

COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT

STAFF REPORT

Planning Commission Special Hearing

March 21, 2016

	Amendments				2 448	g	8
CASE No.: PLN2016-00007	CASE	NAME:	Oil	and	Gas	Permitting	Regulation

Location of Request:	Unincorporated Adams County
Nature of Request:	Emergency Amendments to Chapter 4 of the Adams County Development Standards and Regulations with respect to: oil and gas well permitting and other miscellaneous changes.
Hearing Date(s):	PC: March 21, 2016 / 6:00 p.m.
	BoCC: March 22, 2016 / 10:00 a.m.
Report Date:	March 14, 2016
Case Manager:	Norman Wright
Staff Recommendation:	APPROVAL with 3 Findings of Fact

BACKGROUND

Due to advances in oil and gas extraction technologies, specifically horizontal drilling and hydraulic fracturing, there has been a substantial increase in oil and gas activity across Colorado – the Wattenburg Field and Niobrara Shale Formation, in particular (see below images), partially located in Adams County. These same technologies have been the catalyst for more intense development on a single site.

The average number of wells on a single location in Adams County increased from four (4) in 2014 to twelve (12) in 2015, just after the new Adams County Oil and Gas regulations were adopted. This stark change in the size and character of oil and gas facilities, in conjunction with their encroachment upon neighborhoods, has driven the County to reconsider the recently-adopted regulations.

This intense development has recently moved toward urban areas, changing the conversation on oil and gas development as new, unanticipated needs and concerns are raised. Adams County's current policies, procedures, and administrative resources are not designed to address these concerns and manage these new, intense developments in the most effective way possible. Identified potential impacts have been the impetus for the County to reassess its current regulations for oil and gas drilling and production in the County.

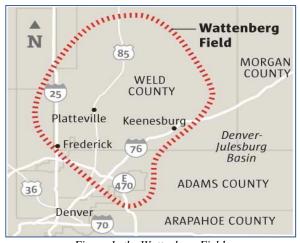




Figure 1: the Wattenberg Field

Current Local Oil & Gas Regulatory Structure

The Adams County Development Standards and Regulations first included regulations for oil and gas wells in the 1980 zoning regulations. These regulations had some general standards such as requiring a building permit for certain equipment and providing convenient access to the site. On January 6, 2015, Adams County adopted new regulations governing the land use aspects of oil and gas operations. It enacted both a Special Use Permit (SUP) process and a Memorandum of Understanding (MOU) process.

Many local governments use this two-pronged approach, a subjective and longer permitting process versus a more streamlined voluntary agreement process that contains more protections and provides for greater measures that go beyond the local government's current regulatory authority. The Adams County form MOU contains certain pre-determined standards that enhance Colorado Oil and Gas Conservation Commission (COGCC) rules. Such standards include, but are not limited to: water supply/baseline testing, weed control, spill and release management, aesthetics (fencing, colors, and lighting), noise mitigation, and record keeping. Currently, execution of a form MOU with the County allows an operator to drill anywhere in unincorporated Adams County without a local site-specific review. Operators have preferred to use the MOU approach because, while it might require more stringent operational practices, it was intended to provide more certainty in the permitting process with objective standards that streamline the review process. This approach has been considered preferable to the longer timeline and more subjective criteria involved with the special use permit review process.

The County also issues permits to ensure that operators are in compliance with the Adams County Development Standards and Regulations. In particular, transportation-related regulations associated with, but not limited to, oversized load permits, rig-move permits, culvert permits, and floodplain use permits when applicable. Once an operator has established equipment on the proposed oil and gas well site, and the County has determined that it is in compliance with all County Development Standards, a local Oil and Gas permit is issued.

Current State Oil & Gas Regulatory Structure

The Colorado Oil and Gas Conservation Commission regulates the technical downhole aspects of oil and gas development and also regulates environmental, wildlife, and health, safety and

welfare matters associated with oil and gas development. Local governments, including Adams County, have land use regulatory authority over oil and gas operations.

With respect to oil and gas permits submitted to the COGCC for locations in unincorporated Adams County, the COGCC provides a Form 2A (Oil and Gas Location Assessment) and associated documentation to Adams County's oil and gas representative (known as the Local Government Designee (LGD)) and the GIS Supervisor in the County's Business Solutions Group. Adams County then processes all such permits for review by the LGD and in order to provide a mailed notice to surrounding property owners. Upon receiving notice from the COGCC, the Community & Economic Development Department sends notification letters to all municipalities and property owners within a ½ mile radius of the proposed oil and gas well site. Recipients are instructed to send all comments directly to COGCC for consideration, as it has the ability to require Conditions of Approval (COAs) or Best Management Practices (BMPs) on the permit. The LGD, County, and members of the public have a twenty-one (21) day period to contact the COGCC and make comments on any issues related to the permit.

The LGD reviews and sends out for referral all COGCC oil and gas permit applications, and notes any issues and/or concerns on the state's Form 2A. The LGD may request conditions of approval on the Form 2A, ask for a consultation with an operator, ask the Colorado Department of Public Health and Environment to consult on a proposed oil and gas location (based on concerns regarding public health, safety, welfare, or impacts to the environment), and inspect oil and gas well sites and oil and gas facilities.

THE MORATORIUM AND ITS OBJECTIVE

Four operators entered into an MOU with the County in early 2015, including Bill Barrett, ConocoPhillips, Great Western, and Ward Petroleum. Soon after, in June 2015, a 21-well site was proposed on a 35-acre parcel in the unincorporated neighborhood of Wadley Farms. It became clear at that time that the MOU was not protective enough for such a development. Simultaneously, the Colorado Oil and Gas Conservation Commission (COGCC) was in the process of a rulemaking that aimed to address large scale oil and gas facilities near urban areas. Operators were asked to put on hold their plans for an MOU with the County until after the COGCC rulemaking had concluded. The rulemaking finished on January 25, 2016 and a special public hearing was held before the Adams County Board of County Commissioners on January 26, 2016. This hearing lasted for 8.5 hours, concluding with a motion to further consider options for action and to hire outside counsel to assist in their continued deliberations. Adams County hired outside legal counsel on oil and gas issues in early February 2016. The County's outside counsel Jeff Robbins met with the Board for the first time on February 9, 2016 and recommended a temporary freeze on oil and gas activity in the County so that he and staff could evaluate the current regulatory structure. The Board passed a six-week moratorium on February 9, 2016 that affects any new oil and gas development sites that are within the municipal urban growth boundaries and within 1,500 feet of a home or public building.

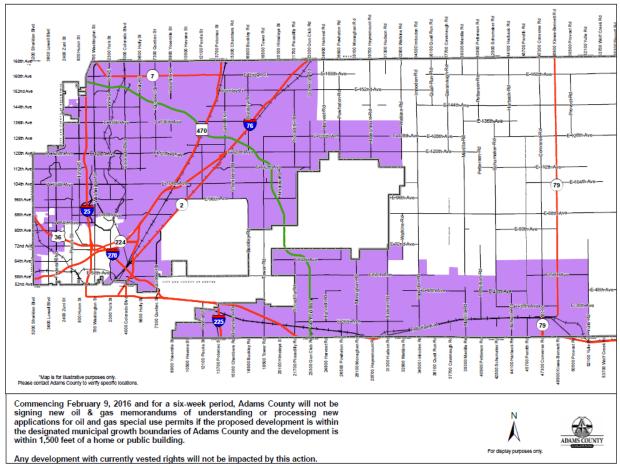


Figure 3: map of the area affected by the 6-week moratorium

Although the original intent was to allow for a thorough review or the regulations, the need for expediency became apparent. As a result, Jeff Robbins and staff adjusted the timeline to allow for recommendations to be presented to the Board within the timeframe of the moratorium.

During this review of the current regulatory structure, it became apparent that the Adams County MOU/SUP process was very similar to that of Arapahoe County. However, Arapahoe County has additional code requirements that necessitate a site-specific administrative review even when an operator has an MOU with the County. The Arapahoe regulations require that, prior to development or operation of any oil and gas facility, there must be site-specific permit approval by the County. An important component of this six-week administrative permitting process is that the application can be approved, approved with conditions, or denied. If denied, the applicant can appeal the denial to the Board of Commissioners for a public hearing. While the Adams County MOU contains similar permit requirement language, Adams County Development Standards and Regulations do not contain a similar administrative permitting requirement prior to development of a new oil and gas operation. The Adams County MOU contemplated an administrative permitting process because it not only speaks to the need to obtain any County code-required well permits, but the MOU also addresses certain procedural points about how the well permit process will occur. There is no other Front Range local government that enters into one MOU that controls all future development. Rather, all other

MOUs require some form of site specific administrative review for proposed oil and gas facilities before they can be initiated.

Concurrently, Jeff Robbins and Adams County Staff met with a number of stakeholder groups to determine their most pressing concerns relating to oil and gas development and hear their ideas for how to address them. Following these stakeholder meetings, Mr. Robbins and staff now present the attached proposal to more closely align the Adams County oil and gas regulations to those of Arapahoe County, as the Adams County MOU was based upon as is very similar to the MOU utilized by Arapahoe County.

PROPOSED REGULATION AMENDMENTS

The new regulations will require an operator who has entered into an MOU with the County to go through an additional site-specific review process, akin to the process employed by Arapahoe County. After an MOU is executed by both the operator and the County, the operator must apply for a Use by Special Review (USR) permit from the County for each new oil and gas facility location prior to development. The USR process will typically involve a six-week administrative review of the application by County Staff and appropriate referral agencies. The application can be approved, approved with conditions, denied or referred to the Board of County Commissioners. If denied, the applicant can appeal the denial to the Board of County Commissioners for a public hearing. The applicant can also appeal any specific condition(s) that may be part of an administrative approval to the Board of County Commissioners.

The regulation amendments also include a provision that recognizes and addresses the newly adopted COGCC rule that addresses large scale facilities in urban mitigation areas. On January 25, 2016 the COGCC created a definition for these facilities and a process for additional consultation with local governments when these types of facilities are proposed. This section of the regulation amendments establishes procedures to guide the implementation of the COGCC's Rule 305A within the County's processes.

Other notable amendments of the proposed regulation include the following, none of which otherwise appear in the existing Adams County Development Standards and Regulations:

- A definition for oil and gas facilities
- A clear set of administrative approval criteria for all proposals
- An administrative process that defines the standard by which proposals shall be submitted
- A requirement for more detailed plans regarding emergency management, drilling operation, and production.
- A defined timeline for administrative review that incorporates a maximum review period of 42 days
- A public involvement process, highlighted by a neighborhood meeting, that may be enacted by the Director for any proposal
- Notice provisions to nearby property owners and proximate local governments
- The incorporation of all associated permits that may be required in addition to the Use by Special Review permit

ANALYSIS

Compatibility with the Adams County Comprehensive Plan

Imagine Adams County, the County's comprehensive plan, recently updated in December 2012, recognizes that extraction of sand, gravel, coal, oil, and gas resources contributes to the local economy, providing employment to County citizens and tax income to the County. However, the Comprehensive Plan also notes that sensitive extraction and reclamation practices are essential in order to prevent potential negative impacts to the community. Policy 7.5 of the Comprehensive Plan reads as follows:

"Provide for the extraction of subsurface resources in accordance with State law, but require mitigation of undesirable impacts to the natural environment and community as well as plans for viable potential reuse of the land." Imagine Adams County, p. 43

In addition, the Comprehensive Plan contains extensive analysis of the County's natural and man-made hazards through the Hazard Identification and Risk Assessment (HIRA) contained in the Appendix C of the plan and discussed in Policy 12.1, Reduce Risk and Effects of Natural and Industrial Hazards. In this section, the plan notes the importance of reducing risk and minimizing loss of life and property from natural and industrial hazard events and protecting public health and safety. The enhanced regulatory structure within this proposed regulation amendment provides for additional site-specific review of any new oil and gas facility in order to address issues such as public health and safety, as well as community risk and emergency response and preparedness.

Finally, there are many sections within the Comprehensive Plan that provide policy direction to balance the need for new development with the burdens associated with that development. The plan directs the County's decision makers to "evaluate and quantify potential impacts associated with high-impact, region-serving uses that may create burdens on the County (e.g. landfills, parole facilities, telecommunication towers, etc.) to ensure impacts are substantially mitigated. (*Imagine Adams County*, p. 38). The proposed regulation amendments also support this notion of balancing the economic considerations of resource development, while mitigating and addressing the impacts to existing communities and the natural environment.

Compatibility with Stakeholder Input

Jeff Robbins and staff held meetings with a number of stakeholders, including resident groups (ACCDAN, North Metro Neighbors for Safe Energy, and LOGIC), state and local health departments (CDPHE and TCHD), the Colorado Oil and Gas Conservation Commission (COGCC), Colorado Oil and Gas Association (COGA), the oil and gas industry, pipefitters, homebuilders, proximate local governments, local fire districts, and Adams 12 Five Star School District with respect to the proposed amendments.

The resident groups advocated for setbacks from homes and schools, increased opportunity for public engagement, and a site-specific review to address large-scale oil and gas facilities near homes. The oil and gas industry provided a list of non-starters, which included no changes to state setbacks, no revocation of existing MOUs, and no changes to the current form MOU or

SUP process. Proximate local governments, school districts, and local fire districts wanted more consultation opportunities with the County and the operators, as well as better emergency management plans.

The regulation amendments address the majority of the concerns and requests put forth by the stakeholders. The USR process allows for public engagement and necessitates consultation with fire districts and nearby schools, while keeping intact the existing executed MOUs and the form MOU.

REGULATORY RECOMMENDATIONS

Staff believes the proposed changes within these chapters of the regulations are needed. After extensive input from resident groups, the oil and gas industry, the local health department, local school and fire districts, and proximate local governments, Staff believes that all major concerns were addressed. The new regulations will provide better protections for the health, safety, and welfare of the citizens of Adams County, while providing a standard, predictable permitting process for the industry to follow.

POLICY RECOMMENDATIONS

As part of this recommendation, staff is also recommending a number of additional policy decisions to support and supplement the proposed regulations amendments. These are summarized below and staff recommends approval of each of these items in conjunction with the regulations.

