



Oil & Gas Monthly Update

City Council Meeting July 2020

City Oil & Gas Permit Applications

- Seven applications are currently deemed complete and being processed by the city
- Eight Oil and Gas Permits had previously been submitted and deemed complete by the city – all by Extraction
- One application (Condor) does not currently have complete information to begin processing

Site Name	Case Number	Operator	Council Action Required	Well Count
Pelican	OG-002-19	Extraction Oil and Gas	Conditional Use Permit	28
Heron	OG-003-19	Extraction Oil and Gas	Conditional Use Permit	24
Blue Jay	OG-004-19	Extraction Oil and Gas	Rezoning	18
Owl	OG-005-19	Extraction Oil and Gas	Rezoning	18
Falcon	OG-006-19	Extraction Oil and Gas	Rezoning	18
*Harlo	OG-007-19	Extraction Oil and Gas	Rezoning	32
*Anteater (Jacobson)	OG-008-19	Extraction Oil and Gas	Rezoning	36

*Pursuant to Exhibit A of the ROA, one of these sites may be permitted by the city, but *not* both.

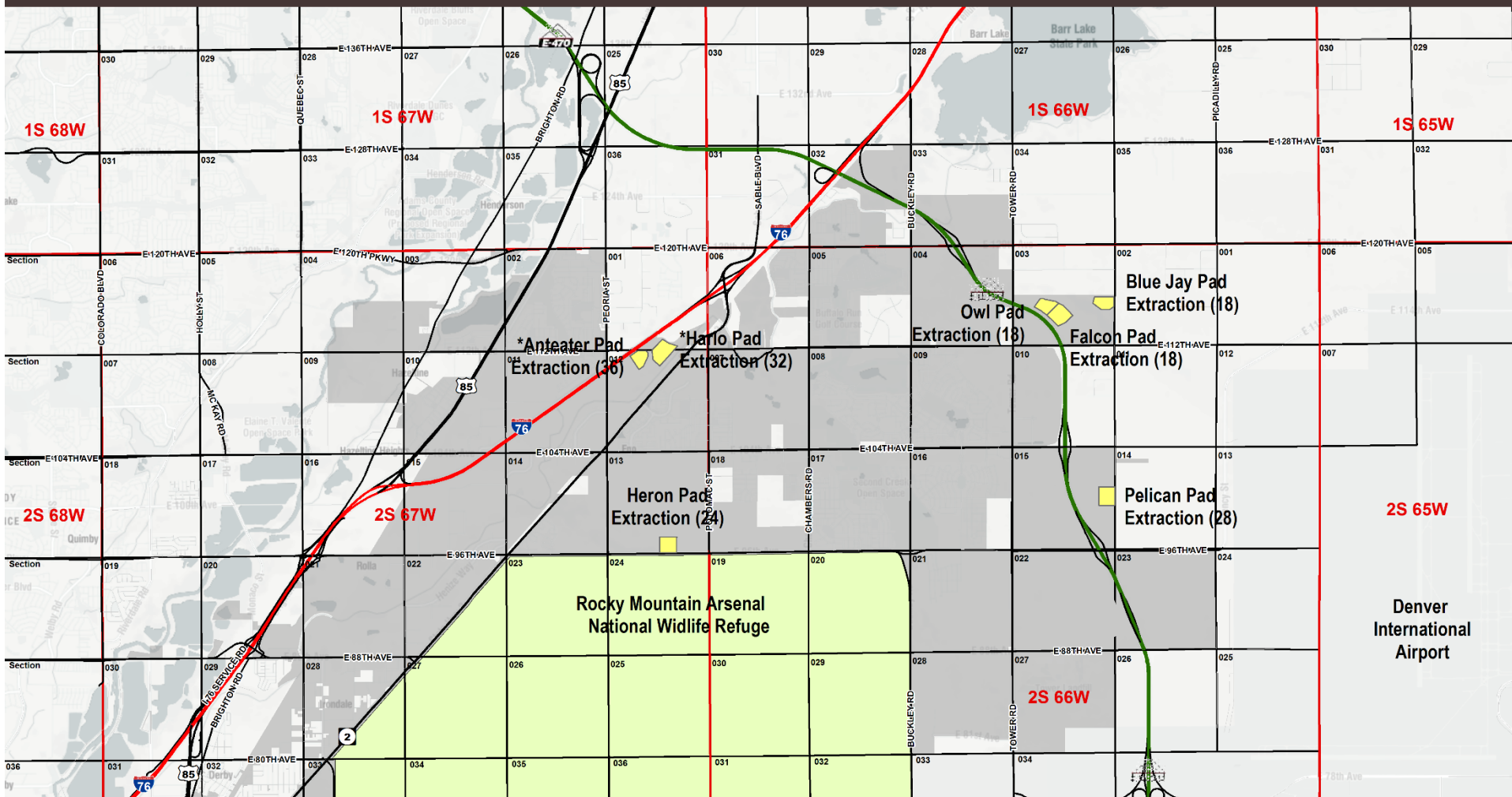
- All operators have asked (at the request of the city) that holds be placed on the processing of all Form 2A's, with the additional request of a 2nd comment period.
- Oil and Gas Permits may not be approved until Council actions have occurred *and* a CUP for a pipeline has been approved by Council, per the ROA.

