Commerce CITY

Oil & Gas Monthly Update

City Council Meeting May 2020

City Oil & Gas Permit Applications

- 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
- Seven applications are currently deemed complete and being processed by the city

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.

City Permits Deemed Complete

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Submitted City Permits

Active as of 1/2/2020

1S 68W
1S 67W
1S 66W
1S 65W
2S 68W
2S 67W
2S 66W
2S 65W

*Anteater Pad Extraction (36)

*Harlo Pad Extraction (32)

Owl Pad Extraction (18)

Blue Jay Pad Extraction (18)

Falcon Pad Extraction (18)

Heron Pad Extraction (24)

Pelican Pad Extraction (28)

Rocky Mountain Arsenal National Widlife Refuge

Denver International Airport

Planned Facility

City Limit Boundaries

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

NORTH

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On	Referral Agency Comments Due to Staff	Development Review Team Date	Permit Status (Approved / Pending / Denied / Withdrawn / Completeness Review)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

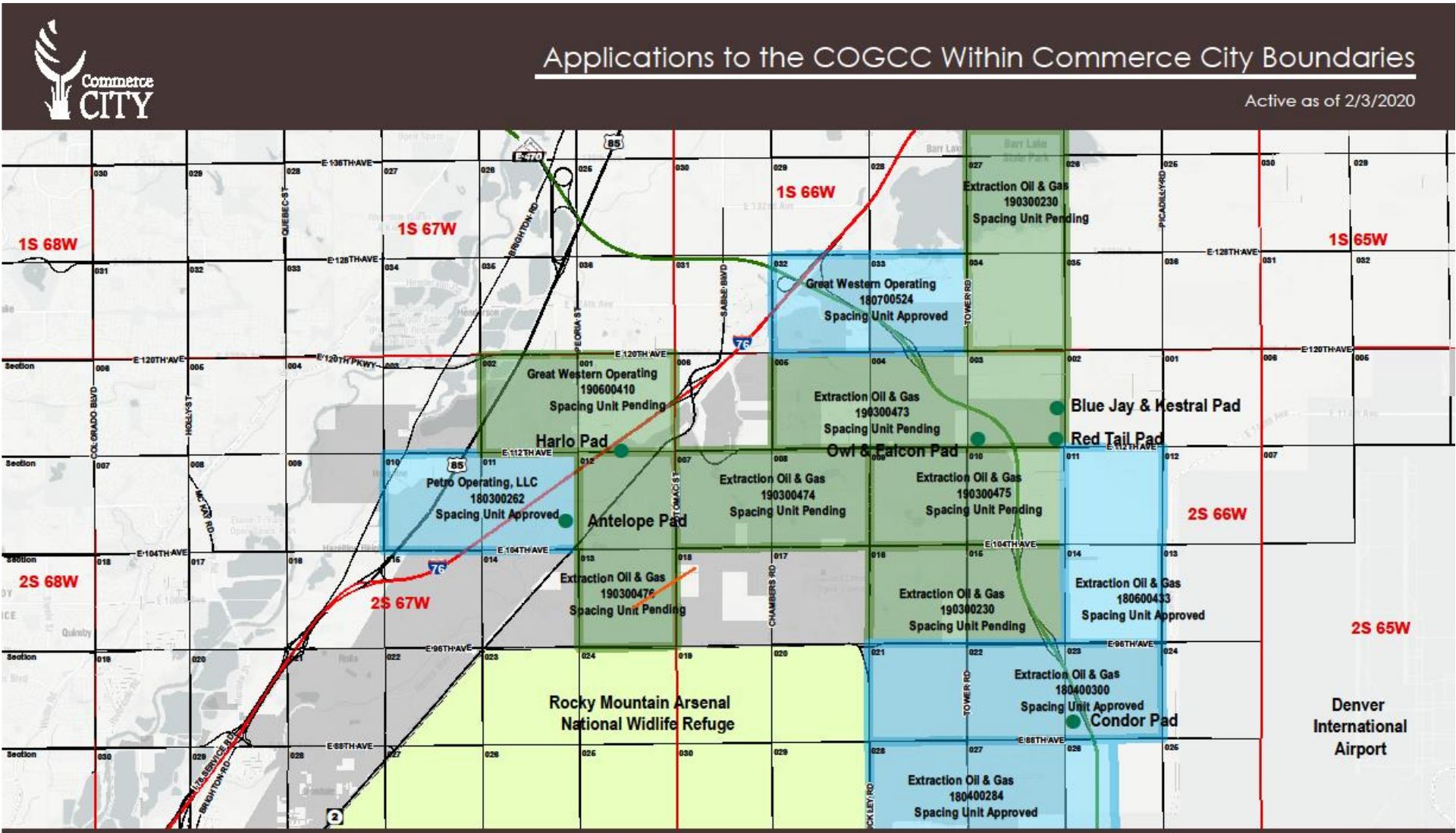
Site Name	Operator	Original Intervention Date or Comment Deadline	Approved?
Condor	Extraction Oil and Gas	4/25/2018	On Hold
Blue Jay	Extraction Oil and Gas	5/27/2018	On Hold
*Antelope	Petro Operating, LLC	5/31/2018	Pending
Falcon	Extraction Oil and Gas	6/9/2018	On Hold
Harlo	Extraction Oil and Gas	9/15/2018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



