz Exploration Company (Operator No. 3104), to be referred to as Anschutz, is completing Form 2A for an Oil and Gas Location Assessment permit for a proposed location in Moffat County, Colorado. The proposed Coyote Fed 0397-14 location will consist of development of a pad, associated access, and six wells. These wells are the Coyote Fed 0397-14-3-1 NH, Coyote Fed 0397-14-2-3 NH, Coyote Fed 0397-14-2-4 NH, Coyote Fed 0397-14-23-13 NH, Coyote Fed 0397-14-23-14 NH, and Coyote Fed 0397-14-2-3W NH. The Coyote pad will be a new location developed on private land owned and managed by the John R. Pierce Trust.

Per the Colorado Oil and Gas Conservation Commission regulations Anschutz is respectfully requesting a Waiver to Rules 1202.c.(1)S. and 1202.a.(3) for the proposed Coyote Fed 0397-14 proposed location as described in detail below.

Request for Waiver to Rule 1202.c.(1)S

Proposed disturbance associated with development of the Coyote well pad is located within Colorado Parks and Wildlife designated High Priority Habitat (HPH), Sportfish Management Waters. Rule 1202.c.(1)S. outlines that operators will not conduct any new ground disturbance in Sportfish Management Waters not identified by CPW as "Gold Medal" (within 500 feet of OHWM). Per National Hydrography Data flowlines, there are two (2) identified streams classified as intermittent within 500ft of the edge of the proposed Coyote pad working surface: 1) Unnamed intermittent tributary of Deep Channel Creek located 164ft to the south of pad and 2) Deep Channel Creek located 478ft to the north of the pad. National Wetland Inventory data shows riparian designated wetlands along these stream channels as well. Both stream channels are considered upstream tributaries of the Crooked

Wash Creek and White River. Please see the attached Hydrology map for distances to streams and Sportfish Management Waters (Appendix A).

Grouse Mountain Environmental Consultants (Grouse Mountain) conducted a preliminary ground assessment of the nearby intermittent streams in July 2022. See Appendix B for photo documentation of stream condition. The unnamed intermittent tributary of Deep Channel Creek located to the south of the pad had drainage features but lacked standing water, wetland vegetation/features, and any indications of significant flows. Deep Channel Creek located to the north of the pad had drainage features, indications of previous water due to the presence of wetland vegetation but lacked significant flows and standing water. See Appendix B for photo documentation of stream condition in July 2022. These streams do not provide adequate hydrology and flows to support native fish species from downstream waters.

Anschutz is committed to adhering to Best Management Practices (BMPs) for intermittent and ephemeral streams listed in 309.e.(5)D.ii.bb including the following measures:

- Contain Flowback and Stimulation Fluids in Tanks that are placed on a Working Pad Surface in an area with downgradient perimeter berming.

Anschutz will utilize secondary containments systems (See below for further detail) and plans to place production facilities on the western corner of the pad where a containment ditch and berm will be constructed around the working pad perimeter and the topsoil piles. The containment berm will be compacted and act to prevent any further spills or leakage from the secondary containment systems from reaching downgradient intermittent streams. Additionally, the production facilities were placed on the western side of the pad which is furthest from the Deep Channel Creek.

- 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.

Anschutz will design, construct, and maintain secondary containment devices around new crude oil, condensate, and produced water storage tanks as described in Rule 603.o to prevent spills and releases from primary containment vessels. Containment will be sized to hold at least 110% of the capacity of the largest containment and be independent of the back cut (per 40 CFR 112 Standards). The spill containment walls around the produced oil and water tanks will be constructed of corrugated steel. To further prevent leakage, the secondary containment will be lined with an impervious synthetic surface, rig grip carpeted liner that underlays all primary containment vessels. An earthen berm will be constructed around production facilities to prevent releases into downgradient intermittent waters within 500ft. No sources of ignition will be placed in the secondary containment area and all electrical equipment installations inside of the bermed area will comply with API RP 500.

- Inspect the Oil and Location on a daily basis, unless the approved Form 2A provides for different inspection frequency or alternative method of compliance.

Due to the remote vicinity and unknown production capabilities of the well, Anschutz will inspect the Coyote Fed 0397-14 oil location on a daily basis.

- Maintain adequate Spill response equipment at the Oil and Gas Location during drilling and completion operations.
Anschutz will place spill response equipment on the Coyote Fed 0397-14 proposed pad location during drilling and completion operations.
- 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.
Anschutz does not plan to construct any new pits on the Coyote Fed well pad.

