



# Oil & Gas Monthly Update

City Council Meeting December 2019

# Welcome New Council

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- This presentation is conducted on a monthly basis by city staff
- Provides updates on the following:
  - City permit applications
  - State permit applications
  - General updates
    - Efforts that staff has been involved with over the past month
    - Updates on COGCC rulemakings and other noteworthy developments
- In addition to the monthly update, staff prepares a weekly report that is included within the weekly manager's update
- Additional updates posted to the city's Oil and Gas webpage ([www.c3gov.com/oilgas](http://www.c3gov.com/oilgas))



# City Oil & Gas Permit Applications

- Seven Oil and Gas Permits have been submitted and deemed complete by the city – all by Extraction

Site Name	Case Number	Operator	Council Action Required	Well Count
Condor	OG-001-19	Extraction Oil and Gas	Rezoning	16
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

- 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 2<sup>nd</sup> comment period.



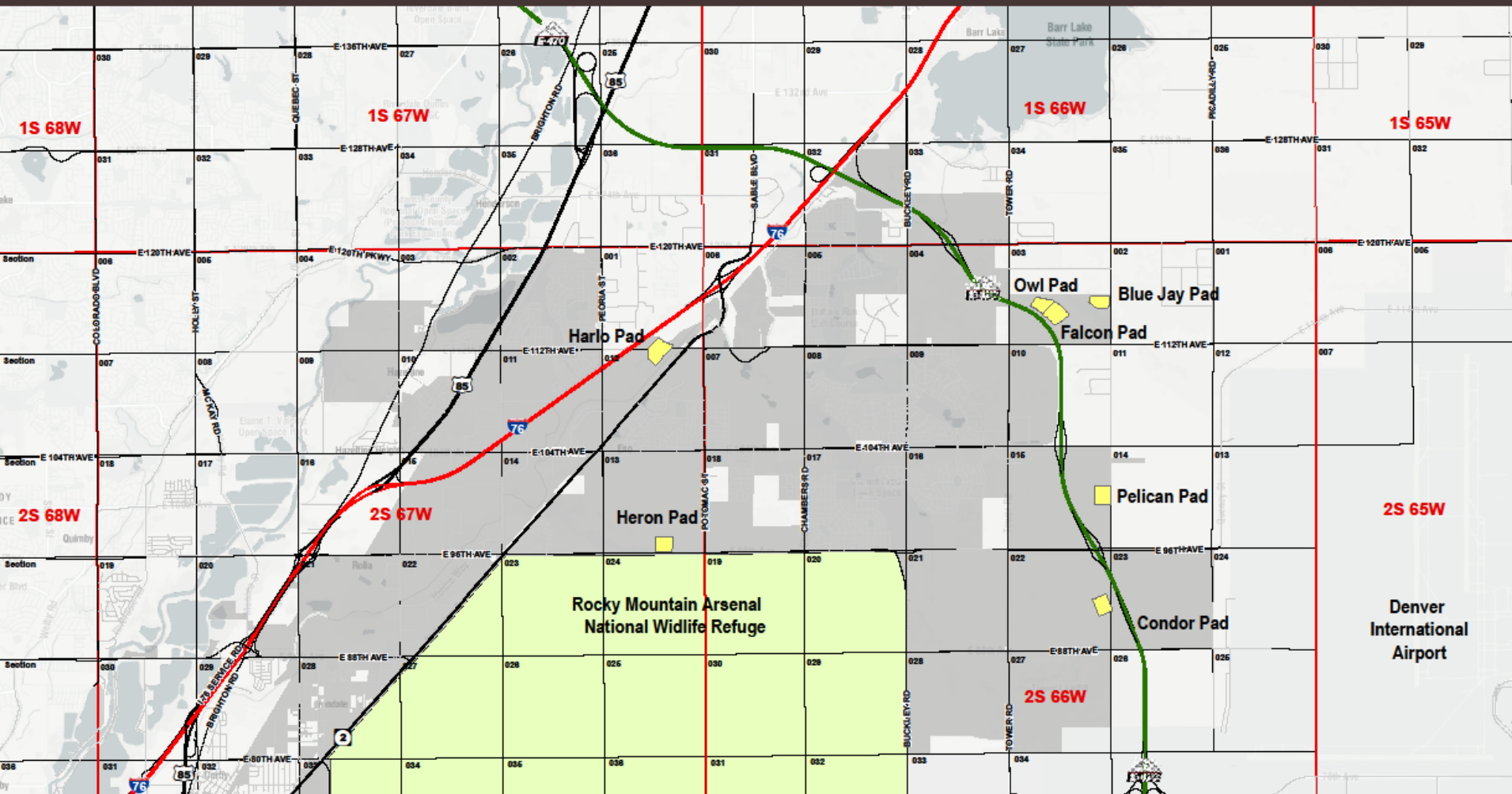
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# Submitted City Permits



