Commerce CITY

Oil & Gas Monthly Update

City Council Meeting August 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

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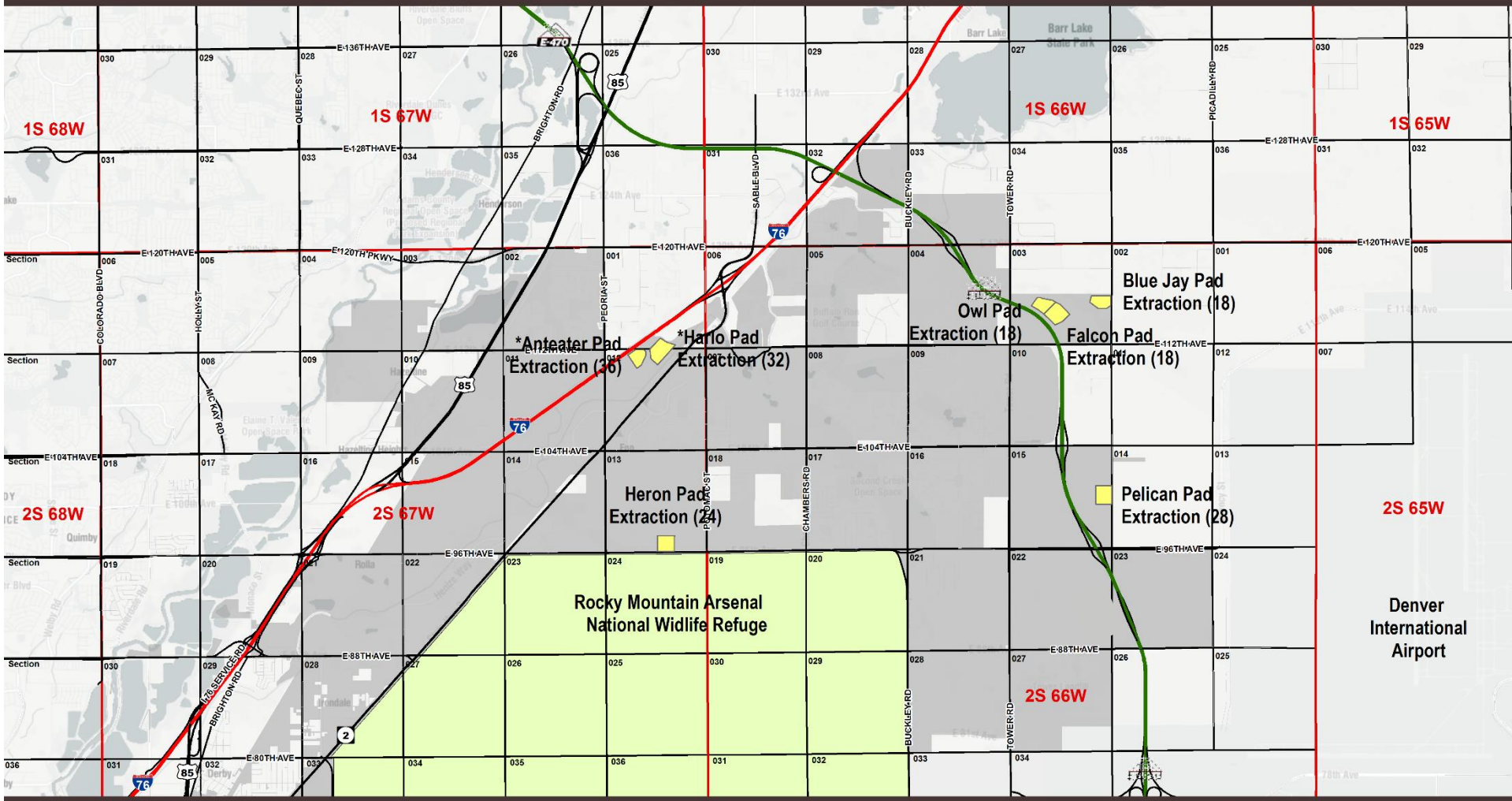
Submitted City Permits

Active as of 1/2/2020



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On	Referral Agency Comments Due to Staff	Development Review Team Date	Permit Status (Approved / Pending / Denied / Withdrawn / Completeness Review)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