General Updates

- Staff continuing to review submittals on Extraction Oil and Gas permits
- Staff conducted stakeholder meetings with homebuilders and industry representatives last month
- Telephone town hall / Q&A with staff
  - Scheduled for Thursday, May 7
  - Brief overview presentation of where the draft ordinance stands now
  - Members of the public can pre-submit questions on c3gov.com/oilgas
  - Would then open up any additional questions the public may have following the answering of any pre-submitted questions
  - Staff is exploring options for simultaneous Spanish interpretation to occur during the town hall.
    - If an option cannot be identified for May 7, a second virtual town hall for Spanish speakers will be held at a later date.
- COGCC Mission Change rulemaking timeline finalized:
  - May 4 – June 12: COGCC meets with entities who have declared party status to work through issues addressed so far
  - June 10 – 11: Wellbore integrity rulemaking
  - June 26: COGCC will release new draft rules
  - July 13: Party deadline to provide prehearing statements
  - August 24 – September 10: Rulemaking hearings conducted

LDC Schedule

- Oil and Gas LDC Remaining Schedule
  - Friday, May 29 – Public Comment Deadline (Extended from April 10)
  - *Mon, June 8 – City Council Study Session
  - Tues, June 16 – Planning Commission public hearing and recommendation
  - Mon, July 6 – Ordinance #2266 presented to city council for a public hearing and first reading
  - Mon, July 20 – If passed on first reading, ordinance #2266 will be considered for final approval by city council on second reading

- If study sessions with Council have not been re-instated by this date, additional revisions to this schedule may be necessary.

Public Water Supply Protection

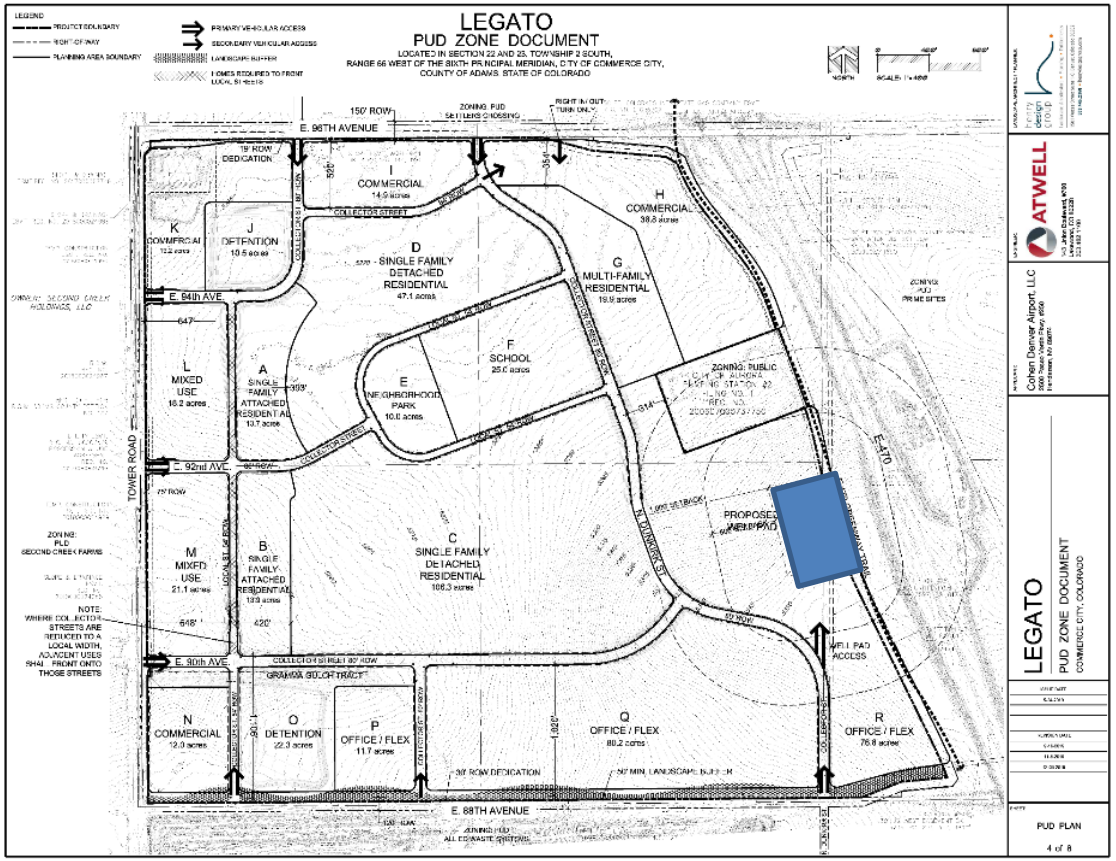
- Requesting Council support for the city to be a signatory on comment letter to the COGCC, requesting additional public water supply protections
- Argues that the current COGCC draft's definition of *"Groundwater wells under the direct influence (GUDI)"* is not broad enough to include some shallow groundwater wells that serve the public water supply
- Supporting the comment letter would be consistent with staff's current publicly released draft
  - Requires 1,000' setback from *Public Water Supply Wells*
- Current signatories of significance
  - South Adams County Water & Sanitation District
  - Brighton