City Permit Applications

Active as of 11/8/2019



Submitted City Permits City Limit Boundaries

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

# Review Process

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- City staff is reviewing permits for compliance with the following:
  - Commerce City Land Development Code
  - Regional Operator Agreement signed with Extraction Oil and Gas
- Additional local and state regulatory agencies have received a referral of the permit and have been asked to comment
- The Development Review Team (DRT) will be meeting to discuss the case prior to issuance of the first comment letter
  - As is standard with most land use cases in the city
- All well sites will be required to conduct a neighborhood meeting
  - Generally will happen sometime after the 1<sup>st</sup> or 2<sup>nd</sup> review cycle



# Referral Entities

- Oil and Gas Permits have been referred out to the following entities:

Internal Agencies (Commerce City)	External Agencies	
Planning	Colorado Department of Public Health and Environment	South Adams County Water & Sanitation District
Building Safety	Tri-County Health Department	Outside Legal Counsel
Economic Development	Adams County	Colorado Parks and Wildlife
Parks	City of Brighton	EPA Region 8
Police	Denver International Airport	Mile High Flood Control District
Public Works	School District 27J	US Fish and Wildlife Service
Emergency Services	E-470 Highway Authority	Brighton Fire District
GIS	Century Link	South Adams County Fire Protection District
Legal	United Power	XCEL
Finance	Farmers Reservoir and Irrigation Company (FRICO)	Turnberry, Reunion, and River Oaks HOA's



# Review Schedule

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)
OG-001-19	10/8/2019	10/17/2019	11/12/2019	12/23/2019	<b>*1/9/2020</b>	Pending
OG-002-19	10/8/2019	10/21/2019	11/18/2019	12/30/2019	<b>*1/9/2020</b>	Pending
OG-003-19	10/18/2019	11/4/2019	11/25/2019	1/6/2020	1/9/2020	Pending
OG-004-19	10/17/2019	11/8/2019	12/2/2019	1/13/2020	1/16/2020	Pending
OG-005-19	10/17/2019	11/8/2019	12/5/2019	1/21/2020	1/23/2020	Pending
OG-006-19	10/17/2019	11/8/2019	**	**	**	Pending
OG-007-19	10/21/2019	11/4/2019	**	**	**	Pending

**\*Postponed due to holidays**

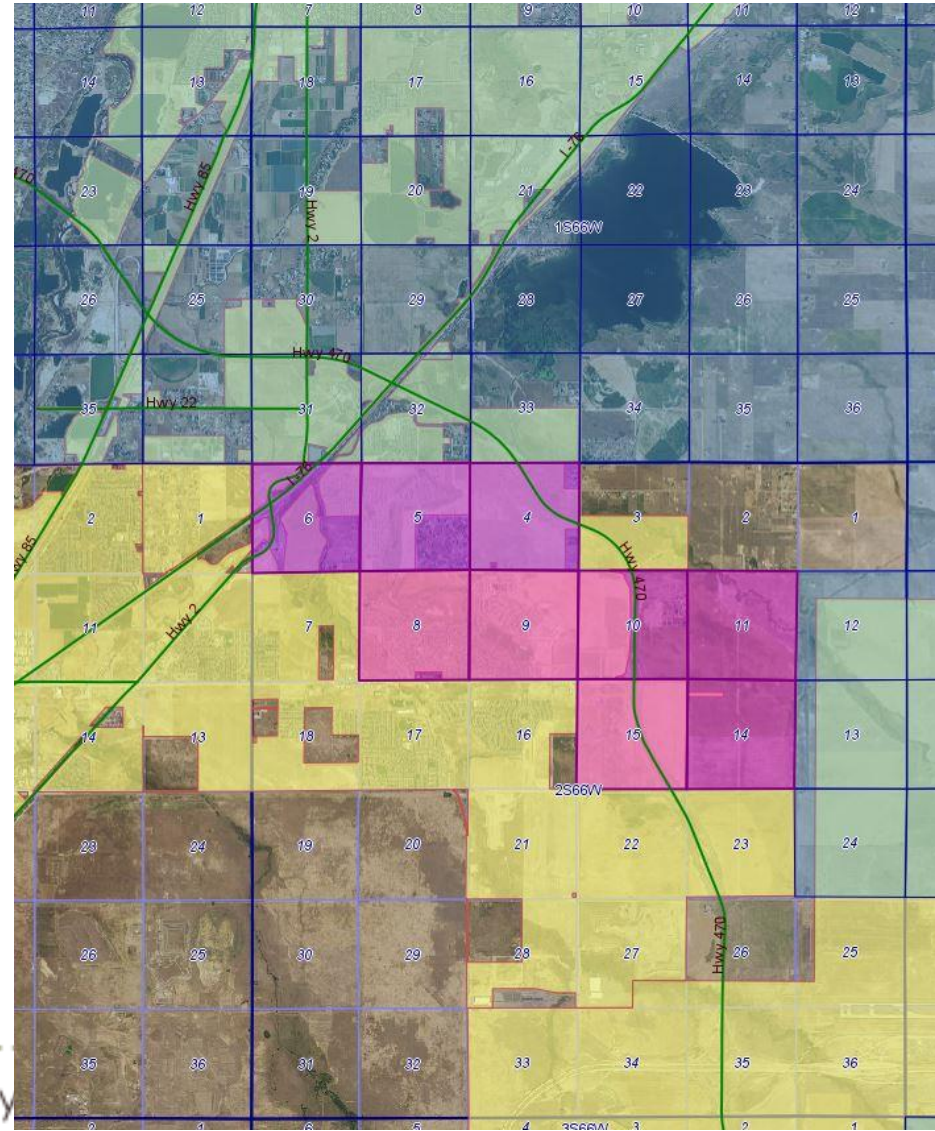
**\*\*To be updated – staff anticipates all permits referred out by 12/13**