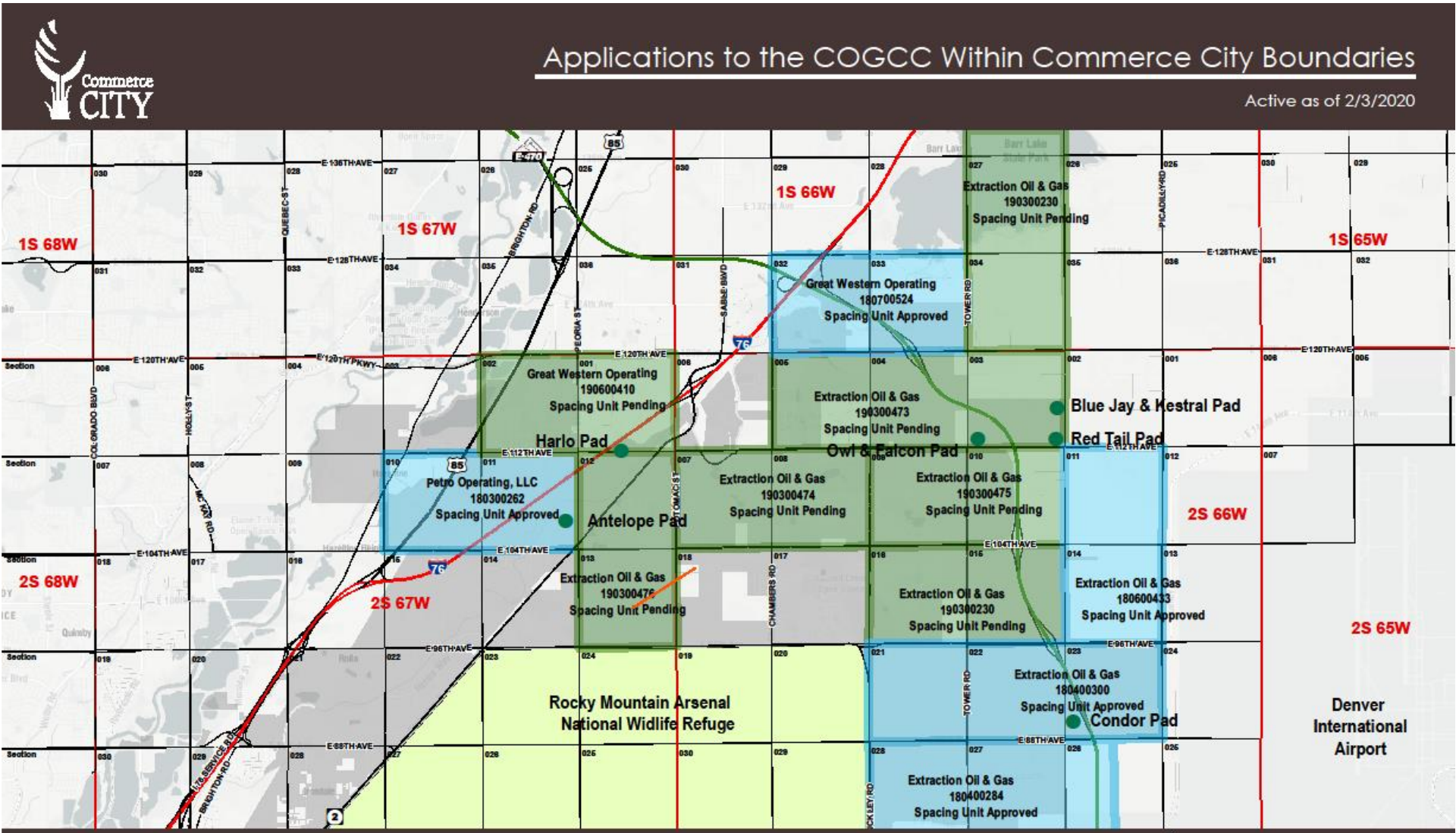
Site Name	Operator	Original Intervention Date or Comment Deadline	Approved?
Condor	Extraction Oil and Gas	4/25/2018	On Hold
Blue Jay	Extraction Oil and Gas	5/27/2018	On Hold
*Antelope	Petro Operating, LLC	5/31/2018	Pending
Falcon	Extraction Oil and Gas	6/9/2018	On Hold
Harlo	Extraction Oil and Gas	9/15/2018	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 awaiting re-submittals on Extraction Oil and Gas permits
- Hearing schedule finalized for Oil and Gas LDC Updates
  - Tuesday, August 11: Planning Commission Hearing
  - Monday, September 21: City Council 1st reading
  - Monday, October 5: City Council 2nd reading (Fast track)
- City submitted formal prehearing statement for COGCC Mission Change Rulemaking
  - Highlighted a number of areas of concern and areas of support from the City
  - Based on the feedback received from Council on June 8, as well as staff analysis
  - General public comment deadline on COGCC rulemaking: August 14
    - Submit comments to COGCC here
  - Rulemaking hearings – 8/24 – 9/10
- Study Session Planned for August 10 with CDPHE Environmental Staff
  - General science behind Air Quality Monitoring & available technologies
  - Interface between local and state air quality efforts
- Staff working to provide council additional information from Arsenal & CDPHE on Plume
  - Speaker series presentation from October 15, 2018 attached as part of council packet

