



Oil & Gas Monthly Update

.....●
●.....

City Council Meeting September 2018

Purpose

- Update on the latest COGCC permits received since the previous update on July 16
- To introduce the outside entity speaker series on Oil & Gas topics
- Following the speaker series, the following will occur:
 - One presentation representing support of Oil & Gas development
 - One presentation representing concerns with Oil & Gas development



Background

- Colorado court rulings limit the scope and ability of local jurisdictions to regulate oil & gas extraction
- Prior to 2009: City had no municipal oil and gas regulations.
- 2012: Creation of new LDC Oil & Gas regulations. Resulted in administrative review process & formation of a template extraction agreement for negotiation
- Early 2018: Various state applications were submitted for areas within Commerce City boundaries
- As of September 2018: no Oil & Gas Permits have yet to be processed by the City.
 - No moratorium has ever been in place regarding oil and gas development within the City.



City Oil & Gas Permit Applications

- To date, no Oil and Gas Permits have been submitted to the City
- All operators have asked the COGCC (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
- The City will provide formal comment during the time of the 2nd comment period, which date not been set



Commerce
CITY

Current Spacing Applications

Docket No	Operator	Intervention Date or Comment Deadline	Hearing Date or Admin Approval Date
180300262	Petro Operating	4/16/2018	4/30/2018
180400303	Extraction Oil and Gas	4/16/2018	4/30/2018
180400304	Extraction Oil and Gas	4/16/2018	4/30/2018
180600377	Extraction Oil and Gas	4/16/2018	4/30/2018
180300233	Extraction Oil and Gas	4/16/2018	4/30/2018
180400300	Extraction Oil and Gas	4/16/2018	4/30/2018
180400284	Extraction Oil and Gas	4/16/2018	4/30/2018
180600433	Extraction Oil and Gas	5/25/2018	6/11/2018
180600434	Extraction Oil and Gas	5/25/2018	6/11/2018
180600437	Extraction Oil and Gas	7/16/2018	7/30/2018
180700524	Great Western Operating	7/16/2018	7/30/2018
180700555	Great Western Operating	7/16/2018	7/16/2018

New Spacing Applications received since the last monthly update:

None



Current Form 2 Applications

Site Name	Operator	Intervention Date or Comment Deadline	Hearing Date or Admin Approval Date	Well Count
Blue Jay	Extraction Oil and Gas	4/12/2018	6/6/2018	32
Owl	Extraction Oil and Gas	4/18/2018	6/12/2018	16
Condor	Extraction Oil and Gas	4/25/2018	6/9/2018	16
Red Tail	Extraction Oil and Gas	5/14/2018	5/14/2018	16
Antelope	Petro Operating, LLC	5/16/2018	7/10/2018	24
Falcon	Extraction Oil and Gas	5/21/2018	7/15/2018	32
Kestral	Extraction Oil and Gas	5/21/2018	7/15/2018	16
Jacobson	Great Western Operating	6/20/2018	8/14/2018	36

New Applications Received Since Previous Update:

Oriole / Hawk	Extraction Oil and Gas	9/5/2018	10/30/18	32
---------------	------------------------	----------	----------	----



Current Form 2A Applications

Site Name	Operator	Intervention Date or Comment Deadline	Hearing Date or Admin Approval Date
Condor	Extraction Oil and Gas	4/25/2018	6/9/2018
Blue Jay	Extraction Oil and Gas	5/27/2018	7/11/2018
*Antelope	Petro Operating, LLC	5/31/2018	7/15/2018
Falcon	Extraction Oil and Gas	6/9/2018	7/24/2018
Jacobson	Great Western Operating	7/4/2018	8/18/2018

* 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 Applications Received Since Previous Update:

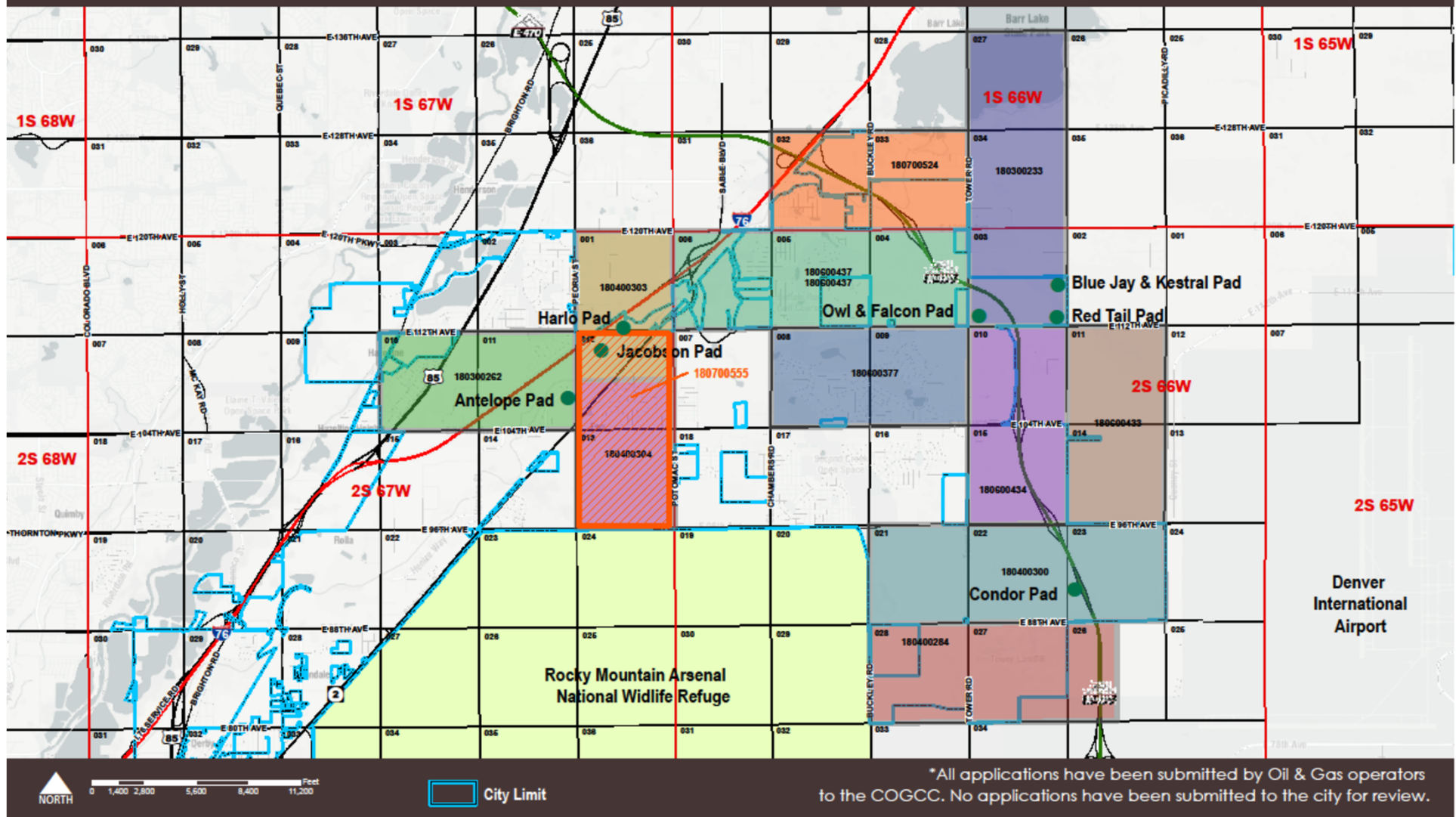
Harlo	Extraction Oil and Gas	9/15/2018	10/30/2018
-------	------------------------	-----------	------------

COGCC Spacing Activity



Applications to the COGCC Within Commerce City Boundaries

Active as of 8/22/2018



General Updates

- Met with Extraction on a continued basis regarding their submitted permits to the state to understand their processes and location impacts:
 - No agreements in place
 - 1st product of these meetings will be comments and requested conditions from the City to the COGCC about their state permits
- Met with a variety of other entities, including:
 - Adams County staff regarding coordination & collaboration
 - Fire and Emergency Managers regarding emergency response plans
 - Broomfield staff to better understand their process, what worked well, and lessons learned
 - Rocky Mountain Arsenal National Wildlife Refuge staff regarding possible impacts from Oil and Gas Development
 - South Adams County Water and Sanitation District about water quality issues

Updates – BMP's

Through research, communication with other jurisdictions, and meetings with Extraction, staff is working towards establishing Best Management Practices (BMP's) that maximize protections to residents, specifically by addressing:

- Air quality
- Water Quality
- Reduce noise
- Limit truck traffic
- Coordinated emergency response

Updates – Impact Fee

- City has executed a contract with Felsburg Holt & Ullevig (FHU) to conduct an Oil & Gas road impact fee study
 - Identify impacts of Oil & Gas operations on our City's infrastructure and assist in adoption of an impact fee, if necessary
 - Scope of work includes analysis of potential impacts from traffic associated with Oil & Gas development, and provide recommendations for roadway improvements, and an impact fee that covers the cost of the impacts.
- A proposed Impact Fee study will be brought forward for consideration



Updates – Ordinance Rewrite

- LDC regulations of Oil and Gas adopted in 2012
- Code is being analyzed to identify and correct potentially pre-empted sections
- Proposed amendments will be brought forward in near future
 - Examples:
 - Elimination of “Appeals/Compliance” which presently requires an Operator to receive a waiver from City Council from Code provisions that are otherwise pre-empted by state law
 - Removing or clarifying vague terms
 - Restating permit requirements that are presently not succinctly presented
- May require Planning Commission Hearing & City Council Approval

Speaker Series

- Tonight's speaker:
 - Sean Hackett
 - Oil and Gas Liaison, Colorado Department of Public Health and Environment (CDPHE)
- Discuss CDPHE's regulation authority over stormwater management, air quality, solid & hazardous waste, & the agency's general role in Oil & Gas development.



Commerce
CITY



Questions

.....●
●.....

City Council Meeting September 2018