1. Updated Fees

Staff recommends approval of amendments the Community & Economic Development Department Fee Schedule. The purpose of these amendments is to add new application fees for the Administrative Use by Special Review application and to apply the County's Traffic Impact Fee program to oil and gas facilities. The application fees are modeled after Arapahoe County current fee levels. The traffic impact fees categorize the drilling site as industrial and apply the County's existing program for these fees, as outline in the current regulations.

2. Additional Participation in COGCC Processes

Staff recommends the Board direct staff and outside counsel to explore ways in which the County can be more active within the Colorado Oil and Gas Conservation Commission processes. The County's outside counsel on oil and gas issues, Jeff Robbins, can bring back an analysis of these opportunities for the Board's consideration. Some of the various areas in which we may have additional opportunities include more active participation in the drilling unit and spacing order process and consideration of the use of the designation of outdoor activity area process.

3. Comprehensive Planning and Collaboration

Staff recommends that the Board direct staff and outside counsel to explore opportunities for comprehensive planning for oil and gas development in collaboration with the industry. There may be opportunities to work collaboratively with the industry, along the lines of the rulemaking

just completed by the COGCC in January 2016, to utilize the operation registration process to obtain information about future drilling plans and incorporate that information into the local comprehensive land use planning process.

4. Full-Time Local Government Designee (LGD) and Oil and Gas Inspector

Staff recommends approval of two new full-time equivalent (FTEs) positions to support the regulation of oil and gas. Adams County currently does not have a full-time, dedicated Local Government Designee (LGD) to the Colorado Oil and Gas Conservation Commission. The County's Environmental Analyst currently serves as the LGD, although she has a wide variety of additional responsibilities. Staff recommends this change in order to have one FTE serve as the planner assigned to oil and gas permits, and to serve as the LGD to provide an enhanced level of service to residents, proximate local governments, operators, and other stakeholders. In addition, staff recommends working closely with the COGCC to develop a local inspection program that works in coordination with the COGCC to augment their inspection program. The second FTE proposed in this policy recommendation is for a local oil and gas inspector to provide an enhanced level of service to the community and increased regulatory compliance for oil and gas development in the County.

5. Approval of Pending Memorandums of Understanding (MOUs)

Staff now recommends that the County approve the four pending MOUs. Development of oil and gas facilities within MOUs now can be regulated through the Administrative Use by Special Review process, which will include a site-specific analysis of all new locations proposed by MOU operators. Through the administrative permitting process, any new sites will be thoroughly reviewed and can then be approved, approved with conditions, or denied by the County.

STAFF RECOMMENDATION AND FINDINGS OF FACT

Staff believes the proposal is necessary in order to respond to the current challenges for regulating oil and gas development in Adams County. Therefore, staff is recommending approval based on the following findings of fact:

The text amendment is consistent with the Adams County Comprehensive Plan.

The text amendment is consistent with the purposes of these standards and regulations.

The text amendment will not be detrimental to the majority of persons or property in the surrounding areas nor to the community in general.

Staff Recommendation: Approval with 3 Findings of Fact

Exhibit 1 Regulation Amendments

6. *Hazardous Waste Disposal Site and Facility Standards*: All hazardous waste disposal sites and facilities shall meet the standards established by State and Federal regulatory requirements.

4-10-02-04 OIL AND GAS WELL DRILLING AND PRODUCTION

4-10-02-04-01 **PURPOSE**

This Section is enacted to protect and promote the health, safety, values, convenience, order, prosperity and general welfare of the current and future residents of the County. It is the County's intent by enacting this Section to facilitate the development of oil and gas resources within the unincorporated area of the County while mitigating potential land use conflicts between such development and existing, as well as planned, land uses. It is recognized that under state law the surface and mineral estates are separate and distinct interests in land and that one may be severed from the other. Owners of subsurface mineral interests have certain legal rights and privileges, including the right to use that part of the surface estate reasonably required to extract and develop their subsurface mineral interests, subject to compliance with the provisions of this Section and any other applicable statutory and regulatory requirements. Similarly, owners of the surface estate have certain legal rights and privileges, including the right to have the mineral estate developed in a reasonable manner and to have adverse land use impacts upon their property, associated with the development of the mineral estate, mitigated through compliance with this Section.

4-10-02-04-02 **DEFINITIONS**

Oil and Gas Facilities:

- 1. The site and associated equipment used for the production, treatment, and/or storage of oil and gas and waste products; or
- 2. An individual well pad built with one or more wells and operated to produce liquid petroleum and/or natural gas, including associated equipment required for such production; or
- 3. Temporary storage and construction staging of oil and gas; or
- 4. Any other oil and gas operation which may cause significant degradation.

For any other definition not listed in this section, the definitions listed in Chapter 11 of the Adams County Development Standards and Regulations and the Colorado Oil and Gas Conservation

Commission's regulations shall govern. If there is a conflict between the definitions in Chapter 11 and the COGCC's definitions, the COGCC's definitions shall prevail. If the term is not found in the COGCC's definitions or in Chapter 11, the term shall have its common meaning along with the spirit and intent of the Development Standards and Regulations and may be subject to interpretation by the County Manager or his or her designee.

4-10-02-04-03 GENERAL PROVISIONS

- 1. Access: Oil and gas well installation shall be located to provide convenient access, shall accommodate the traffic and equipment related to the oil and gas operations and emergency vehicles, and shall comply with COGCC rules and Adams County Development Standards and Regulations. Oil and gas operations must minimize impacts to the physical infrastructure of the county transportation system.
- 2. Building Permit Required: If a well is permitted as a producing oil and/or gas well by the COGCC, a building permit is required. For the purpose of these standards and regulations, a building permit includes, but is not limited to, a Rig and Move Permit and Oil and Gas Permit, for the installation of pumps, tank batteries, and all other above-ground structures as well as any other applicable permits including, but not limited to, culvert permits, oversized-load permits, and floodplain use permit.
- 3. Fees and Permits: All applicable County fees adopted by the County, including postage fees, must be paid at time of application and prior to issuance of a building permit, including for all applicable permits required by the Adams County Development Standards and Regulations.
- 4. Safety Standards: Oil and gas operations shall be in compliance with COGCC safety and spill and release requirements. Any spill or release that is reportable to the Commission shall be simultaneously reported to the County's LGD, OEM, LEPC, Sheriff's Office, Planning and Development Department, Transportation Department, and applicable fire district.

The owner or operator of any installation that is required to prepare or have available a material safety data sheet for a hazardous chemical under the Occupational Safety and Health Act of 1970, 29 U.S.C. 651 et seq., and regulations promulgated under that Act, shall submit both a material safety data sheet (MSDS) for each such chemical and an annual emergency and hazardous chemical inventory form to the

LEPC and the local fire district. A comprehensive and universal listing of all hazardous chemicals shall be organized based on the various phases of operation including test wells and drilling and other construction activities submitted prior to construction and with the necessary building permit applications for a Rig and Move Permit and Oil and Gas Permit. In addition, operator shall have current MSDS and quantities on site at all times or available upon request.

- 5. Additional Reporting: The owner or operator of an installation shall also provide all annual tier II reports to the LEPC and the local fire district in accordance with all applicable federal, state and local laws in a format acceptable to the LEPC.
- 6. Stormwater Controls: Oil and gas operations shall be in compliance with COGCC rules related to stormwater management regulations and Adams County Stormwater Quality Regulations as contained in the Adams County Development Standards and Regulations / Ordinances and other applicable federal, state and County requirements.
- 7. Water Bodies and Water Quality: Oil and gas operations shall not cause adverse impacts to surface or ground waters within Adams County. Operators shall comply with all COGCC Rules, specifically with respect to spills and releases in floodplains and/or waterbodies, and applicable water quality standards set by the Colorado Department of Public Health and Environment.
- 8. Well Plugging and Abandonment: An operator shall comply with all COGCC rules regarding well abandonment and reclamation, including, but not limited to, removal of all equipment from the location and restoring the surface of the land to its original state. Notice of well plugging and abandonment shall be submitted by the operator to the County Building Section and Planning and Development Department within forty-eight (48) hours.
- 9. Air Emissions: Air contaminant emission sources shall comply with the permit and control provisions of the state air quality control program (C.R.S. tit.25, art. 7 (C.R.S. § 25-7-101 et seq.)) and the rules and regulations promulgated by the State Air Quality Control Commission. The Operator shall employ such control measures and operating procedures as are necessary to minimize fugitive particulate emissions into the atmosphere.

4-10-02-04-04 NON-COMPLIANCE

1. State Notification of Violations: Adams County will cooperate fully with the State of Colorado by notifying the Oil and Gas Conservation

Commission of any and all violations of the Colorado Laws and Regulations.

- 2. Delinquent Taxes: One condition of any oil and gas well building permit is that all taxes as provided by statute, shall be paid.
- 3. County Violations: The County has authority to cite violations under its control pursuant to Section 1-05-06 Criminal Remedies and Enforcement.
- 4. Legal Non-conforming: Adams County recognizes that there are oil and gas operations that were legally established prior to the effective date of these regulations that may or may not conform to these regulations. These operations may continue, provided the operation is not extended, expanded, or altered in a manner that changes and/or alters the nature, character, or extent of the land use impacts of the site, e.g. a new well on an existing pad, and is in compliance with federal, state laws and in compliance with any applicable MOU with the County.

4-10-02-04-05 RESIDENTIAL CONSTRUCTION STANDARDS

- 1. **Residential Construction Standards**: The Director of Planning and Development may impose any one (1) or more of the following standards on a specific site basis as a condition of subdivision approval and/or building permits on platted or unplatted land:
- a. The oil and gas well location shall include a two-hundred-fifty (250) foot buffer in the form of an easement on the Final Plat. No structures may be constructed within the buffer area.
- b. Access to the oil and gas well location shall be provided by a public street or recorded easement for private access.
- c. The Final Plat shall include notice to prospective buyers of the location of the oil and gas well and associated easements.
- d. All oil and gas well flow lines and/or easements shall be graphically depicted on the Final Plat.
- e. All surface and subsurface agreements shall be noted on the Final Plat by the recorded book and page number.
- f. Pursuant to Section 4-06-01-02-01-12, where a new home and/or other permanent structure with plumbing is constructed within three hundred (300) feet of an existing oil and gas well, the property owner shall submit a signed waiver acknowledging the existence of the facility.

4-10-02-04-06 OIL AND GAS WELL DRILLING AND PRODUCTION REVIEW

1. Review Process: Any new oil and gas facility will require a Special Use Permit per Section 2-02-11 of the Adams County Development Standards and Regulations. In lieu of a Special Use Permit application and review, the County Manager or his or her designee, at its sole discretion, may elect to negotiate and enter into a Memorandum of Understanding (MOU) with an Operator. The County encourages MOUs to protect the environment, and effectively address the protection of the health, safety and welfare of Adams County residents.

If an MOU is executed, which includes all the best management practices determined necessary by the County Manager or his or her designee, then the applicant shall comply with all aspects of Section 04-10-02-05, Oil and Gas Facilities Administrative Use by Special Review.

the following are required; however, aspects of the project may also require additional County authorizations or permits:

- a) Obtain a Rig and Move Permit;
- b) Obtain an Oversized Load Permit (OSL) and/or any other applicable permit required for site set up, including, but not limited to, culvert permit, floodplain use permit;
- c) Upon completion of drilling operation, obtain an Oil and Gas Permit prior to production.
- **2. Amendments to the MOU:** Any change to the MOU from that approved by the Board of County Commissioners shall require either a Full Amendment or a Technical Review
 - a) Full Amendment

If the proposed amendment meets the criteria necessary for an oil and gas drilling and production permit, but substantially changes the MOU, then the Full Amendment shall need authorization by the Board of County Commissioners.

b) Technical Review Amendments (TRA)

The process and requirements for a Technical Review Amendment (TRA) would occur when changes to the MOU are of such a limited nature or scope that a Full Amendment would be unnecessary. Such TRAs may include, but are not limited to: minor changes to structures necessary to meet new technological methods and such methods are technologically sound, economically

practical, and reasonably available to the Operator, location and type of landscape material, relocation of light poles or fixtures that do not affect light levels at the property line, the relocation of access roads, color of structures. Such TRAs can be administratively approved by the County Manager or his or her designee.

c) Prerequisites for a Technical Review Amendment

The following factors shall be used by the County Manager or his or her designee to determine if an application is eligible for a TRA. These factors shall include, but are not necessarily limited to the following:

- Proposed amendments do not fall within the criteria listed for an Oil and Gas Drilling and Production Full Amendment as specified in these Regulations.
- 2. Proposed amendments do not violate existing zoning or subdivision regulations.
- 3. Proposed amendments do not relate to any site, building, or sign detail that was a condition of approval through the public hearing process.
- 4. Proposed amendments do not substantially change any of the original plans or items that may have been conditioned through the public hearing process.

4-10-02-05 OIL AND GAS FACILITIES ADMINISTRATIVE USE BY SPECIAL REVIEW

The intent of this Section 4-10-02-05 is to describe the Administrative Use by Special Review process and approval criteria for Oil and Gas Facilities. Notwithstanding any other language in the Development Standards and Regulations to the contrary, an Oil and Gas Facility or related site preparation or development, including any such Facility that requires a Colorado Oil and Gas Conservation Commission ("COGCC") permit, may not commence without first obtaining Use by Special Review approval, regardless of the zone district or category in which the operation will be located. Oil and Gas Facilities are specifically allowed in all zone districts, including Planned Unit Developments, subject to Use by Special Review approval and subject to obtaining other required permits and approvals.

4-10-02-05-01 <u>RELATIONSHIP TO SECTION 02-02-11,</u> SPECIAL USE PERMIT

This Section provides an Administrative Use by Special Review approval process for Oil and Gas Facilities where an applicant and the County have executed an acceptable Memorandum of Understanding ("MOU") and the applicant meets other administrative approval criteria, as set forth in further detail below. In the event that an applicant has executed an MOU and obtains approval for an Administrative Use by Special Review for a particular Oil and Gas Facility, compliance with the procedures and criteria in Section 02-02-11, Special Use Permit, is not required. In other situations, in order to obtain approval for an oil and gas facility, the applicant must comply with the provisions of 02-02-11, Special Use Permit.