Given the intermittent/ephemeral nature of the streams within 500ft of the proposed well pad, the lack of sufficient flows to support native fisheries at these streams, and the implementation of BMPs listed above, Anschutz requests a waiver be granted to exempt the Coyote Fed 0397-14 location from Rule 1202.c.(1)S.

Request for Waiver to Rule 1202.a.(3)

Proposed disturbance associated with development of the Coyote well pad is located within 500ft of intermittent streams. Per Rule 1202.a.(3), “at new and existing Oil and Gas Locations, Operators will not situate new staging, refueling, or Chemical storage areas within 500 feet of the Ordinary High Water Mark (“OHWM”) of any river, perennial or intermittent stream, lake, pond, or wetland.” As the majority of the pad location is located within 500ft of these intermittent streams there is little room for placement of production facilities outside of this distance from the associated OHWM (Appendix A). As such, production facilities on the Coyote Fed 0397-14 locations will required placement within 500ft of the OHWM of an intermittent stream.

As outlined in Section Request for Waiver to Rule 1202.c.(1)S, Anschutz will employ and design secondary containment systems for fluid storage tanks, install a ditch and containment earthen berm around the working pad surface and topsoil pile, place production facilities furthest from Deep Channel Creek, use remote technology to allow for offsite notification of spills or releases, maintain adequately placed spill response equipment during drilling and completion operations, and will not construct any new pits on location. In addition to the BMPs listed in the above section, Anschutz will utilize stringent erosion and sediment control measure to prevent discharges into intermittent streams within 500ft per the following:

- A Storm Water Pollution Prevention Plan will be developed to include installation of BMPs to prevent erosion and sediment release from reaching downgradient drainages. BMPs may include:
 - Excelsior Wattles (preferred but straw maybe substituted as availability dictates.)
 - Coconut matting
 - Fractured rock (limestone preferably) for rock checks, rip rap, and armor for culverts
 - Straw mulch
 - Wood straw
 - Straw bales
 - Earthen ditches (i.e. v-, eyebrow-, diversion-, wing-)

- Earthen berms
- Stabilization seeding (seeding with simple seed mix to stabilize stored topsoil)
- Topsoil will be stockpiled within an earthen berm along the toe of the stockpile to prevent any migration and manage erosional risk. Topsoil will be seeded to further reduce the erosional risk and prevent soil migration.
- Backfilling, leveling, and re-contouring are planned as soon as reasonably possible following drilling and completion operations.
- Any disturbed fill slopes will be smoothed and reshaped to near pre-disturbed conditions to match the native contour. Fill slopes will be restored to cuts and blended or reshaped into large natural berms that provided visual and storm water benefits.
- Soil stabilization and erosion control issues will be addressed immediately upon surface disturbance and continue throughout the life of the wells.

The implementation of these erosion and sediment control measures will further ensure additional sediment, soil, and contaminants is not released into the downgradient intermittent streams within 500ft of the well pad.

Given the intermittent/ephemeral nature of the streams within 500ft of the proposed well pad (see Section Request for Waiver to Rule 1202.c.(1)S above), the lack of sufficient flows to support hydrologic connection to downstream waters (Appendix B), the implementation of BMPs listed in the above section, and the application of erosion and sediment control measures, Anschutz requests a waiver be granted to exempt the Coyote Fed 0397-14 location from Rule 1202.a.(3).

Please do not hesitate to contact me at if you have any questions or comments regarding this request for waiver.