General Updates

- City joined as a party to Air Quality Control Commission Regulation 7 Rulemaking
  - City submitted formal prehearing statement on July 31
- Rulemaking generally addresses the following topics as it relates to Oil and Gas development
  - Ambient air quality monitoring
  - Flowback controls
  - Expanded reporting
  - Increased controls on natural gas engines
- City overall supportive of increased monitoring requirements, and any regulations that increase public health, safety, welfare, and environmental protections.

CDPHE Information on Suncor

- Suncor refinery plant alarm sounded on July 22
  - Determined not to be associated with an operational or safety issue at the refinery
- 0 <u>self reported</u> air quality exceedances by Suncor since July 6

Suncor SEP Update & Timeline

- Webpage will go live tomorrow (8/4) for receiving SEP project ideas from the community
  - Based on the recommendation from Council
  - Includes basic information describing SEP process, and a survey link for providing ideas to city
  - Explains how public's feedback is evaluated and considered – community drives the process. Project(s) with greatest community consensus and likelihood for successful selection & implementation moves forward
  - Page will be live from **August 4 to September 4**
- Town Hall to be held on Thursday, August 13
  - To answer questions from the general public on the process
  - Listen to potential project ideas from the community
- Study Session scheduled with Council on Monday, September 14
  - To discuss feedback received from webpage & town hall efforts
  - Analysis of common and consistent themes from public responses
  - Staff recommendation of project feasibility
  - Determine what project idea(s) should ultimately be submitted to CDPHE for consideration
- December 31, 2020
  - Deadline for CDPHE's formed evaluation committee to select project(s) for funding
- Undetermined date (September or October)
  - RFA is released
  - RFA responses are due

Suncor's Written Update

- Refinery in process of planning stages of re-opening Plant 2
  - Coordinating with CDPHE
  - Conducted additional preventative maintenance, upgrades and training while the plant was shut down
  - Suncor plans to notify stakeholders and the community prior to starting up unit again
- Sand Creek Activities - Aged diesel fuel sheen identified in Sand Creek on 5/7
  - Continued work to remediate the issue is ongoing, including
  - a minor diversion of Sand Creek and further containment of the area where the sheen was observed;
  - partial dewatering of the containment area, as needed;
  - removing impacted soil and sediment (an estimated 770 cubic yards of material have been removed as of 7/24/20); and
  - collecting and analyzing soil and sediment samples to document the effectiveness of the mitigation activities.
  - In the coming weeks, Suncor will be working to obtain CDPHE's approval for proceeding with the backfilling and restoration activities. These activities will commence after receiving CDPHE's approval.