4-10-02-05-02 <u>ADMINISTRATIVE APPROVAL CRITERIA</u>

In order to obtain Administrative Use by Special Review approval, an Oil and Gas Facility shall first satisfy the following criteria:

1. Memorandum of Understanding

An MOU acceptable to the County must have been executed by the applicant and the County and currently be in full force and effect, and the Oil and Gas Facility as proposed must be in compliance with the provisions of the MOU.

2. Satisfy Submittal Requirements

The application and exhibits for the Administrative Use by Special Review must satisfy all applicable submittal requirements in this Section.

3. Environmental/Public Health and Safety Impacts

The Oil and Gas Facility shall not create any site-specific conditions that present significant and material impacts to public health, safety or welfare, or the environment.

4. Emergency Service Providers

The Oil and Gas Facility applicant must provide a commitment to serve ("will serve") letter from the authority having jurisdiction for providing emergency services (fire protection and emergency medical services) for that facility, or, where no authority has jurisdiction, from an emergency services provider with the ability to provide such emergency services.

4-10-02-05-03 ADMINISTRATIVE PROCESS

1. Pre-Submittal Meeting

Prior to submitting an application for an Administrative Use by Special Review for an Oil and Gas Facility, the applicant is required to attend a pre-submittal meeting with representatives of the Community & Economic Development ("CED") Department, unless waived. At the pre-submittal meeting the applicant will receive direction from County staff that will assist in preparing a complete application for submittal to the County and the County will supply the list of addresses of record for property owners within one-half mile who are to receive notice per Section 04-10-02-05-06 below. The County will also supply the applicant with a list of applicable referral entities that will be sent a referral packet.

2. Review for Completeness

Upon receipt of an Oil and Gas Use by Special Review application and fee, referral packets and associated application materials, the CED staff shall review the materials submitted to determine if the application is complete and consistent with the standards set forth in this Section 04-10-02-05.

3. Concurrent Referral and Review

CED staff will refer the complete application for a twenty-one (21) day review by the various divisions of the CED and the County Attorney's Office, as deemed appropriate. An application may require review by outside agencies such as the U. S. Army Corps of Engineers, if the project impacts a floodplain, and may also be referred to any life-safety providers, adjacent jurisdictions, local public health department, and others as may be deemed appropriate.

4. Address Deficiencies

The applicant will be notified of any outstanding issues in connection with application materials upon completion of this review and will be required to address any issues or deficiencies in connection with the application materials in accordance with Section 02-01-04, Determination of Sufficiency. If necessary, a meeting will be held to discuss any issues that need to be resolved. If necessary, the applicant will then submit an amended application, plan or other submittals, as appropriate, to the County for verification that the deficiencies have been addressed by the applicant. If the above-described outstanding issues cannot be resolved, the Director may refer the case to the BOCC for its consideration.

5. Final Review

Upon acceptance of the final copy of the application and exhibits by the CED staff, the application materials will be forwarded for final review by the Director.

4-10-02-05-04 <u>ADMINISTRATIVE SUBMITTAL</u> REQUIREMENTS

A Submittal Requirements list is available from the CED staff outlining the complete list of submittal items and the proper number of documents. Other submittal requirements may be required based on CED staff review. The following items are required as part of an Oil and Gas Facility application submittal:

1. Pre-Submittal Notes or Waiver

Notes from the pre-submittal meeting pertaining to the application, or signed waiver of pre-submittal meeting form.

2. Application Form

A completed Oil and Gas Facility application form. Application forms are available from the CED staff.

3. Application Fees

Application fee schedules are available from the CED staff.

4. Plan

An Oil and Gas Operations Plan drafted in accordance with 04-10-02-05-05 of this Section.

5. Emergency Preparedness Plan

- 5.1. In General. Oil and gas operations shall not cause unreasonable risks of emergency situations such as explosions, fires, gas, oil or water pipeline leaks, ruptures, hydrogen sulfide or other toxic gas or fluid emissions, and hazardous material vehicle accidents or spills.
- 5.2. Emergency Preparedness Plan. Each Applicant with an operation in the County is required to implement an emergency preparedness plan for each specific oil and gas facility. The plan shall be referred to and approved by the Adams County Sheriff, the Office of Emergency Management, and the applicable fire district and filed with the County and updated on an annual basis or as conditions change (responsible field personnel change, ownership changes, etc.).

The emergency preparedness plan shall consist of at least the following information:

- a. Name, address and phone number, including 24-hour emergency numbers for at least two persons located in or near Adams County who are responsible for emergency field operations.
- b. An as-built facilities map in a format suitable for input into the County's GIS system depicting the locations and type of above and below ground facilities including sizes, and depths below grade of all oil and gas gathering and transmission lines and associated equipment, isolation valves, surface operations and their functions, as well as transportation routes to and from exploration and development sites, for emergency response and management purposes. The information concerning pipelines and isolation valves shall be held confidentially by the County's Office of Emergency Management, and shall only be disclosed in the event of an emergency. The County shall deny the right of inspection of the as-built facilities maps to the public pursuant to C.R.S. § 24-72-204.
- c. Detailed information addressing each potential emergency that may be associated with the operation. This may include any or all of the following: explosions, fires, gas, oil or water pipeline leaks or ruptures, hydrogen sulfide or other toxic gas emissions, or hazardous material vehicle accidents or spills. For each potential emergency, threshold / trigger levels shall be pre-identified that govern when an emergency state is declared by the Applicant.
- d. The plan shall include a provision that any spill outside of the containment area or which has the potential to leave the facility or to threaten a water body shall be reported to the emergency dispatch and the Director immediately.
- e. Detailed information identifying access or evacuation routes, and health care facilities anticipated to be used.
- f. Project specific emergency preparedness plans are required for any project that involves drilling or penetrating through known zones of hydrogen sulfide gas.
- g. The plan shall include a provision that obligates the Applicant to reimburse the appropriate emergency response service providers for costs incurred in connection with any emergency.

- h. Detailed information that the Applicant has adequate personnel, supplies, and funding to implement the emergency response plan immediately at all times during construction and operations.
- i. The plan shall include provisions that obligate the Applicant to keep onsite and make immediately available to any emergency responders the identification and corresponding Material Safety Data Sheets (MSDS) of all products used, stored or transported to the site. The MSDS sheets shall be provided immediately upon request to the Director, a public safety officer, or a health professional. In cases of spills or other emergency events, the plan shall include provisions establishing a notification process to emergency responders of potential products they may encounter, including the products used in the hydraulic fracturing fluids.
- j. The plan shall include a provision establishing a process by which the Applicant engages with the surrounding neighbors and schools to educate them on the risks and benefits of the on-site operations and to establish a process for surrounding neighbors and schools to communicate with the Applicant.

6. Engineering Documents

The following technical Engineering documents are required by the CED staff unless otherwise waived:

6.1 Construction Plans

If applicable, Construction Plans for the proposed Oil and Gas Operation's public improvements including road plan and profile sheets, storm drainage improvements plans and other public improvements, prepared in accordance with the latest version of the Adams County Development Standards and Regulations (Chapter 9).

6.2 Pavement Design Report

If applicable, a Pavement Design Report prepared in accordance with the latest version of the Adams County Development Standards and Regulations (Chapter 7).

6.3 Grading Erosion and Sediment Control

If applicable, a Grading, Erosion, Sediment Control Report and Plan as defined in the latest version of the Adams County Development Standards and Regulations (Chapter 9).

6.4 Transportation, Roads, Access Standards, and Fees

- a. The Applicant's transportation plan must be designed and implemented to ensure public safety and maintain quality of life for other users of the county transportation system, adjacent residents, and affected property owners.
- b. Where available, existing private roads shall be used to minimize land disturbance unless traffic safety, visual or noise concerns, or other adverse surface impacts clearly dictate otherwise.
- c. Access roads on the site and access points to public roads as identified in the application materials shall be reviewed by the CED department and shall be built and maintained in accordance with the engineering specifications and access road standards defined in the Adams County Development Standards and Regulations (Chapter 8).
- d. All applicable transportation fees shall be paid prior to issuance of a development plan review construction permit, including without limitation:
- i. access permit fees;
- ii. oversize/overweight permit fees;
- iii. right of way construction permit fees; and
- iv. industrial traffic impact fees.
- Oil and gas operations must minimize impacts to the physical infrastructure of the county transportation system. Any costs to improve county transportation system infrastructure necessitated by the proposed oil and gas operation shall be the responsibility of the Applicant. All transportation system infrastructure improvements and associated costs shall be determined by the CED department. The County shall perform the work or arrange for it to be performed. If the Applicant disagrees with the infrastructure improvements or associated costs as assessed by CED, it may request that the department approve a different route for its proposed oil and gas operation that avoids the need for such improvements. Alternatively, the Applicant may engage a licensed civil engineering firm to perform a traffic impact study in accordance with Chapter 8 of the Development Standards and Regulations to independently evaluate county transportation system infrastructure improvements necessitated by the proposed oil and gas operation.
- 6.5 Drainage Study/Technical Drainage Letter/Plan

If applicable, a Drainage Study/Technical Drainage Letter/Plan prepared in accordance with the latest version of the Adams County Development Standards and Regulations (Chapter 9).

6.6 Floodplain Use Permit

The applicant must obtain a Floodplain Use Permit, in accordance with the latest version of the Adams County Development Standards and Regulations, if the proposed Oil and Gas construction disturbance or operation encroaches into the 100-year floodplain, or the access is crossing a major drainage way, as defined by the latest version of the Adams County Development Standards and Regulations (Chapter 9).

7. Surface Owner Documentation

<u>Documentation</u> as to whether the surface owner and others with interest in the property have authorized the proposed Oil and Gas Facility.

8. Additional Information

Additional information may be requested by the Director as deemed appropriate to process the application and to meet the criteria in this Section 04-10-02-05. The Director may also waive the submittal of any information required above as deemed appropriate.

4-10-02-05-05 OIL AND GAS OPERATIONS PLAN

1. Plan Format

Two hard copies of all plans shall be provided and one copy of the plans shall be provided in digital format, on either a thumb drive or CD. No plans shall contain copyright restrictions or public use restrictions.

2. Cover Sheet

The cover sheet shall have a title block with the reference to an Administrative Use by Special Review, project name, and location by section, township and range. The cover sheet shall also include a legal description of the area, date of the drawing, existing zoning of the site, a sheet key, a vicinity map with north arrow (scale of 1" = 2,000' preferred) with an emphasis on the major roadway network within two (2) miles of the proposal, and all applicable County notes, an approval signature block and a block to insert the COGCC Permit number when approved. Upon approval, the first sheet will be signed by the Director.

3. Impact Area Map

The second sheet shall contain an Impact Area Map that shows the proposed location of the Oil and Gas Facility, locations of all existing

oil and gas wells within the one-mile impact area, locations of all producing, closed, abandoned, and shut-in wells and other oil and gas operations within one (1) mile of the site, locations of all water wells within ½ mile of the proposed Oil and Gas Operation, Existing improvements within 1,500 feet of the location on which the operation is proposed, and all existing and proposed roads within the one-mile impact area.

4. Drilling Operation Plan

The third sheet shall provide a site plan of drilling operations with drilling equipment with existing and proposed finished-grade topography at two-foot (2') contours or less tied to a datum acceptable to the County. The applicant shall verify current information regarding what datum is acceptable to the County, prior to submitting the application for the Administrative Use by Special Review. The layout of the drilling equipment may be shown as a typical plan, if the County deems it appropriate for the extent of development of the proposed Oil and Gas Facility.

5. Production Plan

The fourth sheet shall provide a site plan of production operations with production equipment such as tanks and compressor stations with existing and proposed finished-grade topography at two-foot (2') contours or less tied to a datum acceptable to the County. The production plan shall also identify proposed drilling and completion schedules. A seed mix shall be provided for reseeding the well pad. Equipment layout may be a typical plan appropriate to the degree of development for the Oil and Gas Facility, if the County deems it appropriate for the extent of development of the proposed Oil and Gas Facility.

6. Signage Plan/Sign Detail

A dimensioned Signage Plan or Sign Detail shall be included on one of the sheets describing and illustrating the appearance, size, location, type, color, material, and illumination of all signs. Directional signs for emergency responders and inspectors shall be included, along with a 24-hour, 7-days per week contact information to deal with all noise complaints.

7. Final Plan

Once the review process is complete and staff has determined that all outstanding issues have been resolved, staff will request a final copy of the Oil and Gas Operations Plan. The final copy of the Plan shall be paper. The final Oil and Gas Operations Plan shall contain the

information listed above unless otherwise specified by the County staff.

4-10-02-05-06

NOTICE OF APPLICATION
REQUIREMENTS; DISCRETIONARY
NEIGHBORHOOD MEETING

1. Notice

The applicant shall provide written notification by U.S. Mail to owners of parcels within ½ mile of the boundaries of the proposed parcel where an application for an Administrative Use by Special Review for an Oil and Gas Facility has been filed with the County. The Notice of Application shall meet the format prescribed by the County and shall be mailed no less than ten (10) days prior to the submittal date of an application for an Oil and Gas Facility to the County. The Notice of Application shall contain a statement informing the recipients of the notice that they may request written notification by the Applicant of the commencement of construction and commencement of drilling operations. The applicant shall provide written notification by U.S. Mail, which shall include an offer to consult, to any municipality or county whose boundaries are within 1/2 mile of the proposed parcel where an application for an Administrative Use by Special Review for an Oil and Gas Facility has been filed with the County.

2. Neighborhood Meeting

The Director may require the applicant to conduct a neighborhood meeting at a convenient public location with adjacent and surrounding land owners and other interested parties in accordance with Section 02-01-02, Neighborhood Meetings. At the neighborhood meeting, the Applicant shall provide an overview of its proposed oil and gas operation and allow those in attendance to provide input as to the proposed operation, including, but not limited to, issues that arise from application of these regulations to the proposed operation, and suggested mitigation to adequately ensure compliance with these regulations.