# Spacing Application

- Depicts proposed boundaries for subsurface activity in a broad geographic area (1-2 square miles) for resource identification
- *Does not* identify actual surface use locations or entitle an operator to commence operations





# 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
190600410	Great Western Operating	Sections 1 & 2, T2S R67W	5/17/2019	Pending

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

# COGCC Form 2

- Permit for each wellbore and its construction
- Primarily “downhole” or geologic issues relative to underground activities and the impact on minerals
- *Does not* give permission to commence drilling or production (Form 2A and City permit must be approved)



# 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
Jacobson	Great Western Operating	6/20/2018	On Hold	36
Oriole / Hawk	Extraction Oil and Gas	9/5/2018	On Hold	32

New Form 2 Applications received since the last monthly update:

None



# COGCC Form 2A

- Permit for surface wellpad location
- Examines the site location, proposed site plan
  - Locations, quantities, and types of production equipment, storage tanks, truck routes & access
- Examines the proposed drilling activity
  - Depth, direction, and drilling method
- Details best management practices (BMP's) and conditions
  - Landscaping, sound mitigation, emission reduction, stormwater management, fencing, visual mitigation, etc.



# 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
Jacobson	Great Western Operating	7/4/2018	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



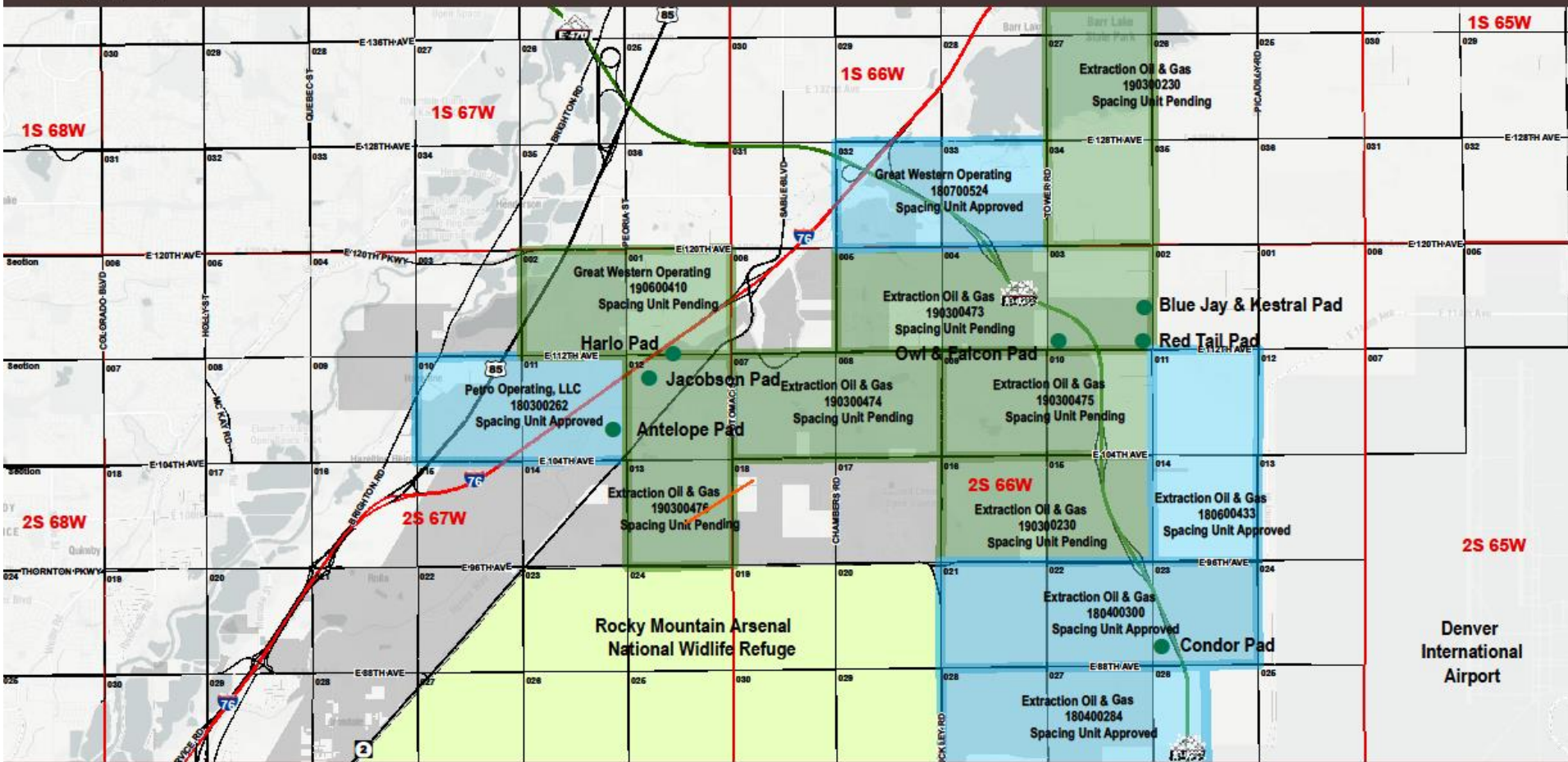


# Map of COGCC Activity



Applications to the COGCC Within Commerce City Boundaries

Active as of 7/1/2019



Status of State Applications

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

\*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. No applications have been submitted to the city for review.



# General Updates

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- Flowline regulations adopted by COGCC on 11/21/19