City Permits Deemed Complete



Submitted City Permits

Active as of 1/2/2020



Planned Facility City Limit Boundaries

*Per ROA, one site may be approved, but not both.



0 1,400 2,800 5,600 8,400 11,200 Feet

Review Schedule

Site Name	Case Number	Date Permit Application Submitted to City	Date Permit Application Deemed Complete By Staff	Sent Out For Review On	Referral Agency Comments Due to Staff	Development Review Team Date	Permit Status (Approved / Pending / Denied / Withdrawn / Completeness Review)
Condor	OG-001-19	10/8/2019				TBD	Completeness Review
Pelican	OG-002-19	10/8/2019	10/21/2019	11/18/2019	12/30/2019	1/9/2020	Pending
Heron	OG-003-19	10/18/2019	11/4/2019	11/25/2019	1/6/2020	1/16/2020	Pending
Blue Jay	OG-004-19	10/17/2019	11/8/2019	12/2/2019	1/13/2020	1/23/2020	Pending
Owl	OG-005-19	10/17/2019	11/8/2019	12/5/2019	1/21/2020	1/30/2020	Pending
Falcon	OG-006-19	10/17/2019	11/8/2019	12/9/2019	1/27/2020	2/6/2020	Pending
Harlo	OG-007-19	10/21/2019	11/4/2019	12/13/2019	2/3/2020	2/13/2020	Pending
Anteater (Jacobson)	OG-008-19	12/10/2019	12/23/2019	1/10/2020	2/18/2020	2/20/2020	Pending



Current Spacing Applications

Docket No	Operator	Location (Sections)	Intervention Date	Status
180300262	Petro Operating	Sections 10 & 11, T2S R67W	4/16/2018	Approved
180400300	Extraction Oil and Gas	Sections 21, 22 & 23, T2S R66W	4/16/2018	Approved
180400284	Extraction Oil and Gas	Sections W½ 26, 27 & 28, T2S R66W	4/16/2018	Approved
180700524	Great Western Operating	Sections 32 & 33, T1S R66W	4/16/2018	Approved
180600433	Extraction Oil and Gas	Sections 11 & 14, T2S R66W	5/25/2018	Approved
190300473	Extraction Oil and Gas	Sections 3, 4 & 5, T2S R66W	2/25/2019	Pending
190300474	Extraction Oil and Gas	Sections 7 & 8, T2S R66W	2/25/2019	Pending
190300475	Extraction Oil and Gas	Sections 12 & 13, T2S R67W	2/25/2019	Pending
190300476	Extraction Oil and Gas	Sections 9 & 10, T2S R66W	2/25/2019	Pending
190300230	Extraction Oil and Gas	Sections 15 & 16, T2S R66W	2/25/2019	Consent Agenda
		Sections S½ 22, 27 & 34, T1S R66W		Consent Agenda

Note: applications highlighted in blue above were split from a previously submitted spacing unit (1903000230), into separate docket numbers.