4-10-02-05-07 <u>APPROVAL/DENIAL OF ADMINISTRATIVE</u> <u>USE BY SPECIAL REVIEW</u>

1. Action to Approve, Conditionally Approve or Deny

Unless there are any issues that have not been resolved by the applicant, the County will exercise its best efforts to process the Administrative Use by Special Review for an Oil and Gas Facility

within forty-two (42) calendar days from the date of complete submittal by the applicant. The Administrative Use by Special Review application can be administratively approved, approved with conditions necessary to meet the criteria of this Section or denied based upon noncompliance with the criteria of this Section. Written notice of the decision shall promptly be provided to the applicant, and, if denied, the notice shall include a statement of the reason(s) for denial. The forty-two (42) calendar day timeframe counts only as the County's processing time and does not include the applicant's response time.

2. Director's Discretion to Refer to the Board

In lieu of the Director making a decision on an application, the Director has the discretion to refer any application for Administrative Use by Special Review or amendment thereto to the BOCC for its consideration and decision at a public hearing. In such event, the BOCC shall make its determination based upon the requirements of this Section; however, unless waived by the BOCC, notice of the hearing shall be provided to those parties entitled to notice as set forth in Section 04-10-02-05-06 prior to the BOCC hearing. At such public hearing, the BOCC may approve, approve with conditions, or deny the application.

3. Expiration of Approval

An approval of the Administrative Use by Special Review shall only be valid for five (5) years unless the Oil and Gas Facility is substantially commenced prior to the expiration of such timeframe.

4. Permits Required Prior to Commencement of Operations

If applicable, an Access Permit and Oversize Load (OSL) Permit shall be required prior to the development of the Oil and Gas Facility. A Floodplain Use Permit shall be required prior to any work within a floodplain. A Building Permit may be required prior to construction of certain structures within the Oil and Gas Facility.

4-10-02-05-08 APPEAL OF DECISION ON APPLICATION FOR ADMINISTRATIVE USE BY SPECIAL REVIEW

An applicant may appeal the Director's denial of an application for an Administrative Use by Special Review for an Oil and Gas Facility, or any conditions of approval, to the Board of County Commissioners for a hearing. The applicant must file the appeal within fourteen (14) calendar days of the date of the Director's decision by submitting a letter of appeal to the Director. Thereafter, the matter will be scheduled on the next available agenda of the BOCC. At such hearing,

the BOCC may affirm, reverse or modify the decision of the Director, based upon the criteria set forth in Section 04-10-02-05-02.

4-10-02-05-09 <u>MOU PROVISIONS AS CONDITIONS OF</u> <u>APPROVAL</u>

An approval of an Administrative Use by Special Review for an Oil and Gas Facility shall automatically include as conditions of approval all provisions of the MOU executed by the applicant, except to the extent waived by the Director or the Board.

4-10-02-05-10 **ADMINISTRATIVE AMENDMENT**

If the applicant or operator proposes changes from the plans approved through the Administrative Use by Special Review, including any changes in the source or location of water to be used by the Oil and Gas Facility, the applicant or operator is required to submit an amendment to the application showing the changes, unless such requirement has been waived by the Director. The proposed amendment will be reviewed by staff and, if applicable, staff may require additional information. The amended application will need to meet all requirements of this Section and be approved in writing by the Director, or the BOCC (if the BOCC approved the original application), prior to implementation.

4-10-02-05-11 COGCC AND COUNTY APPROVALS REQUIRED

Development of the Oil and Gas Facility shall not commence until and unless any required permits from COGCC, and a Use by Special Review (administrative or non-administrative) or Special Use Permit from the County, have both been approved.

If consultation between an operator and the County is triggered by either Rule 305(a)(1) or Rule 305A, the Director may, in his discretion use either the Administrative Use by Special Review permitting process or the Special Use permitting process, or, in the case neither process is appropriate, develop a case by case consultation process with the operator.

Exhibit 2 Public Notice

NOTICE IS HEREBY GIVEN, that an application has been filed by Adams County Case # PLN2016-00007 requesting Amendments to the Adams County's Development Standards and Regulations with respect to: oil and gas well permitting and miscellaneous other changes on the

LEGAL DESCRIPTION: Unincorporated

(The above legal description was provided by the applicant and Adams County is not responsible for any errors and omissions that may be contained herein and as-

following locations:

Adams County

Public Notice NOTICE OF PUBLIC HEARING FOR LANDUSE

sumes no liability associated with the use or misuse of this legal description.) APPROXIMATE LOCATION: Unincorporated Adams County NOTICE IS HEREBY GIVEN that a public hearing will be held by the Adams County

Planning Commission in the Hearing Room of the Adams County Government Center, 4430 S. Adams County Parkway Brighton, CO – 1st Floor, on the 21st day of March, 2016, at the hour of 6:00 p.m. where and when any person may appear and be heard and a recommendation on this application will be forwarded to the

Board of County Commissioners. NOTICE IS FURTHER GIVEN, that a public hearing will be held by the Adams County Board of County Commissioners in the Hearing Room of the Adams County Government Center, 4430 S. Adams County Parkway, Brighton, CO – 1st Floor, on the 22nd day of March, 2016, at the hour of 10:00 a.m., to consider the above request where and when any per-

son may appear and be heard. For further information regarding this

case, please contact Jennifer Rutter at the Department of Community and Economic Development, 4430 S. Adams County Pkwy, Brighton, CO 80601 720.523.6841. This is also the location where the maps and/or text certified by the Planning Commission may be viewed

BY ORDER OF THE BOARD OF COUNTY COMMISSIONERS STAN MARTIN, CLERK OF THE BOARD

Legal Notice No.: 64401 First Publication: March 10, 2016

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The Denver Post, LLC

PUBLISHER'S AFFIDAVIT

City and County of Denver State of Colorado

The undersigned <u>Jean Birch</u> being first duly sworn under oath, states and affirms as follows:

- 1. He/she is the legal Advertising Reviewer of The Denver Post, LLC, publisher of *The Denver Post* and *Your Hub*.
- 2. The Denver Post and Your Hub are newspapers of general circulation that have been published continuously and without interruption for at least fifty-two weeks in Denver County and meet the legal requisites for a legal newspaper under Colo. Rev. Stat. 24-70-103.

 3. The notice that is attached hereto

3. The notice that is attached hereto is a true copy, published in *The Denver Post* on the following date(s):

Signature

Subscribed and sworn to before me this ___8__
day of ____March_____, 2016.

cheyl & Selend Notary Public

CHERYL L. SCHMID

NOTARY PUBLIC STATE OF COLORADO

NOTARY ID 20094029973 MY COMMISSION EXPIRES SEPTEMBER 14, 2017

(SEAL)

NOTICE OF PUBLIC HEARING FOR LANDUSE

NOTICE IS HEREBY GIVEN, that an application has been filed by Adams County, Case # PLN2016-00007 requesting: Amendments to the Adams County's Development Standards and Regulations with respect to: oil and gas well permitting, and miscellaneous other changes on the following locations:

LEGAL DESCRIPTION: Unincorporated Adams County

(The above legal description was provided by the applicant and Adams County is not responsible for any errors and omissions that may be contained herein and assumes no liability associated with the use or misuse of this legal description.)

APPROXIMATE LOCATION: Unincorporated Adams County

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NOTICE IS FURTHER GIVEN, that a public hearing will be held by the Adams County Board of County Commissioners in the Hearing Room of the Adams County Government Center, 4430 S. Adams County Parkway, Brighton, CO - 1st Floor, on the 22nd day of March, 2016, at the hour of 10:00 a.m., to consider the above request where and when any person may appear and be heard,

For further Information regarding this case, please contact Jennifer Rutter at the Department of Community and Economic Development, 4430 S. Adams County Pkwy, Brighton, CO. 80601, 720. 523.6841. This is also the location where the maps and/or text certified by the Planning Commission may be viewed.

BY ORDER OF THE BOARD OF COUNTY COMMISSIONERS STAN MARTIN, CLERK OF THE BOARD

TO BE PUBLISHED IN THE MARCH 8, 2016 ISSUE OF THE Denver

Exhibit 3 Adams County Oil and Gas Memorandum of Understanding (MOU)

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("M	OU") is made and entered into this day
of, 20, by and between Adams County,	a Colorado County ("County") with an address
of 4430 S. Adams County Parkway, Brighton,	Colorado 80601 and,
whose legal address is	, its successors and assigns (hereinafter
the "Operator"). The Operator and the County m	nay be referred to individually as a "Party" or
collectively as the "Parties." Both Parties elect to	sign and execute provisions of said MOU in
lieu of a Special Use Permit review process as out	lined in Section 2-02-11 Special Use Permit of
the Adams County Development Standards and Re	egulations.

BACKGROUND

- **A.** Operator is the owner or lessee of oil and gas leasehold and/or mineral interests within unincorporated parts of the County, and, as of the time of the execution of this MOU, has the right and intent to further develop its oil and gas leasehold and/or mineral interests within said portion of the County.
- The intent of this MOU is to provide the conditions under which Operator will develop and operate oil and gas facilities installed or newly expanded in the unincorporated portions of the County from the execution date of this MOU, in order to foster the efficient and economic production of oil and gas resources, to protect human health, safety and welfare and to protect the environment and wildlife resources, while at the same time providing for a predictable and expeditious administrative process for obtaining County land use approvals and permits for oil and gas facilities. The terms "facility" or "facilities" are defined herein as including oil and gas wellsites, tank batteries, compressor stations, pits/ponds, below-grade tanks, dehydration units, vapor recovery units (VRUs), associated roads, and typical equipment as regulated by the Colorado Oil and Gas Conservation Commission (COGCC). Locations with more than one of the above mentioned types of equipment will also be considered to be one facility. This MOU will also include well connects. Well connects are defined as a pipeline, 10" or less inside diameter and 2 miles or less in length, laid running from the custody transfer point or production facility for a new well(s) to an existing gathering line connection point. With respect to well connects, Operator will provide the County with the following: a copy of the agreement(s) for which the line is laid (e.g. ROW, Lease, Easement etc.); information regarding operating pressure and pipeline construction materials and methods; and Operator will obtain any other required permits (e.g. Access, ROW crossing). Unless indicated otherwise, the definitions of terms used in the MOU shall be the same as in the COGCC Rules. In cases where pipelines are involved, a conditional use permit may be required, and this MOU shall in no way suggest or provide for approval of a conditional use permit in which a pipeline is proposed to be constructed. This MOU does not waive any of the County's Local Government Designee's roles and/or responsibilities as governed by the COGCC.

NOW, THEREFORE, the Parties agree as follows:

1. Intent to Supplement COGCC Rules and Regulations. The Parties recognize that pursuant to the Colorado Oil and Gas Conservation Act, C.R.S. §§ 34-60-101, et

seq. ("Act"), the COGCC regulates the development and production of oil and gas resources in Colorado, and the Act authorizes the COGCC to adopt statewide rules and regulations. The provisions of this MOU are intended to supplement and add to the COGCC's rules and regulations and not to replace such rules and regulations. To the extent that any of the provisions of this MOU are in conflict with the Act or COGCC rules and regulations, the stricter standards shall govern, or if neither is stricter, the COGCC rule or regulation shall apply.

- **2. Operator's Pit Practices within the County.** The Operator will comply, at a minimum, with the following pit practices, after the date of this MOU:
- a. No Open Pits / Preferred Option: It is the intent of the County that operators utilize closed-loop or modified closed-loop systems for drilling and completion operations in order to minimize or eliminate the need for earthen pits; however, notwithstanding the foregoing, where appropriate, and subject to prior County approval, the County generally supports: 1) the use of unlined drilling pits when bentonite or a similar clay additive is used during the drilling process, 2) the use of lined single- or multi-well water storage pits in order to minimize the transport of water and promote recycling, subject to the requirements set forth in this subsection, and 3) where open pits are utilized, they shall, at a minimum, be covered with a solid or screened mesh material. Permitted modified closed-loop systems include oil and gas wells where air or fresh water is used to drill through the surface casing interval, defined as fifty (50) feet below the depth of the deepest aquifer, and a closed loop system is used for the remainder of the drilling and/or completion or recompletion procedures. Multi-well pits are defined as lined, engineered pits, constructed over an engineered base, with construction or liner specifications meeting or exceeding COGCC pit lining rules, that will serve the functions of drilling, completion, and/or flowback pits for more than one well.
- b. Water Storage Pits to Contain Fresh Water or Brine Water: Water stored in pits approved by the County and allowed under COGCC Rules, must meet the definition of fresh water or brine water. Fresh water is defined as containing total dissolved solids (TDS) less than or equal to 5,000 milligrams/liter (mg/l). Brine water is defined as water produced from an oil and/or gas well with TDS of greater than 5,000 mg/l. The Operator is required to remove all free and visible oil, other than *de minimis* or trace amounts, within 24 hours of discovery. Upon closure of the pit, the Operator will ensure the protection of the public health and environment by following all COGCC pit closure rules, including collecting analytical data to ensure compliance with state standards. As long as the pit is open and containing fluid, a representative water sample shall be taken and tested every six (6) months from the surface of the pit fluids, the first sample to be taken within six (6) months of the pit becoming operational. The County will review water quality data provided by the Operator every six (6) months.
- **c. Pit Setbacks**: All pit construction within ¼ mile of a water well is generally discouraged by the County; such pits must be constructed, maintained, repaired and/or removed in accordance with applicable state law and COGCC rules and regulations.
- **d. Multi-Well Pits**: In addition to any requirements stated above, multi-well pits will be lined per the COGCC's lining standards. If a multi-well pit is planned for use over a 2-year or greater period, the pit will be double-lined with leak detection. Fluids stored in multi-well pits will be circulated through a four-phase separator or an API-approved settling tank

or similar equipment prior to such fluids entering the pit, specifically designed to remove solids and reduce hydrocarbon content and emissions. Retention time in a settling tank and the volume of the tank must be sufficient to separate out any floating, dissolved, or emulsified hydrocarbon phases. Lined multi-well pits may be inspected and/or reviewed on an as-needed basis, over the life of the pit, to determine if the water to be stored in the pit or already stored in the pit meets the definition of fresh water. Upon closure of the pit, the Operator will ensure the protection of the public health and environment by following all COGCC pit closure rules, including collecting analytical data to ensure compliance with state standards. As long as the pit is open and containing fluid, a representative water sample shall be taken and tested from the surface of the pit every six (6) months. Additional requirements, such as fencing, may be required by the County, pre- or post-construction, if such a pit is determined by the County to be adversely impacting residences, public safety, water wells, or wildlife habitats and migrations.