Condor

- Negotiations between Extraction Oil and Gas and Legato to relocate Condor to Section 23 are currently stalled – may or may not continue
- Legato is moving forward with Extraction to accommodate a well site in Section 22 in a location that is satisfactory for both parties

- On February 6, City Council approved the Legato PUD zoning for the site west of E-470 with the following condition:
  - *As listed in the Table of Land Uses on sheet 8 of the Legato PUD Zone Document, the "Subsurface Extraction" land use shall be changed to a Conditional Use (C) rather than a Use by Right (R).*

- Any site located in this area will require a CUP approval from Council



Suncor

- Primary environmental regulatory agency for the refinery is the Colorado Department of Public Health and Environment (CDPHE)
  - Air Pollution Control Division primary regulator on air quality
  - Facility is a title V major source emitter facility (more than 100 tons of hazardous pollutants per year) - additional regulations the facility is required to comply with (required as part of Federal Clean Air Act)
- Up-to-date information page hosted by CDPHE
  - Includes update on enforcement actions
  - Live updates on air quality monitoring stations surrounding the facility
  - Access this page if you have any questions or complaints about permits, air quality monitoring, operational upsets
- Other Updates
  - On March 6, Suncor reached settlement agreement with CDPHE for past violations
    - Will include $2.6 million to be utilized for a number of community environmental projects
  - On March 11, the refinery experienced a subsequent operational upset
    - Similar to the event that occurred last year

Suncor Settlement Funds

- On March 6, Suncor reached settlement agreement with CDPHE for past violations
  - Will include $2.6 million to be utilized for environmental projects
  - Funds will be allocated through CDPHE's Supplemental Environmental Projects Framework
- Local Governments & nonprofit organizations that are considered an "impacted community" as it relates to the settlement will have the opportunity to submit project proposals that:
  - Would have some form of nexus between the impacts of the refinery, and propose some method to remediate the impacts
  - Would be in the form of a formal RFA (request for applications)
- City staff has been working to develop potential projects to submit for a future RFA, and engaging with CDPHE staff on the details of the submittal process
- Projects that are submitted as part of the formal RFA process would be accepted or denied through a formal Evaluation Committee, consisting of:
  - 1 Suncor representative
  - 1 CDPHE representative
  - Additional community leaders, and representatives of the impacted communities

Suncor Settlement Funds

- A robust community engagement process will be conducted by CDPHE, which will inform
  - The priority geographic areas where projects should take place or directly benefit.
  - The types of projects that should get preference.
  - Minimum or maximum dollar amounts of projects.
  - Environmental project type (water, air, solid waste, and/or hazardous waste).
- Process will occur in three phases
  1. May & June – CDPHE staff will be speaking with community leaders, staff, and representatives to understand priorities and needs in the communities
  2. July & August – Conduct community engagement with members of the general public. Most likely remotely due to COVID
  3. Fall 2020 – CDPHE will release the formal RFA for local governments and nonprofits to respond to. The formal evaluation committee will then determine which projects receive funding, and how much funding is conducted
- CDPHE staff will be reaching out to Council members from Wards 1 & 2 sometime during May & June during the community leader engagement stage.

Other Environmental Updates

- Joint grant submission for EPA Air Toxins Grant has been officially submitted to the EPA
  - City partnering with City & County of Denver, Adams County, and Tri-County Health
  - Letter of support provided by City Manager McBroom on 4/24 for grant submission
  - Would provide funds to establish air quality monitoring stations looking at the following
    - Cherokee Generating Plant
    - Suncor Refinery
    - Other industrial uses in north Denver, core Commerce City, and unincorporated Adams County
  - Actual location of monitoring stations would be determined through some form of community engagement process towards the end of the year