Current Form 2 Applications

Site Name	Operator	Original Intervention Date or Comment Deadline	Approved?	Well Count
Blue Jay	Extraction Oil and Gas	4/12/2018	On Hold	32
Owl	Extraction Oil and Gas	4/18/2018	On Hold	16
Condor	Extraction Oil and Gas	4/25/2018	On Hold	16
Red Tail	Extraction Oil and Gas	5/14/2018	On Hold	16
Antelope	Petro Operating, LLC	5/16/2018	Pending	24
Falcon	Extraction Oil and Gas	5/21/2018	On Hold	32
Kestral	Extraction Oil and Gas	5/21/2018	On Hold	16
Oriole / Hawk	Extraction Oil and Gas	9/5/2018	On Hold	32

New Form 2 Applications received since the last monthly update:

None

Current Form 2A Applications

Site Name	Operator	Original Intervention Date or Comment Deadline	Approved?
Condor	Extraction Oil and Gas	4/25/2018	On Hold
Blue Jay	Extraction Oil and Gas	5/27/2018	On Hold
*Antelope	Petro Operating, LLC	5/31/2018	Pending
Falcon	Extraction Oil and Gas	6/9/2018	On Hold
Harlo	Extraction Oil and Gas	9/15/2018	On Hold
Red Tail	Extraction Oil and Gas	9/15/2018	On Hold

* The city provided a comment letter to the COGCC requesting the opening of a second comment period after further conversations with the operator occur regarding the location. The city currently opposes the proposed location of this site based on proximity to planned and existing residential, and other health and safety concerns.

New Form 2A Applications received since the last monthly update:

None

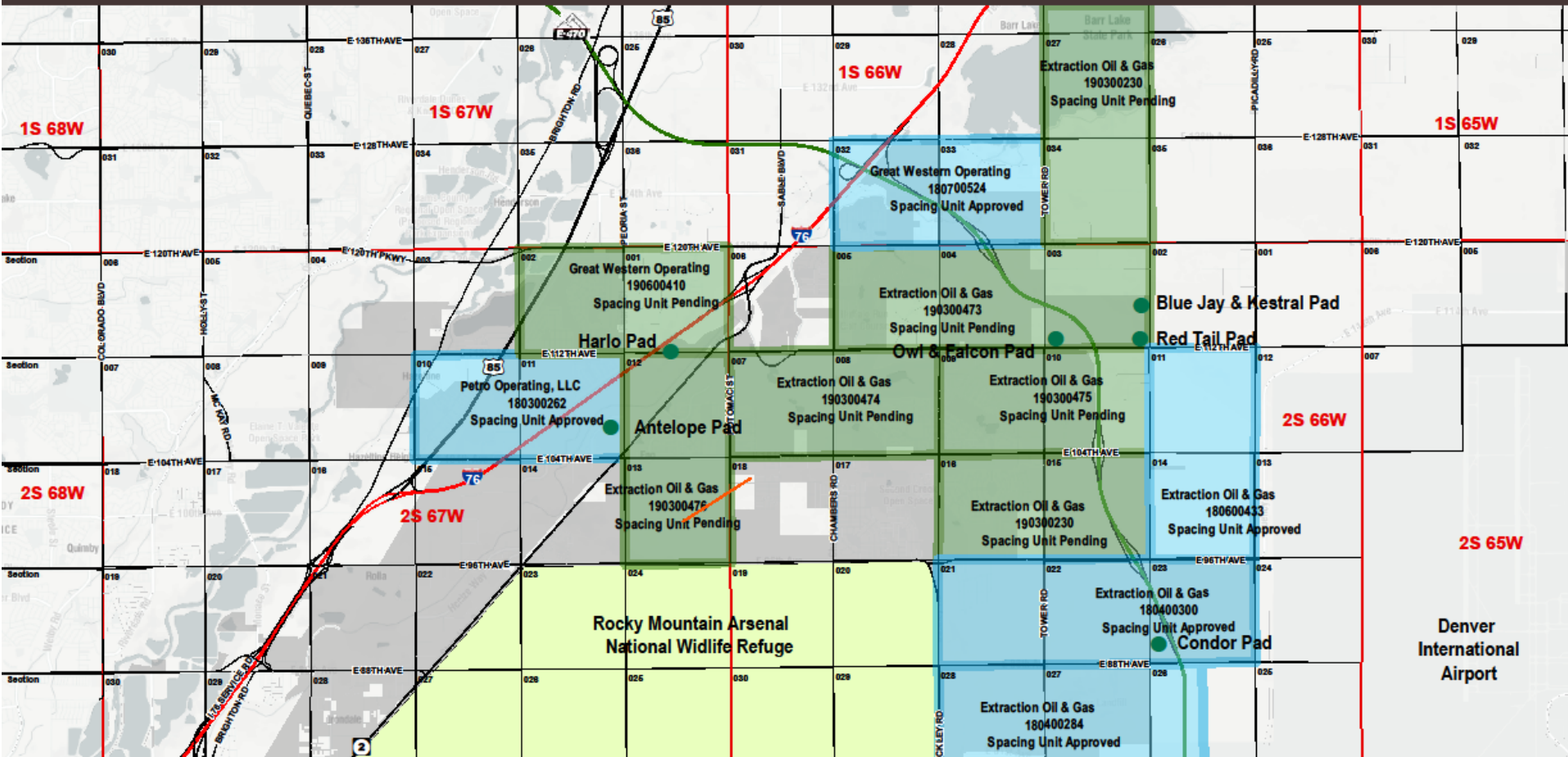


Map of COGCC Activity



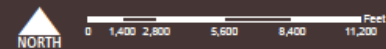
Applications to the COGCC Within Commerce City Boundaries

Active as of 2/3/2020



Status of State Applications

- Spacing Unit Approved
- Spacing Unit Pending
- City Limit Boundaries
- Pending Form 2A
- Approved Form 2A



*This map represents all pending Form 2A applications, and spacing applications that have been submitted by Oil & Gas operators to the COGCC. Approval of a spacing unit by the COGCC does not constitute the ability to drill, unless Form 2's and 2a's within that section are also approved, and a city permit has been issued.

General Updates

- Staff awaiting re-submittals on Extraction Oil and Gas permits
- Additional study sessions to be scheduled with City Council on Oil and Gas LDC Updates
 - Will occur between July 9 & July 23
 - Will be conducted via zoom, broadcasted live
- Following the study sessions, a revised public hearing timeline will be presented for the Oil and Gas LDC Updates
- Staff working to develop prehearing statement for COGCC Mission change rulemaking, based on Council feedback on the June 8 Study Session
- Study Session Planned for August 10 with CDPHE Environmental Staff
 - General science behind Air Quality Monitoring & available technologies
 - Interface between local and state environmental regulatory framework



CDPHE Information on Suncor

- Sheen identified on May 7 found to be diesel fuel
 - Determining the cause involved checking the integrity of the plant's underground barrier wall, taking soil and groundwater samples, and collecting water samples from Sand Creek
 - Remediation by Suncor involves diverting Sand Creek, removing impacted soil and sediment, backfilling the impacted area, and restoration to original conditions
 - Staff has contacted CDPHE for additional information in regards to the outcomes and findings
 - Additional details also provided in the Suncor Report
- 4 self reported air quality exceedances by Suncor since June 3
 - All for violation of maximum Sulfur Dioxide (SO₂) threshold
 - 15.68 lb/hr SO₂ (1-hr avg)
 - 250 ppm SO₂ (12-hr avg)
 - 2 events caused by planned startup of the No 1. Sulphur Recovery Unit (SRU) unit following maintenance
 - 1 event caused by shutdown of the Tailgas unit for repairs
 - 1 event currently under investigation
 - Maximum reported violation amount: 8,943^a ppm SO₂ (12-hr avg)
 - Staff has contacted CDPHE for additional information in regards to the investigation

a. These are draft emissions estimates and are subject to revisions and/or updates. The final emissions will be reported on CDPHE's quarterly excess emissions reports.