- **e. Technological Advances**: The County may require additional measures, or approve alternative methods, if new technological methods for pit construction or maintenance are developed pre- or post-construction and such methods are technologically sound, economically practical, and reasonably available to the Operator. Such additional measures will be included in an Exhibit to the MOU.
- **3. Berms.** Berms shall be inspected by Operator on a weekly basis for evidence of discharge. Berms shall be inspected within 48 hours of a precipitation event of 1.0" or more, and Operator shall make necessary repairs as soon as possible, but not more than seventy-two (72) hours after the event.
- **4. Regular Meetings to Monitor and Discuss MOU Issues.** The County and Operator agree to meet quarterly, or as necessary, to monitor and discuss any pertinent issues associated with oil and gas facilities within the County as determined by the County.
- 5. Water Supply and Quality. In an effort to reduce truck traffic, where feasible, the Operator will identify a water source lawfully available for industrial use, including oil and gas development, close to the facility location, to be utilized by Operator and its suppliers. Operator will comply with the Colorado Department of Public Health and Environment requirements and the Tri-County Health Department (TCHD) regulations concerning water quality. With respect to wastewater treatment, Operator agrees to comply with TCHD's Regulation No. O-14, On-Site Wastewater Treatment Systems, as adopted or modified. The Operator agrees to contact TCHD in a timely manner to arrange for the processing of appropriate application materials and required inspections. Where feasible, temporary surface water lines are encouraged and will be utilized. Operator may be permitted to utilize County Road Right-of-Way, and County drainage culverts, where practical, for the laying and operation of temporary water lines on the surface and in accordance with Adams County Standards and Regulations. If necessary, Operator will bury temporary water lines at existing driveway and gravel road crossings, or utilize existing culverts, if available, with County approval.
- **6. Baseline and Subsequent Water Quality Testing.** Operator agrees to comply with the COGCC's Statewide Groundwater Baseline Sampling and Monitoring Rule 609 or 318 A., as applicable, under COGCC regulations, as adopted or modified, and also agrees to share results with TCHD in addition to the requirements provided herein. To the extent the

requirements of Rule 609 or 318 A., as applicable, and the requirements provided herein are in conflict, Operator will comply with the stricter standard. Such records shall be maintained by Operator for the lifetime of the well site and shall be made available to the County per Records section of the MOU.

- a. Criteria and Protocol: Using the COGCC's criteria and protocol for sample analyses, types, orientation, and number, as required under COGCC Rule 609, or COGCC 318A as applicable, Operator will test up to four available water sources within a one half (½) mile radius of a new oil and gas well, multi-well site, or dedicated injection well as required under COGCC Rule 609, or as appropriate under COGCC 318 A., if applicable.
- **b.** No available water sources within one half mile: If there are no available water sources located within a ½ mile radius of a new oil and gas facility, the Operator, prior to construction, will test the nearest downgradient available water source that is within a one-mile radius of the oil and gas facility.
- c. Private Water Well Owner Request: Operator agrees to conduct a baseline test of any water well requested by the owner, on a one-time basis, if such well is within a ½ mile radius of a new oil and gas well or facility, or if such well is determined to be the closest downgradient well that is within a one-mile radius of the oil and gas facility. The requirement to test a well upon request does not apply if the water well has already been tested by any Operator. County may, at its sole discretion, require an Operator to provide reports and results of any identified oil and gas related investigation or remediation at Operator's expense.
- **7. Spill and Release Management**. For all spills and releases reportable to COGCC, operators shall also notify the County verbally or in writing the County's LGD, Local Emergency Planning Committee (LEPC), Office of Emergency Management (OEM), the Planning and Development Department, Sheriff's Office, and the local fire district immediately, but no more than 24 hours after discovery of the spill or release by an operator. This includes spills/release: 1) of any size that impacts or threatens to impact any waters of the state, a residence or occupied structure, livestock, or public byway; 2) in which one (1) or more barrel or more of Exploration and Production Waste or produced fluids is spilled or released outside of berms or other secondary confinement; and 3) of five (5) barrels or more regardless of whether the spill/release is completely contained within berms or other secondary confinement. In addition, the operator shall notify the surface owner or the surface owner's tenant of spills and releases in conformance with COGCC rules.
- **8.** Weed Control and Management. Operator will be responsible for ongoing weed control at oil and gas facilities, and along access roads during construction and operation, until abandonment and final reclamation is completed per County or other applicable agency regulations.
- **9. Noise.** Operator shall abide by COGCC noise standards for all activities and provide and post 24-hour, 7 days per week contact information to deal with all noise complaints arising from Operator's oil and gas facility. Noise mitigation measures shall be constructed along any edge of any oil and gas operation site if such edge is adjacent to existing residential development or land which is zoned for future residential development. During construction, the noise mitigation measures shall, to the maximum extent feasible, decrease noise from the oil and

gas operations to comply with the sound limitation regulations set forth in COGCC rules. The County may request a noise mitigation study to demonstrate that noise levels are in compliance with COGCC rules.

- 10. Landscaping. All landscaping shall be in compliance with the County requirements and in compliance with the safety requirements of the Operator. Existing vegetation shall be minimally impacted. Motorized equipment shall be restricted to the well sites and access roads to the well sites. A visual mitigation plan, subject to the County approval, on a site specific basis shall include the type and location of all fencing and landscaping. Operator is responsible for obtaining consent by surface owner allowing landscaping as well as automatic irrigation for landscaping in urban mitigation areas and/or parks/recreation areas. All plant materials shall be kept in a healthy growing condition at all times.
- 11. Emergency Response Plan. Prior to any operations, Operator will provide the County's LGD, OEM, LEPC, Sheriff's Office, Planning and Development Department, and Transportation Department with an Emergency Response Plan (ERP) to address all potential emergencies that may be associated with an oil and gas facility. Operator shall also provide a copy of such plan to all emergency service providers, including, but not limited to, the fire district that would respond to such emergencies. A "will-serve" letter must be obtained from the appropriate emergency provider(s).
- **12. Private Roads**. The Operator agrees to construct (unless already constructed) and maintain an access road designed to meet County and fire district standards and support an imposed load of 75,000 pounds that will accommodate emergency response vehicles such as, but not limited to, law enforcement, emergency command vehicles (cars/SUVs), ambulances, hazardous materials response vehicles, water tenders, and fire apparatus during construction and operation of new tank batteries (post MOU), new drilling activity and reworks or recompletions of existing wells, unless a local fire department or fire district agrees to a different or lesser standard or waived by the County. With respect to new roads to new tank batteries, the Operator agrees to construct access roads at least twenty (20') feet wide (unless waived by the local fire district and County Transportation Department) with a Class 6 road base, or as approved by the local fire district, at least nine inches (9") thick. Best efforts will be made to improve inadequate access to existing tank battery sites identified by the fire district or County, based on service calls and demonstrated problems of accessing the site. Operator and County agree that spot inspections of access roads may be done by the County and/or appropriate emergency response agency, at such County or agency's sole risk and expense, to ensure that emergency access in accordance with this section is maintained. Operator is required to maintain and repair any damaged roads within ten (10) days of County notice.

13. Public Roads.

a. Operator agrees to utilize existing roads and access points where practical and apply for and obtain access permits for its oil and gas facilities from the Transportation Department. Requirements for the access permit may include the following: a) access location providing for a safe entrance/exit and utilization of main roadways to minimize impact /conflict with residents on local roadways; b) haul route and traffic data; c) pre/post inspection of roadways used by the Operator; d) collateral or bond to insure that road damage caused by the Operator is repaired; e) dust control (material used for dust control must be pre-approved by the

County); f) road maintenance agreement during drilling phase; and g) payment of all applicable fees. Operator also agrees to exercise reasonable efforts to minimize heavy truck traffic on local roads within residential neighborhoods between the hours of 9 p.m. and 6 a.m., and further agrees to work with and show written evidence that the applicable school district(s) has been consulted to minimize traffic conflicts with school buses when schools are in session.

- **b.** Operator agrees to obtain any legally valid and applicable oversize and/or over weight moving permit from the Transportation Department for all vehicles that exceed legal vehicle dimensions or weights as specified by the Colorado Department of Transportation and the County's Development Standards and Regulations.
- 14. Dust Mitigation. Fresh water, as referenced in the COGCC's Rules and Regulations, or another source as approved by the County on a case by case basis, may be applied to roads and land surfaces for purpose of dust mitigation. Absolutely no other liquid or substance generated by the production of the Operator's facility, including, but not limited to, Exploration and Production Waste (as defined by the COGCC) or any other application of liquids that would have a negative impact to natural resources, shall be permitted to be applied to roads and land surfaces.
- 15. Fencing. Fencing shall be required around all well site equipment, including, but not limited to, storage tanks, well heads, meters, that is visible from a subdivision west of Imboden Road. Such fencing shall screen equipment, provide safety precautions, and be compatible with surrounding environment. Should fencing apply to a well site(s), the design and construction of such fencing shall be approved by the Planning and Development Department prior to the construction of any site. If a chain link fence is required to achieve safety requirements set by the COGCC, then landscaping and other screening mechanisms shall be required that comply with the County's Development Standards and Regulations and the Operator's safety requirements. Operator shall be responsible for obtaining consent by surface owner allowing any required fencing.
- **16. Floodplain**. Any disturbance within a 100-year floodplain will be allowed if the Operator has obtained a Floodplain Development Permit from the County and has complied with all of the County's legally adopted floodplain and engineering regulations. Pits will not be allowed in 100-year floodplain. A "100-year floodplain" shall be, for purposes of this Section, a "Special Flood Hazard Area" as identified and mapped by the Federal Emergency Management Agency's National Flood Insurance Program and adopted by the County.
- 17. Painting of Oil and Gas Facilities. Except for such facilities that must be painted a certain color for safety reasons, Operator agrees to paint all new (post-MOU) production facilities with uniform, non-contrasting, non-reflective, color tones and with colors matched to, but slightly darker than, surrounding landscapes, or such other colors and tones as are requested by the surface owner and are in accordance with applicable COGCC Rules, permits and/or orders.
- **18. Lighting.** All permanent lighting of oil and gas well sites shall be directed downward and internally. Temporary lighting shall conform to the COGCC's Rules and Regulations and shall not adversely affect residential adjacent properties.

- 19. Air Emissions. Air contaminant emission sources shall comply with the permit and control provisions of the state air quality control program (C.R.S. tit.25, art. 7 (C.R.S. § 25-7-101 et seq.)) and the rules and regulations promulgated by the State Air Quality Control COGCC. The Operator shall employ such control measures and operating procedures as are necessary to minimize fugitive particulate emissions into the atmosphere.
- **20.** Wildlife and Wildlife Habitat: Oil and gas operations shall, to the extent possible, not cause significant degradation of wildlife or sensitive wildlife habitat and shall use best management practices to protect such resources and be in compliance with COGCC requirements as it pertains to wildlife and its habitats.
- **21.** Cultural and Historical Resources: The oil and gas operation shall not, to the extent possible, cause significant degradation of cultural, historic or archaeological sites eligible for County landmarking, or the National Historic Register and shall use best management practices to protect such resources.
- 22. County Inspections. Operator agrees to allow County access to all oil and gas facilities for inspection, provided County personnel are equipped with all appropriate personal protection equipment (PPE), the personnel comply with the Operator's other and customary safety rules, and, except to the extent allowed by law, the County is responsible for all costs and expenses of such inspections. The County shall use its best efforts to provide advance notice to the Operator prior to an inspection; however, the County reserves the right in its discretion to make spot inspections or to inspect without notice in the event of an issue potentially involving an immediate risk to public safety, health or welfare or damage to the property of another. The County reserves the right to inspect pit locations prior to construction, during construction, and after construction, the County also reserves the right to contact the appropriate COGCC area inspector if non-compliance issues are suspected or identified as a result of construction plan reviews, reclamation plan review, field inspections, or if non-compliance issues are not resolved as soon as possible.
- **23. Notification to Land Owners/Municipalities.** Prior to commencement of any new drilling or completion operations, the Operator, utilizing the County Assessor's Office information for both property owners and property mailing addresses, shall provide notification to landowners and municipalities within one-half (1/2) mile of the proposed well site(s).
- **24. Records.** Operator shall maintain all records of information agreed to in MOU, and agrees to share information with County within forty-eight (48) hours upon written request. Records shall be maintained in an organized fashion for each well site.
- **25. Mapping Information.** Operator shall agree to provide coordinates and/or exact location of well sites to the County's GIS Department within forty-eight (48) hours of final completion of a well site in a format acceptable to the County. Any subsequent changes to a well site location shall also be provided to the County within forty-eight (48) hours of such changes.
- **26.** County Land Use Approvals. The Operator understands and agrees that prior to the development or operation of any oil and gas facility in unincorporated portions of the County, that Operator must first obtain approval from the County pursuant to any validly adopted provisions in the Adams County Development Standards and Regulations. The Operator

agrees and consents that the provisions of this MOU are to be included among any conditions for the issuance of any land use approval or permit issued by the County under its Development Standards and Regulations unless, and to the extent waived or modified in writing by the County Manager or his or her designee, or waived or modified on the record at a public hearing before the Adams County Board of County Commissioners; further, the Operator understands and agrees that the provisions of this MOU shall remain conditions of such land use approval or permit regardless of the subsequent sale or other transfer of any oil and gas facilities, or interest therein, by the Operator.