Suncor's Written Update

Figure 1: location of work at Sand Creek

Figure 2: aerial image of Sand Creek work area, July 16:

Suncor's Written Update

- During the month of June, the Commerce City refinery experienced four events that resulted in seven environmental exceedances that required notification to CDPHE or the EPA. This includes:
  - 5 exceedances related to air emissions
  - 2 of these were from a sulphur recovery unit malfunction that caused the tail gas incinerator to trip offline
  - 3 were due to taking the tail gas unit offline for a critical line repair
  - 2 events related to releases to soil
- CCR environmental performance YTD this year vs. last year:
  - 2019 (through June) – 372 exceedance periods
  - 2020 (through June) – 87 exceedance periods

Suncor's Written Update

- PFAS – larger group of synthetic chemicals, of which the two below are a part of
  - PFOS: Perfluorooctane Sulfonate
  - PFAS: Perfluorooctanoic Acid
  - 70 ppt (parts per trillion) health advisory threshold for combined PFOS and PFAS concentrations
- Based on testing occurring since August 2019, Suncor determined PFOS/PFOA compounds are present both upstream and downstream of the Commerce City refinery, in varying levels both below and above the EPA health advisory of 70 ppt:
- June 2020 results – Sand Creek surface water
  - Upstream of refinery: 65-84 ppt
  - Along refinery and upstream of Suncor outfall to Sand Creek: 67-72 ppt
  - Downstream of Suncor outfall to Sand Creek: 72-78 ppt
- Results from testing and sampling groundwater and treated wastewater have indicated the presence of PFOS/PFOA compounds in varying levels both below and above the EPA health advisory of 70 ppt.
- Suncor does not currently use any firefighting foam containing PFAS during fire-fighting training events
- Has replaced older Class B foam with a new foam that complies with EPA's PFOA Stewardship program 2015 requirements

Suncor's Written Update

- Settlement agreement update – Community Notification
  - Suncor in the midst of evaluating how, what and when Suncor shares information and data about the refinery's operations. This phased project will continue through the remainder of 2020 and into 2021.
  - Expects to execute an important phase of the community notification project in mid to late- August, when stakeholder consultation and community engagement process is launched
  - Conducted by a third party consultant – English and Spanish outreach

Deadline	Compliance Order Requirement
November 30, 2020	• Suncor must submit a proposal for short-term and long-term community communications and notifications improvements to CDPHE for review and comment. • Suncor is required to complete the stakeholder consultation and engagement process
March 30, 2021	Short-term communication processes and systems improvements must be implemented
September 30, 2021	Long-term improvement measures must be implemented

- Other updates
  - Suncor employees delivered approximately $5,000 worth of food, grocery and personal hygiene supplies to the Adams 14 School District
  - Similar donation made to *We Don't Waste*, a food redistribution organization supporting underserved populations in the metro area.
  - Suncor Scholarship will be presented to Adams City High School graduate Mariana Guevara-Galvan during Adams 14 Education's annual "14er Fest" – which is going virtual this year – on August 10 from 7-8 p.m.

Air Monitoring – CC Study Session

- Feedback received from Council on June 22:
- In support of the following change:
  - *12(d) Ambient Air Monitoring. Operator shall create and submit an air monitoring plan describing how the Operator will conduct baseline monitoring prior to construction of the well site. The plan shall also describe how the Operator will ~~shall~~ conduct continuous monitoring and collect periodic canister samples (or equivalent method) during the drilling, completion and production phases of development. ~~Monitored~~ Air pollutants monitored by canister samples shall include, but are not limited to, methane, VOCs, Hazardous Air Pollutants (HAPs), Oxides of Nitrogen (NOx), Particulate Matter (PM), and Fine Particulate Matter (PM 2.5).*
- In support of changing "the next business day" to "one hour"
  - *(iv) In the event a canister sample is triggered, the ~~analysis of such sample shall be provided to the~~ city shall be notified within one hour ~~no less than ten (10) business days~~ after the occurrence of such event. Depending on the circumstances, expedited lab analysis may be required.*

Air Monitoring - CC Study Session

- Remaining item to discuss
- Unclear direction on if lifetime monitoring should occur for *all wells*, or only wells within 1,000' of uses defined in 21-5266(6a).
- *(ii)….. Continuous monitoring may not cease until three years have passed from the date the last well drilled on the site has entered the production phase, unless any use defined in 21-5266(6a) is within 1,000' of the edge of the well site. In such instance, continuous monitoring ~~shall~~ may be required until all wells are plugged and abandoned.*
- AQCC proposed rule 7: continuous monitoring for the first 6 months of production

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Questions?

City Council Meeting August 2020