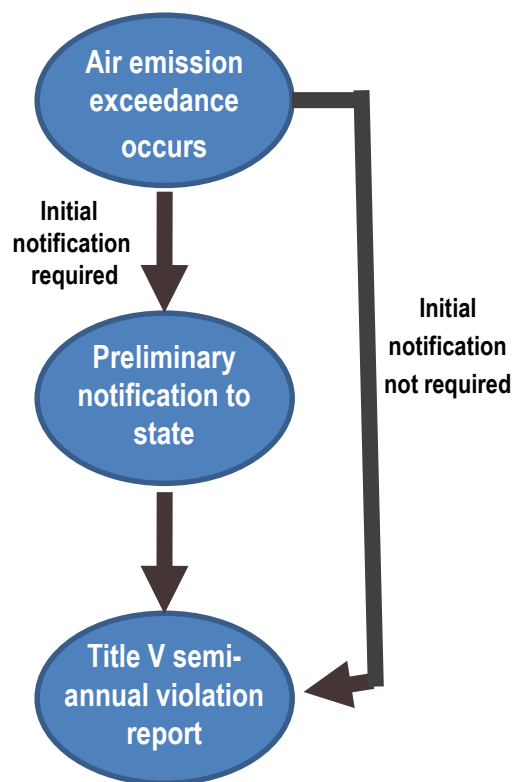
b. Information regarding the cause of the deviation may change based on the results of pending investigations.

Overview - State Violation Process

- Suncor required to provide preliminary notification to CDPHE when it is expected that certain air quality regulations under Title V permit have been or will be exceeded
 - Either during planned startup or shutdown of a unit
 - During an unplanned malfunction
 - These reports are typically limited in information, and actual analysis of the event
 - Some exceedances or violations may not require the submittal of preliminary notification
- Suncor required to provide Title V semi-annual report of actual violations
 - Provides detailed analysis and explanation of all violations and exceedances of air quality standards
 - Required as part of Title V permit issued by EPA
- CDPHE will complete a quarterly inspection finding report
 - Assessment of Suncor's self reported violations
 - Summary of findings from state inspectors
- If inspection report determines enforcement action is necessary, CDPHE will issue a compliance advisory notice to the company
 - Formally puts company on notice regarding alleged violations
- Violations are typically finalized via some form of a settlement document

Overview - State Violation Process

Suncor Reporting



State Inspection / Violation



*Compliance order on consent or early settlement agreement

Other Suncor Updates

- State senate voted to approve HB-1265 on June 11
 - Waiting to be signed by Governor Polis
- Would require Suncor to
 - Conduct outreach to representatives of the community surrounding the covered facility to discuss communications regarding the occurrence of an incident
 - Use reverse-911 to communicate with, and make data available to, the community surrounding the covered facility regarding the occurrence of an incident
 - Implement reverse-911 within 6 months
 - Pay all costs associated with its use of reverse-911



Suncor Report – Sand Creek Activities

- Sand Creek Activities
 - Sheen observed at Sand Creek on May 7
 - Various excavation, drilling, integrity check, sampling activities performed
 - Suncor investigation identified the sheen material as an aged diesel fuel (or fuel oil)
 - Appears isolated along the south side of Sand Creek where the sheen was originally observed
 - Suncor mitigation efforts underway
 - Diversion of Sand Creek and further containment of the area
 - Partial dewatering of the containment area
 - Removing impacted soil and sediment
 - Backfilling the impacted area
 - Restoring the area to its original condition
 - The report includes images of the location as well as the scope of work within the waterway