- a. **Concurrent Referral and Review**. County staff may refer the complete application for a fourteen (14) working day review by the various County Departments and the County Attorney's Office, as deemed appropriate. An application may require review by outside agencies such as the U.S. Army Corps of Engineers, if the project impacts a floodplain, and may also be referred to any life-safety providers, adjacent jurisdictions, local public health department, and others as may be deemed appropriate.
- b. **Address Deficiencies**. The applicant will be notified of any outstanding issues in connection with application materials upon completion of this review and will be required to address any issues or deficiencies in connection with the application materials. If necessary, a meeting will be held to discuss any issues that need to be resolved. If necessary, the applicant will then submit an amended application, plan or other submittals, as appropriate, to the County for verification that deficiencies have been addressed by the applicant. If the above described outstanding issues cannot be resolved, the County may refer the case to the Board of Adjustment for its consideration.
- **27. Amendments**. Due to the nature of oil and gas operations, the County has adopted regulations in order to protect the health, safety and welfare of County inhabitants and their environs. As such, where there are any amendments to this MOU, the Operator shall be in compliance with Chapter 2 of the Adams County Development Standards and Regulations.
- 28. State Oil and Gas Permit Approvals. The Operator agrees to include the contents of Exhibit A of this MOU in all Forms 2 and 2A that it submits to the COGCC and consents to the inclusion of the contents of Exhibit A of this MOU as conditions of the issuance of any permit or other form of approval by the COGCC with regard to the location, development or operation of an oil and gas facility in unincorporated portions of the County, unless, and to the extent, waived or modified in writing by the County Manager or his or her designee, or waived or modified on the record at a public hearing before the Adams County Board of County Commissioners; further, Operator understands and agrees that the provisions of this MOU shall remain conditions of permit or other form of approval regardless of the subsequent sale or other transfer of any oil and gas facilities, or interest therein, by Operator. The County through the LGD process described in the COGCC's Rules may request that the COGCC impose site specific conditions as part of the state permit process that are in addition to the Operator's practices or procedures agreed upon herein and the Operator may respond to same as set forth in the COGCC's Rules. If the state permit has already been approved and the County and Operator are in agreement as to any subsequent, additional conditions to be placed on the state permit, and said agreement is in writing, the Operator agrees to apply to the COGCC to modify the state permit by allowing such subsequent, additional conditions to be placed on the state permit.

- **29. Applicability.** This MOU shall only apply to Oil and Gas Facilities for which Operator has applied for permits as of the date of this MOU and to any facilities with respect to which Operator receives COGCC approval after the date of this MOU. This MOU shall not be construed to apply to Oil and Gas Facilities for which another operator applies for a permit even though the Operator may have an interest but is not the Operator, and does not apply to wells drilled by the Operator prior to the date of this MOU. Additional facilities may be exempted from some or all of the terms of this MOU, but only if approved in writing by the County Manager or his or her designee, and reviewed by the County Attorney's Office, or approved on the record at a public hearing before the Adams County Board of County Commissioners.
- 30. Term. This MOU is effective upon the execution by both Parties and shall remain in effect so long as Operator, its subsidiaries, successors or assigns, are engaged in the development or operation of oil and gas facilities within the unincorporated portions of the County; provided, however, this MOU may be terminated by either Party with thirty (30) days prior written notice to the other Party. If there is a new development in state law, rules or judicial decisions that substantially affect any provision of this MOU, the Parties agree to negotiate in an attempt to update this MOU in light of same by a written amendment executed by both Parties. In the event this MOU expires or is otherwise terminated, the substantive requirements stated in this MOU shall survive and remain enforceable against the owner or operator of any oil and gas facilities that were permitted or otherwise approved during the term of this MOU, except to the extent waived or modified pursuant to the provisions of this MOU. Additionally, in the event this MOU expires or is otherwise terminated, no re-permitting of the wells shall be required solely as a result of the termination of this MOU.
- **31. Obligation of Funds.** Nothing in this MOU shall commit either Party to obligate or transfer any funds to the other.
- **32. Force Majeure.** Neither Party will be liable for any delay or failure in performing under this MOU in the event and to the extent that the delay or failure arises out of causes beyond a Party's reasonable control, including, without limitation, war, civil commotion, act of God, strike or other stoppage (whether partial or total) of labor, or any law, decree, regulation or order of any government or governmental body (including any court or tribunal).
- **33. Authority to Execute MOU.** Each Party represents that it has the full right and authority to enter into this MOU.
- **34. Governing Law.** This MOU shall be governed and construed in accordance with the laws of the State of Colorado without reference to its conflict of law provisions.
- 35. Entire Agreement. Except as expressly set forth herein, this MOU embodies the complete agreement between the Parties hereto with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements, or representations by or between the Parties, written or oral, which may have related to the subject matter hereof. No amendment to this MOU shall be effective unless in writing, signed by the Parties. In the event there is a minor amendment to the MOU, as determined by the County Manager or his or her designee, such amendments will be reviewed by the County Attorney's office and will need to be approved, with signature, by the County Manager or his or her designee. Any and all major amendments may either be directed to the Board of County Commissioners for decision or may

go through the Special Use Permit procedures, as determined by the County Manager or his or her designee.

- **36.** Third Party Beneficiaries. Except as specifically stated herein, this MOU is not intended to, and does not, create any right, benefit, responsibility or obligation that may be enforced by any non-party. Further, in cases where pipelines are involved, a conditional use permit may be required, and this MOU shall in no way suggest or provide for approval of a conditional use permit in which a pipeline is proposed to be constructed.
- 37. Notices. All notices and other correspondence related to this MOU shall be in writing and shall be delivered by: (i) certified mail with return receipt, (ii) hand delivery with signature or delivery receipt provided by a third party courier service (such as FedEx, UPS, etc.), (iii) fax transmission if verification of receipt is obtained, or (iv) email with return receipt, to the designated representative of the Party as indicated below. A Party may change its designated representative for notice purposes at any time by written notice to the other Party. The initial representatives of the Parties are as follows:

County: Adams County Attorney

4430 S. Adams County Parkway

Brighton, Colorado 80601

Planning and Development Department 4430 S. Adams County Parkway

Brighton, Colorado 80601

Transportation Department 4430 S. Adams County Parkway Brighton, Colorado 80601

Operator:

- **38. Subsidiaries/Successors**. The provisions of this MOU shall apply to all subsidiaries and successors-in-interest of the Operator with respect to any oil and gas facilities permitted or otherwise approved during the term of this MOU.
- 39. **Default.** If a Party defaults in the performance of an obligation under this MOU, the defaulting Party shall have ten (10) days to cure the default after receipt of written notice of such default from the non-defaulting Party, provided the defaulting Party shall be entitled to a longer cure period if the default cannot reasonably be cured within thirty (30) days and the defaulting Party commences the cure within such ten (10) day period and diligently pursues its completion; however, in the event that the default involves an issue that could have an immediate impact on public health, safety or welfare, or cause damage to property of another, the defaulting party shall immediately begin action to cure the default. Each alleged default shall be treated separately under this paragraph and notice of an alleged default shall not affect the processing of permit applications while the notice is being evaluated, contested or corrected. In

the event of a default, the Parties shall be entitled to seek specific performance as well as any other available remedies.

40. Jurisdiction: Waiver of Rights. The parties acknowledge, understand and agree that this agreement shall not be used as evidence that either party has waived any rights to assert its claims concerning the validity or extent of the County's land use jurisdiction. Nothing in this agreement shall be construed as an admission regarding the existence of proper jurisdictional authority or waiver by either party of any legal right or obligation, nor shall anything be construed as a bar to either party to seek any legal remedy available to it. The Operator agrees, however, that it will not exert jurisdictional or preemption arguments with respect to the specific performance obligations contained in this MOU.

IN WITNESS WHEREOF, the Parties have caused this MOU to be executed by a duly authorized representative on the day and year indicated below.

Operator:			
•	Company Name		
By:			
	Signature		
Date:	, 20		
County of)		
State of)) ss.)		
	g instrument was acknowledged before me this _		
by	, as	of	
	, a	·	
My commiss	ion expires:		
Witness my l	nand and official seal.		
Signature			
Name of Not	ary		
Address of N	 lotary		

Board of County Commissioners of Adams County

By:					
2).	Signature				
Date:			, 20		
County of_		_)			
State of) ss. _)			
The foregoing the Board of	ng instrument was f County Commis	s acknowledg sioners.	ged before me th	nis day of _	, 20, by
My com	mission expires:				
Witness	my hand and seal	1.			
Signature					
Name of No	otary				
Address of I	Notary				
Approved as	s to form				
County Atto	orney				

EXHIBIT A

The following conditions will apply to all of Operator's newly permitted wells and facilities within unincorporated Adams County, as of the effective date of the fully executed MOU between Adams County and Operator. Site-specific conditions may be incorporated into the COGCC permit approval process through the LGD process as described in the Commission's Rules, or by Sundry notice (COGCC Form 4) if there is agreement between Operator and Adams County.

[List of additional requirements]

Exhibit 4 Public Comments



Kenneth McIntosh

McIntosh Dairy McIntosh Farm Company

11910 Riverdale Rd. Brighton, CO 80602

March 9, 2016

Jennifer Rutter
Planning and Development Department
4430 S. Adams County Parkway
1st Floor, Suite W2000A
Brighton, CO 80601-8216

Dear Mrs. Rutter,

I am writing you today in regards to the new moratorium put in place by Adams County.

I will preface this by saying that our family has owned our 310 acre farm, where we currently reside, for 107 years. This moratorium infringes on the mineral rights we own and the freedom we have as land owners. It was always our intention to drill and produce oil and yet, as we set things in motion to begin this project, we are now facing regulations that will keep us from pursuing it.

We have always taken care to preserve the integrity of the land in and around our home, as is witnessed by the conservation easements we have in place as well as the amount of wetland we have created for wildlife in the area. So when we began the planning stages of our oil drilling project we took care to plan with the environment in mind. These plans included a strategically placed well site that would have the least environmental impact while having the greatest access to as many parcels and different owners as possible. Guaranteeing that the positives associated with the oil production would far outweigh the negatives. This site would also have a 500 foot setback from all residences, thus insuring the safety of all.

There is no doubt that America needs domestic oil, and these sorts of regulatory actions will cripple many land owners before they are able to contribute to this growing need. Take into consideration our land owner rights and the needs of our community as you make your final decisions in regards to this regulation.

Sincerely,

Last on Cotul

From: Suxanne Cabral [suzanne.cabral@northmetroneighbors.com]

Sent: Tuesday, March 15, 2016 1:17 PM

To: Jen Rutter

Subject: Public Response to the proposed gas and oil and regulation

Dear Adams County Commissioners and Mr. Robbins,

I appreciate that a six week Moratorium was enacted. It was my hope that in this limited amount of time you would review all of the current science that supports regulating Fracking to protect the community. I have researched and emailed all of you scientific, peer reviewed studies that report the potential health and safety risks associated with fracking.

I am dissatisfied that there is no mention of a reasonable setback to mitigate the potential hazards of living and working near fracking sites. It was my sincere hope that during the moratorium there would be adequate time to research and regulate to protect your citizens.

I am disappointed with the proposal, the regulations are not sufficient, they do not address the many health and safety issues as a whole or in regards of the community and those that will be forced to live by gas and oil sites.

It is obvious, the proposed regulations do not take into account the impact gas and oil activity will have on all of the citizens, including the most vulnerable in our community, children, elderly and the immune compromised.

Clearly, the health and safety of Adams County Citizens were not the priority when writing this proposal.

Respectfully, Suzanne Cabral http://dontfrackthornton.info/com



From: chris FREEBORN [chris.freeborn1846@me.com]

Sent: Tuesday, March 15, 2016 8:45 PM

To: sodorisio@addogov.org; Erik Hansen; Eva Henry; Chaz Tedesco; jpowlowski@adcogov.org;

commissioners@addogov.org; jrutter@ascogov.org

Subject: Fracking Violated

Commissioners,

I am struggling to believe what has been a blade in my ribs has continued to be taken so lightly and indifferently as all of your continued neglect in representIng your constituents.

I am a son of the American Revolution (2x) and have lived on a beautiful golf course with full mountain view. My wife of 26 years and I raised two daughters in Hunters Glen over the last 18 years. I have been content in our suburban yet Idyllic neighborhood until the news of drilling in Wadley Farms spread.

I have attended meetings with you and witnessed first hand the ambivalent and self serving attitude with this matter. I have emailed you more than once with no reply. How does this remotely qualify you to represent anyone others than the greedy hand of big oil.

I am not naive and I have a firm grasp of how the world turns financially. I understand the impact on jobs. I am not 100% against the whole fossil fuel pursuit. What I am against is violated space and damage to my personal well being only for the sake of money. I am certain that our ancestors would not approve of how unbalanced and cancerous things have become where a man's property values can be ruined by a corporation.

So disappointing to feel patronized and ignored.

Do what is right for the majority not the dollar by not approving any new wells until the November ballot initiatives have occurred.

My top issue is with setbacks. 500 feet is ridiculous. Surely you can see that. I pray this doesn't fall on continued deaf and uncaring ears.

Kind Regards, Christopher Freeborn 13463 Marion Drive (1500 feet from Wadley Farms site) 303.587.5373 Sent from my iPad

From: K. DeSANTIS [KDMADDIE@msn.com]
Sent: Wednesday, March 16, 2016 9:15 AM
To: Jen Rutter; CommissionersMailbox

Subject: Attention Adams County Council - Comments for Public Hearing

Dear Jen Rutter and all the Adams County Council members,

It is extremely important to the citizens **you serve** in Adams County that you advocate for extensive setbacks from homes and schools, have site-specific reviews (which the citizens are included in) to address oil and gas facilities near homes, and there needs to be increased opportunity for public engagement.

It seems important to remind everyone, the citizens elect you (not the oil and gas companies) to serve us. This includes protecting our homes, schools and health. We are counting on you to do this when we elect you. Please act in accordance with our wishes.