  - Purpose and intent
    - Requirement for GIS data for all off location flowlines and crude oil transfer lines, and making data publically accessible
    - Increased COGCC inspection authority
    - Other public health, safety and general welfare protections
- COGCC announces the combination of the following three rulemakings into one rulemaking, based on stakeholder feedback
  - Mission Change
  - Cumulative Impacts
  - Alternative Location Analysis





# Oil & Gas LDC Updates

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- On November 4<sup>th</sup>, 2019, City Council voted to continue Ordinance 2235 indefinitely
- Issues being evaluated as part of revised ordinance
  - Lapse Period
  - Reverse Setback
  - Disclosure of Proprietary Chemicals
  - Clarification on setback definitions
  - Air Quality Monitoring Requirement
  - Modifications to BMP's based on CDPHE and TCHD comments



# LDC Updates – Potential Timeline Revision

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- 1<sup>st</sup> half of January
  - Hold follow up stakeholder meetings with the following entities:
    - Home Builders Association of Metro Denver
    - Oakwood Homes
    - Tri-County Health Department & Colorado Department of Public Health and Environment
    - COGA, API & Operators
    - Oil and Gas Focus Group
    - Community Groups and HOA's
- 4<sup>th</sup> Monday of January or 2<sup>nd</sup> Monday of February – Study Session
  - Overview of initial drafting process
  - Overview of original proposed ordinance
  - Proposed modifications based on stakeholder feedback and input
- 2 weeks
  - Revised Draft Ordinance posted for public review & comment
  - Draft ordinance made available for 21 days prior to public hearing
- 3 weeks
  - Meet with additional stakeholders as necessary & make additional revisions to draft ordinance
- March 2, 2020 or April 6, 2020
  - Revised Ordinance presented to Council



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# Questions

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