Suncor Report – Sand Creek Activities

- Sand Creek Activities continued:
 - CDPHE, the Army Corp of Engineers, Mile High Flood District, Sand Creek Regional Greenway Partnership, and other key stakeholders are involved in the planning and execution of remediating the sheen incident
 - The Community remains informed via social media and email notifications
 - May 7, May14, May 27 and June 23

Suncor Report – Plant Turnaround/Clean Up

- Plants 1 and 3 Turnaround
 - Beginning a higher level planned maintenance for Plant 1 and 3
 - Increased maintenance occurs routinely every five years
 - Anticipates increased traffic, noise, flaring during these increased operations
 - Safety is a top priority; precautions will be taken ensure disruptions are kept to a minimum
 - Suncor will notify stakeholders and the community prior to starting the work and once it is complete
- Brighton Boulevard Clean-Up
 - A thorough trash clean-up was conducted along the stretch of roadway that is adjacent to the refinery
 - Facilities management has incorporated a daily trash patrol as well as a monthly preventive maintenance protocol

Suncor Report – Environmental Performance

- May Environmental Performance Data
 - 39 exceedances related to air emissions
 - 38 related to plant-wide shut down, standby and start-up during and after the power outage that occurred on May 17
 - 1 related to flare gas due to gas recovery system upset
 - 1 event related to Sand Creek sheen incident on May 7
 - Environmental Performance YTD this year vs. last year
 - 2019 – 369 exceedance periods (through May)
 - 2020 – 80 exceedances periods (through May)

Suncor Report – PFOS/PFOA

- PFOS/PFOA Compound
 - Exploring treatment options as part of ongoing water improvement efforts
 - Testing has been conducted and confirms the presence of PFOS/PFOA in groundwater below the refinery
 - Working with CDPHE testing additional locations
 - Data indicates compounds are present in varying levels of concentration in nearby surface water (Sand Creek and South Platte River)
 - Most recent data from upstream and downstream sources the compound are below U.S. Environmental Protection Agency (USEPA) Drinking Water Health Advisory Levels
 - Suncor PFOA firefighting foam now meets USEPA's requirements
 - Suncor Emergency Response Team (ERT) does not currently use any firefighting foam containing PFAS for on-site training events

Suncor Report – CDPHE Settlement Update

- Third Party Root Cause Investigation
 - Setting up an independent assessment with a qualified consultant
 - Assessment will focus on determining cause of emissions exceedances and making recommendations to minimize or prevent further recurrence of emissions
 - Recommendations may include changes or improvements to: design, operations, maintenance
 - Finalizing details with CDPHE and kick-off the process with the consultant over next few weeks

Suncor Report – CDPHE Settlement Update

- Community Notification
 - Evaluation and implementation of improvements to community notifications continues on how, what and when Suncor shares information and data about the refinery's operations
 - Phased project that will continue through the rest 2020 and into 2021
 - Initial phase involved research and identification of potential technologies and systems
 - July/August: Suncor will engage stakeholders to survey, seek input and collect data on the project
 - Will engage the city as part of this process as well as seeking support on promoting the survey to ensure residents are aware of the process
 - A proposal for short-term and long-term community communications and notifications improvements must be submitted to CDPHE on November 30, 2020
 - Short Term Communication Implementation – March 30, 2021
 - Long Term Communication Implementation – September 30, 2021



Suncor Report – CDPHE Settlement Update

- Supplemental Environmental Projects (SEP)
 - Additional information clarifying the process
 - Detailed information and frequently asked questions regarding the process can be found on CDPHE's following webpage:
 - [2019 Suncor Settlement SEP Community Process](#)

Suncor Report – Other Information

- Legislative Updates
 - Aware of HB 20-1265 has passed and is waiting to be signed into law
 - On HB 20-1265 and other bills, will be working with various agencies on specifics details within the legislation
 - Goal is to have discussions to identify the right solutions
- Community Activism
 - Committed to inclusion and diversity throughout the Suncor organization
 - Undertaking a variety of actions as part of a long-term commitment to listen, understand, grow, and support society at large





Questions?

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City Council Meeting July 2020