Regards,

Karen

Maria Orms Thornton, CO 80241

Adams County Commissioners

RE: Special Public Hearing of the Planning Commission Responses

Adams County Commissioners,

3/16/2016

I have reviewed the Planning Commission Special Hearing Report and the Regulations Amendment distributed on March 21, 2016. As you know, our community group provided 21 points of concern for the neighborhoods in our community. Not one of these points was addressed, not even the ones that are within your jurisdiction. The argument that oil and gas regulation is not within your control is a logical fallacy as other communities have passed bans of moratoriums to protect their citizens. In fact by passing the six week moratorium, you have proven that the Adams County Commissioners have that power as well. The only question is if you are representing your citizens and have the political will to do what your citizens are asking you to do. The 2016 ballot initiatives are coming this year, you know it and we know it. You would then have the ability to regulate oil and gas and we would have the protection of 2500' setbacks. An extension of the moratorium until that time is a short time frame to ask for you to preserve our rights as citizens. Your proposed regulations will create an environment that we will have to fight for every single site in the county is a betrayal to all the citizens that have voted for you, written to you or expressed their opinions to you. YOU are taking our rights away.

Maria Orms

For your benefit and review, the points are repeated here:

- 1. Proximity to our schools and homes and the ability for the school districts to evacuate if necessary. Medical studies use ½ a mile and 1 mile that show serious health risks.
- 2. Address the training needs of ERs in close proximity to these facilities, including making them aware of the chemical exposure risks and proper chemical exposure equipment.
- Having industrial facilities, processes, and trucking these hazardous materials that are
 obviously industrial into residential neighborhoods. Road accidents with potential to
 disperse hazardous materials into residential areas and force neighborhood evacuations
 and hospitalizations.
- 4. Insurance coverage of \$1,000,000 for general liability is ridiculous and obviously there is more risk involved in coming into a densely populated area. We demand that these operators need to have a bond with the county.
- 5. Adams 12 and Adams 27J do not have the funds to staff bus drivers and emergency management personnel on an on call immediate basis. How will this be addressed?

- 6. Adams 12 and Adams 27J need to upgrade their air filtration systems for any facilities within 2 miles of a school. (MERV-14 or greater) How will this be addressed?
- 7. In the event of an emergency that necessitates the use of North Metro potable water or the City of Thornton water, needs to be reimbursed to the responding agency. This should not come from tax payers and will need to be a fund paid for by the oil and gas operators.
- 8. Any location within 2 miles of a school or within 2 miles of 500 homes must have a green field completion requirement met.
- 9. Any location within 2 miles of a school of within 2 miles of 500 homes must have an inspection with an FLIR camera every 3 months.
- 10. Air monitors shall be established around the perimeter during construction and remain during operations to check for air quality (including dust, particulates, VOCs,etc.) and operations will be suspended and fines levied for exceedances as allowable by federal, state and local laws.
- 11. Any operator will contribute to a county budget for inspectors, FLIR cameras, gear, and training fees. This will be self-sufficient and will not come from tax payers.
- 12. If well operations are stopped for a period of 12 months, the county will order the removal of all well structures within 6 months of the 12th month that operations are ceased and complete full removal within 24 months of the last operations day and revegetate the site.
- 13. Emergency Response Plan. Operator will provide the County with an Emergency Response Plan (ERP) to address all potential emergencies that may be associated with an oil and gas facility. Operator shall also provide a copy of such plan to all emergency service providers that would respond to such emergencies.
- 14. A "will-serve" letter must be obtained from the appropriate emergency provider(s). Fire Districts, Departments and emergency medical responders within response designation will receive training to be hosted and run by the operator at a minimum of two times per year. At the minimum one operator hosted/run training shall be completed before the onset of any activity of proposed site.
- 15. All personal protective equipment (PPE), apparatus and equipment specific to a gas and oil emergency or incident shall be supplied at the expense of the operator before onset of gas and oil activity at said site.
- 16. In the event of an emergency or incident including but not limited to fire, hazmat or medical response any and all PPE, apparatus and or equipment lost or damaged during response shall be resupplied at the cost and expense of operator.
- 17. Private Roads. The Operator agrees to construct (unless already constructed) and maintain an access road designed to support an imposed load of 75,000 pounds that will accommodate emergency response vehicles such as, but not limited to, law enforcement, emergency command vehicles (cars/SUVs), ambulances, hazardous materials response vehicles, water tenders, and fire apparatus during construction and operation of new tank batteries (post MOU), new drilling activity and reworks or recompletions of existing wells. With respect to new roads to new tank batteries, the Operator agrees to construct access roads at least sixteen (16') feet wide with at least four (4") inch road base.

- 18. Best efforts will be made to improve inadequate access to existing tank battery sites identified by the fire district or County, based on service calls and demonstrated problems of accessing the site. Operator and County agree that spot inspections of access roads may be done by the County and/or appropriate emergency response agency, at such County or agency's sole risk and expense, to insure that emergency access in accordance with this section is maintained. Knox Box access will be on all gates and entrance/exit points to sites including all roads. Physical address will be assigned to site and access roads for emergency response.
- 19. Multiple Air Quality monitoring stations from the CDHPE installed in the North Thornton/Brighton (unincorporated Adams County) area. What remediation actions will be taken to address the serious air quality issues and what levels will trigger responses?
- 20. Waste water disposal shall not be allowed in Adams County and any water contamination needs to be reported to the citizens.
- 21. There needs to be legal requirements on Adams County to compile report and notify the air quality, incidents, contamination and NOAVs to the public via print and social media (Website, Facebook, Next Door).



From: chrisanne FREEBORN [chrisanne.freeborn@gmail.com]

Sent: Wednesday, March 16, 2016 9:26 PM

To: Jen Rutter

Cc: CommissionersMailbox

Subject: Special Hearing of the planning commission

Ms Rutter and Adams County Commissioners; I would like to voice my request that you take into consideration the extension of the moratorium on fracking until the November election. This past weekend I was a delegate at the county assembly and convention. I am from HD 34 precinct 80. It was very evident at the county assembly/convention fracking is a hot item on Adam's county informed citizen's minds.

I have lived in the Hunter Glen neighborhood since 1998. We moved here from Denver to own a home we could afford that was large enough for our family. I was not sold on the area primarily because I felt it was so far behind the rest of the metro area. I have always felt that Adams county is not on the same level as the other suburban counties. However, in the last few years major changes are starting to happen to make this a more desirable place to live with the addition of shopping, more schools, hospitals, the libraries (finally!), more homes being built and hopefully more interesting restaurants. Along with the light rail, the golf courses and the incredible mountain views and the people that like living in this area this could be a special place.

This is a pivotal time.

Please make your decision showing full respect of what is best to maintain and enhance all these special qualities of this area. But primarily please respect what is in the best interest of the people who have chosen to live here. The same people that have elected you into the office you now hold to serve.

I understand that banning fracking is not a reasonable alternative. But fracking anywhere around the highly populated areas must not happen. A set back of 500 feet is socially irresponsible. Fracking anywhere around the 136th and Washington to 144th Washington area would be so detrimental to the overall health of Adams county and Thornton. In this highly trafficked area it is not only unsafe, but unsightly. Is that really what you want people to observe as they come to the area to shop, visit doctors, play golf, work, go to church expand their business or even look for a home to buy for their family?

I know at this time the power is in the hands of the COGCC, but if we work together we can hopefully transfer that authority to the counties and communities, or at least a portion of that power and I would hope you would be able to make decisions based on what is in the best interest of the people. In the meantime please pause. Please pause before damage is done that cannot be undone.

I could go on and address the other issues weighing on my mind such as property values, health issues, air quality, water supply, etc. but I know other's have presented much evidence on these issues.

I do want to emphasize, which I am sure you know, that there is no safe fracking, no matter what the industry leaders will tell you. I know a young man who worked for Anadarko driving a water truck. He worked all night, slept in his truck, so he could start working at dawn again. He hauled the water driving a truck while exhausted and was instructed to dump the water wherever he could.

He, ironically, is 100% against fracking.

Please, can we work together to make this a beautiful, safe and exciting area to live, not an industrial wasteland with depressed neighborhoods with destroyed property values.

I appreciate your time and attention to this matter and look forward to hearing from you.

Chrisanne Mitchell Freeborn



City Hall 9500 Civic Center Drive Thornton, CO 80229 www.cityofthornton.net Mayor and Council Office 303-538-7200 FAX 303-538-7562

March 17, 2016

Adams County Board of County Commissioners 4430 S. Adams County Parkway 5th Floor, Suite C5000A Brighton, CO 80601

RE: Proposed Oil and Gas Regulations

Board of County Commissioners:

This letter is in regard to the proposed oil and gas permitting regulation amendments under consideration. On behalf of City Council, I am requesting that the City of Thornton be given an active seat at the negotiating table for any memorandums of understanding (MOU) for oil and gas developments within a half mile of our corporate boundaries.

Proposed large scale oil and gas developments like Wadley Farms that are sited in unincorporated enclaves surrounded by the City of Thornton have a substantial impact on the residents of Thornton. Air and water quality degradation, public safety emergencies, additional truck traffic, and lighting and noise pollution do not stop at corporate boundaries. As the elected representatives of the residents who will be impacted by these oil and gas developments, the City Council has a responsibility to protect the health, public safety, and quality of life of our community.

The notice provisions and requirements for consultation that are included in the proposed regulations are appropriate and appreciated. But when it comes to representing the interests of our community, it is imperative that the City Council has a seat at the table to address concerns over large scale oil and gas developments that impact our residents. The Thornton City Council would certainly extend the same opportunity to the Adams County Board of County Commissioners.

Sincerely,

Mayor Heidi Williams

cc: Council

From: harv.teitelbaum@gmail.com on behalf of Harv Teitelbaum

[harv.teitelbaum@rmc.sierraclub.org]

Sent: Thursday, March 17, 2016 10:07 AM

To: Eva Henry; Chaz Tedesco; Erik Hansen; Steve O'Dorisio; Jan Pawlowski; Jen Rutter

Cc: maria.orms@gmail.com

Subject: Re: Draft proposal on fracking regulations

Dear Adams County Commissioners,

I know you just voted to support and enable the fracking industry in Adams County by recommending no changes to existing county regulations. I also know that a big reason for doing so was to not invite the legal wrath of the industry that is ostensibly immunized by state law against local citizens protecting their communities, themselves, their families, and their family's health and future. This fear and intimidation may be plausible to some, but you should also consider your actions in a larger context. I would like to bring your attention to four recent scientific news releases.

Harvard: <u>US</u> "likely culprit in global spike in methane (natural gas) emissions over last decade (fracking-released methane is between 36 - 84 times more potent a greenhouse gas than CO2)

NASA research: Global jump in February temperatures stuns climate scientists

From NASA satellite imagery over just a 3-day period: <u>A block of ice the size of Rhode Island just broke off</u> into the ocean

From the NY Times and NOAA: Rising sea levels (by the fastest rates in 28 centuries) may disrupt lives of millions

There may come a time in the future when your grandkids, suffering in a polluted, degraded, climate-changed planet, still only slowly moving to a much-needed clean energy economy, ask why you didn't do anything to stop the destruction of our climate, our health, and our local democracy when you had the chance. You'll probably answer, "Well, if I knew then what I know now..." But you do know, right now, so the real question is whether you will choose to do something about it, right now, when you have the chance.

On behalf of those effected, threatened, and concerned citizens and communities, we ask that you reconsider your decision. Regardless of the final interpretation of those state laws which are currently being tested in the Colorado Supreme Court, we feel you have a first and primary responsibility to the best long-term interests, health, safety and welfare, of the citizens of Adams County.

Thank you for your time.

Harv Teitelbaum Beyond Oil and Gas Campaign Sierra Club, Rocky Mountain Chapter 303-877-1870

From: Elizabeth Grace [esgrace2011@gmail.com]
Sent: Thursday, March 17, 2016 10:50 AM

To: Jen Rutter

Subject: Oil and Gas comments

To Whom It May Concern,

I love to drive my car and heat my home. I recognize my lifestyle depends on oil and gas and I am pro these businesses that support my family. However, I am rigorously opposed to these industries conducting business in RESIDENTIAL locations that are close to homes and schools. They must be made to operate in industrial settings for the safety of our children, communities, and general variability of our neighborhoods. Sadly, the oil and gas company have opted to ignore these legitimate concerns which then require our Adams County Staff to make the reasonable limits that deny oil and gas their requests to operate in our school yards and backyards.

The planning commission will hopefully agree that we need oil and gas but in a safe, industrial location. Regards,

Elizabeth Grace Quail Valley Resident

From: Llebsock@aol.com

Sent: Thursday, March 17, 2016 11:04 AM

To: Jen Rutter Subject: please read

Dear Jen, on behalf of Wadley Farms neighborhood, please do not let the fracking happen in our neighborhood. We are so upset this might happen, we can't sleep at night. This should not be considered in any neighborhood. Our anxiety is overwhelming. Thank you.

Mr. and Mrs. Gary Lebsock

TO: Jen Rutter, Planning Commission Members, County Commissioners

FROM: Adams County Communities for Drilling Accountability NOW

RE: Comments on Planning Commission Special Hearing Staff Report

DATE: March 17, 2016

Since the beginning of August 2015 we have been actively engaged with Adams County staff and commissioners to improve protections for residents at the interface between residential living and large oil and gas drilling operations. As stated in the staff report, Synergy Resources' proposal to drill 20 wells in the middle of Wadley Farms made it painfully obvious that the Adams County MOU was not adequate to protect the health, safety and welfare of Wadley Farm residents or any neighborhood residents in Adams County. The proposed Emergency Amendments to Chapter 4 of the Adams County Development Standards and Regulations are a solid step in the right direction. However, there is nothing contained in these basic permitting requirements that provides neighborhoods with the additional protections ACCDAN and its many supporters have sought for the past 8 months.

Facilities proposed in and near communities should be required to address the very real dangers and consequences of mixing large numbers of trucks, subcontractors, drilling noises, emissions, and volatile hydrocarbons with large numbers of families, children, vulnerable populations, school buses, pedestrians, drinking water sources, and the very basic human needs for clean air and sleep. The process by which the county will address such potentially incompatible land uses needs to be outlined in the regulations or MOU. And because of the number of proposals for oil and gas facilities proximate to communities, these concerns should be addressed in the regulations immediately.