Sincerely,

KATIE TAYLOR

Project Manager/Senior Wildlife Biologist

Tel: 307-684-2112 ext. 230

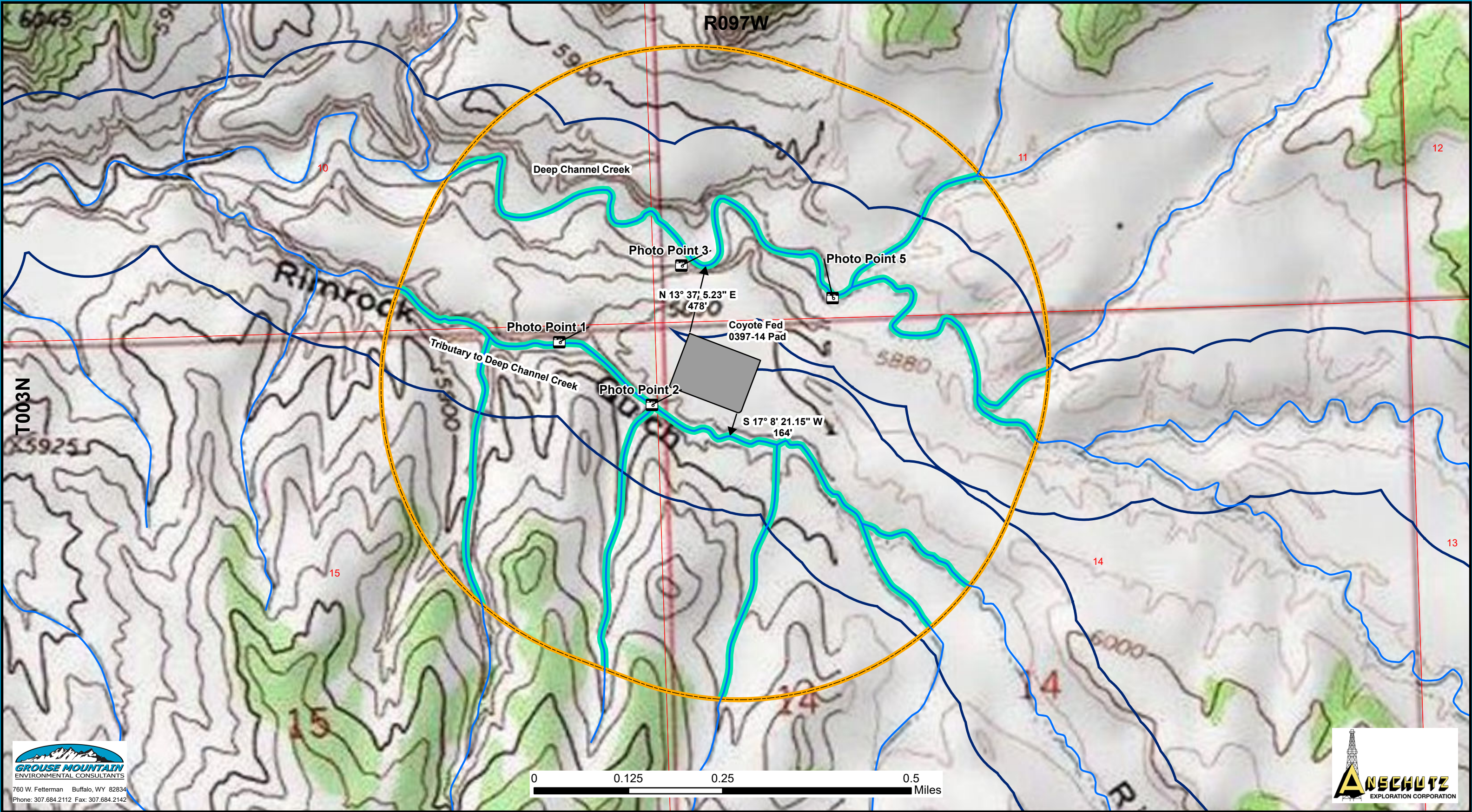
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APPENDIX A







Map 1. Coyote Fed 0397-14 Pad Water Resources Map



760 W. Fetterman Buffalo, WY 82834
Phone: 307.684.2112 Fax: 307.684.2142



Coyote Fed 0397-14 Pad Water Resources Map

- | | | | | | |
|-------------------------------------------------------------------------------------|-----------------------|---------------------------------------------------------------------------------------|------------------------------------------|---------------------------------------------------------------------------------------|-----------------------------|
|  | PhotoPnt |  | One-half Mile Buffer of Proposed Oil Pad |  | Riverine Wetland |
|  | Proposed Oil Well Pad |  | Intermittent Stream |  | Sportfish Management Waters |

Coordinate System: NAD 1983 UTM Zone 12N
Projection: Transverse Mercator
Datum: North American 1983
Units: Meter
Scale: 1:7,500
Date: 8/9/2022
Created by: GTraylor
File Name: AEC-007_Coyote_Hydrology_Map_070622



APPENDIX B

Stream Photographs



Photo Point 1: Intermittent tributary of Deep Channel Creek



Photo Point 2: Intermittent tributary of Deep Channel Creek



Photo Point 3: Deep Channel Creek- intermittent tributary of Crooked Wash Creek



Photo Point 5: Deep Channel Creek- intermittent tributary of Crooked Wash Creek