Our neighboring communities have effectively protected their residents through enacting strong regulations. The regulations passed by Broomfield and Erie demonstrate a commitment by those local government to protect residential areas while still allowing for extraction of the resource. We believe the regulations passed by Erie and Broomfield should be used as models for Adams County rather than the regulation of Arapahoe County— a jurisdiction that does not offer any protections for its residents beyond what is already required by the Colorado Oil and Gas Conservation Commission.

These regulations are too important to be subjected to an arbitrary deadline. ACCDAN strongly encourages you to take the additional time necessary to get these regulations right. If you feel you must pass regulations next week, then we offer the following amendments that represent the *minimal* protections that should be provided to the residents of Adams County.

4-10-02-05-02 <u>ADMINISTRATIVE APPROVAL CRITERIA</u>

In order to obtain Administrative Use by Special Review approval, an

Oil and Gas Facility shall first satisfy the following criteria:

1. Memorandum of Understanding

An MOU acceptable to the County must have been executed by the applicant and the County and currently be in full force and effect, and the Oil and Gas Facility as proposed must be in compliance with the provisions of the MOU.

2. Satisfy Submittal Requirements

The application and exhibits for the Administrative Use by Special Review must satisfy all applicable submittal requirements in this Section.

3. Environmental/Public Health and Safety Impacts

The Oil and Gas Facility shall not create any site-specific conditions that present significant and material impacts to public health, safety or welfare, or the environment.

4. Proximity to Residents

The Oil and Gas Facility shall not be within 1,000 feet of a home or public building, unless the owner of the affected home or public building has waived this requirement in writing. Locations closer than 1,000 feet to a home or public building must apply for a Special Use Permit described in 02-02-11.

5. Emergency Service Providers

The Oil and Gas Facility applicant must provide a commitment to serve ("will serve") letter from the authority having jurisdiction for providing emergency services (fire protection and emergency medical services) for that facility, or, where no authority has jurisdiction, from an emergency services provider with the ability to provide such emergency services.

4-10-02-05-03 RESIDENTIAL DRILLING STANDARDS

Oil and Gas Facilities proposed within the designated municipal growth boundaries of Adams County and within 1,500 feet of a home or public building must comply with Residential Drilling Standards in this section or obtain a written waiver from the owner of the affected home or public building.

1. Alternative Location Analysis¹

¹ Alternative Location Analyses for multi-well facilities within 1,000 feet of a home is already required pursuant to COGCC Rule 604.c.(2)E and COGCC policy. This proposed language requires a more detailed analysis than has been typically required by the COGCC.

An applicant who proposes an Oil and Gas Facility within 1,500 feet of a home or public building must prepare an analysis of alternative locations that would be a greater distance from homes or public buildings. If the Oil and Gas Facility includes storage tanks or other production equipment, the analysis must also consider pipeline right of ways that could have been used to move that production equipment farther away from homes or public buildings. The analysis shall explain what efforts were made to secure alternative locations and why those efforts were unsuccessful.

2. Noise Mitigation²

For db(A) scale noise, Operator will insure that the noise level from Operations subject to the light industrial zone noise standard under COGCC Regulations 802.b and 604.c.(2)(A) does not exceed sixty (60) db(A) and that the noise level from Operations subject to the industrial zone noise standard under COGCC Regulations 802.b and 604.c.(2)(A) is reduced at least five (5) db(A) below the maximum level permitted by those Regulations. For this purpose, the noise level shall be measured as set forth in COGCC Regulations 802.b and c.

For db(C) scale noise, Operator shall comply with the requirements of COGCC Regulation 802 as amended.

3. Air Quality Mitigation

The Operator agrees to control air quality through the following practices.

3.1. Inspections³

To identify leaks, Operator will perform audio, visual and olfactory inspections on a monthly basis at the Oil and Gas Facility. Operator will also inspect each Oil and Gas Facility with an infra-red camera on a monthly basis. The initial baseline inspections will occur within sixty (60) calendar days after the date of Permit approval. After a well has produced for twelve (12) months, the frequency of such inspections may decrease from monthly to quarterly unless Regulation 7 of the Air Pollution Control Division requires more frequent inspections. If Operator determines that any repairs are required based on these inspections, Operator will promptly initiate these repairs.

² This section is taken from the Erie Unified Development Code, section 10.12.3.B.1.f. Available at: http://www.erieco.gov/DocumentCenter/View/7078 . Erie's oil and gas regulations were adopted on August 25, 2015.

³ The requirements in this section are taken from the Erie Unified Development Code, section 10.12.3.B.1.g.

3.2 Required Equipment⁴

The following equipment shall be required unless waived by Director.

- a. <u>Green completion practices that utilize two P traps to minimize emissions during flowback;</u>
- b. Production facilities and pipelines must be in place prior to well completions to ensure green completion practices are fully used;
- c. Natural gas sales line installation must be in place prior to completion activities to eliminate flaring;
- d. <u>Dust suppression practices using a vacuum system or comparable process to control dust from completion activities;</u>
- e. <u>Automated system to determine tank levels eliminating the</u> need to open thief hatches; and
- f. Emission control devices to 96% efficiency on all hydrocarbon storage tanks or produced water tanks regardless of the potential to emit.

4. Water Quality Monitoring⁵

If the Impact Area Map required in section 4-10-02-05-05 determines that there are water wells within ½ mile of the proposed Oil and Gas Facility, the operator must comply with the ground water sampling requirements in COGCC Rule 609.

Without the additional protections listed above, the permitting process for a large portion of oil and gas development planned for Adams County will be contentious, unpredictable and costly. Let's use what we have learned these past 8 months; changes in the code must include clear expectations for how we protect the health, safety and welfare of our residents living near large oil and gas operations.

https://www.municode.com/library/co/broomfield/codes/municipal_code?nodeld=TIT17ZO_CH17-540IGALAUSRE

⁴ These air quality requirements come from a recent recommendation from the Colorado Department of Public Health and Environment (CDPHE). Kent Kuster, CDPHE oil and gas liaison letter to COGCC Director Matt Lepore, February 29, 2016. Available at http://ogccweblink.state.co.us/DownloadDocument.aspx?DocumentId=3797104

The requirement of Rule 609 apply to all of Colorado except for the Wattenberg field that includes approximately half of Adams County. Broomfield requires compliance with Rule 609 even though they are within the Wattenberg exception area. Broomfield goes further than rule 609 by also requiring the operator to test for "dissolved metals, including arsenic, mercury, uranium, radium, and other dissolved metals as determined by the city." Broomfield Municipal Code, Chapter 17-54-200(A)(3)u.18. (adopted 2013). Available at:

We urge the Planning Commission to take the time needed to evaluate our neighboring jurisdictions of the Town of Erie and the City and County of Broomfield. If you believe the regulations have to be rushed and passed tonight, please amend the recommended code changes to include ACCDAN's proposed language for well pads located in and near our Adams County communities.

Thank you for your service to your community on the Adams County Planning Commission.

Sincerely,

Jacky Kowalsky

President, Adams County Communities for Drilling Accountability NOW

From: Ellie Martinez [ervmartinez@comcast.net]
Sent: Thursday, March 17, 2016 11:06 AM

To: Jen Rutter

Subject: Comments on Proposed Oil and Gas Regulation Changes

Attachments: ACCDAN Comments to PCHS Staff Report.pdf

I am a resident of Adams County, currently living in the Hunters Glen neighborhood that neighbors the Wadley farm area and is directly above the proposed drilling site.

I fully support the comments made by ACCDAN (attached) and want to use this email as my support of such statement and urge the Adams County Planning and Development Department to fully consider the comments and recommendations made in this letter.

Best Regards,

Ellie Martinez

From: J. Kowalsky [jkowalsky5@msn.com]
Sent: Thursday, March 17, 2016 11:20 AM

To: Jen Rutter Cc: Jeff Robbins

Subject: ACCDAN Comments on Planning Commission Special Hearing Staff Report

Attachments: ACCDAN Comments to PCSH Staff Report.pdf

Dear Jen,

Please find the attached document containing comments from Adams County Communities for Drilling Accountability NOW. I would appreciate an acknowledgement that the information was received.

Thank you for all your work with our community.

Regards, Jacky Kowalsky

From: Sent: To: Subject: Attachm		Cheryl Tadlock [tadlockcheryl@gmail.com] Thursday, March 17, 2016 11:23 AM Jen Rutter Comments on Planning Commission Special Hearing Staff Report ACCDAN Comments to PCHS Staff Report.pdf
I	Dear Jen,	
C		ent of the Wadley Farms neighborhood, a citizen of Adams County and a member of the ACCDAN e planning commission to support the specific comments communicated earlier today by below).
u c e	unprecedented, irrespo our neighborhood, this established residential	osed a plan to develop a large scale oil and gas facility in the middle of Wadley Farms which is onsible and undermines the very essence of this residential community. If located in the middle of s will set an alarming precedent for other large multi-well facilities within and adjacent to communities throughout the entire State of Colorado. Hundreds of citizens in this area believe s plans pose a real and direct threat to our health, safety and way of life.
t i v t	anks along with on Wadley Farms Wadley Farms, A shan 150 homes from the within a half mile	Iti well pad site could contain up to 20 wells and as many as 50 large storage other industrial equipment. The site is only 500 feet away from several homes and within 1000 feet of approximately 30 homes. All of the other homes in dams 12 Rocky Top Middle School, the Northern Lights Ball Fields and more rom the adjacent neighborhoods of Cherrywood Park and Hunters Glen will be radius of the site. These neighborhoods will face increased health, safety, traffic ed with Synergy's operations.
7 a f r	770 semi and pickuand other effects of ires, undoubtedly ride, walk to and fr	an <u>average</u> of 110 semi and pickup trucks PER DAY for approximately 120 days, then up trucks for 45 days driving on two main roads in Wadley Farms. This truck traffic f large scale oil drilling, such as toxic emissions, potential spills, explosions and threaten the safety of residents and visitors who frequently jog, bike ride, horseback om schools, and enjoy other outdoor activities throughout Wadley Farms - especially there are no fire hydrants in this neighborhood.
	Please ensure that residents of Adams	you include the amendments proposed by ACCDAN in the attached letter to protect county.
S	Sincerely,	
(Cheryl Tadlock	

13961 Downing Street

Brighton, CO 80602

From: Cari Cornish [carijcornish@gmail.com]
Sent: Thursday, March 17, 2016 11:35 AM

To: Jen Rutter

Subject: Wadley Farm drill site

Attachments: ACCDAN Comments to PCHS Staff Report.pdf

I am a resident of Adams County, currently living in the Hunters Glen neighborhood that neighbors the Wadley farm area and is directly above the proposed drilling site.

I fully support the comments made by ACCDAN (attached) and want to use this email as my support of such statement and urge the Adams County Planning and Development Department to fully consider the comments and recommendations made in this letter.

Thank you. Cari Cornish

From: Firdaus Modak [fmodak@gmail.com]
Sent: Thursday, March 17, 2016 11:50 AM

To: Jen Rutter

Cc: information accdan.org

Subject: Support of ACCDAN comments

Hello Jen,

I live in Wadley Farms with my husband and two small children, ages 2 and 4. I am concerned for the health well-being of my family due to the proposed fracking, and I am 100% in support of the comments being submitted by ACCDAN on the Proposed Oil and Gas Regulation Changes.

Thank you for your attention to this matter.

Thanks, Firdaus 309-533-2271



Adams County Oil and Gas Regulations Amendments

Comments of Mendell Energy, LLC

1. Effect on small company trying to do business in Adams County.

Mendell Energy, LLC is a small oil and gas company whose primary investment is a project known as KC 320, located in Adams County on pasture and unused right-of-way land near the intersection of E-470 and Colorado Boulevard. This location was chosen because it was acceptable to the surface owners, outside of any areas of critical environmental concern, and was already used for oil and gas operations. With approval of Adams County, two wells were drilled and infrastructure installed. Permits were obtained for 11 additional wells prior to approval of the original MOU regulations. Mendell has both complied with and honored the spirit and intent of those regulations, but as a result of recent actions by Adams County, Mendell has been unable to drill additional wells, even though these wells appear to have been grandfathered in under Adams County regulations. This delay has forced Mendell to delay drilling operations, preventing it from using production from new wells to help pay for a new gas line constructed to serve the permitted wells and avoid flaring, and adding to holding costs. As an example, the delay caused by the County's actions have prevented Mendell from drilling within the time frame allowed by COGCC permits and pushed back drilling operations beyond the time period after which COGCC requires a drill site to be reclaimed. The potential for several hundreds of thousands of dollars of additional cost of partial rehabilitation of the two drill sites and their subsequent re-construction would be unnecessary but for the moratorium and the delays brought about by the changes to the SUP and MOU process. Worse, the County's course of conduct since early 2015 has stymied oil and gas development on the KC 320 project in the County and prevented Mendell from developing its property.

2. New rules should grandfather existing projects.

County officials, county residents and representatives of the oil and gas industry spent more than a year negotiating the current rules regarding MOUs. The rules currently being considered are a repudiation of all of that work before anyone has the opportunity to see if those rules work. With regard to Mendell's KC 320 project, there is no new information that justifies a sudden and unexplained change in the process or application requirements. There is no new scientific or technical information which justifies the change. And the County has not given any explanation as to why it is departing from its prior decision to use current rules to regulate ongoing projects. The County's reversal of its position on the rules appears to be an arbitrary action motivated by political decision-making. The proposed rules should be changed to

recognize that oil and gas projects that were being processed under the current rules shall continue to be processed under the current rules. If approved, the proposed rules should be applicable only to applications filed after the effective date of those rules. Specifically, the following language should be added to Section 4-10-02-04-06 after the word "facility" in the first line and Section 4-10-02-05 after the word "development" in the fifth line:

. . . for which an application has not been submitted to the County as of the effective date of these rules . . .

3. The proposed rules may not simplify or speed up the process.

While we have not had sufficient time to properly review and discuss the proposed rules, the only significant difference between the review process for a Special Use Permit Review and an Administrative Use by Special Review appears to be that a staff report and public hearing are required for a Special Use Permit Review, while a public hearing is discretionary in the Administrative Use by Special Review process and there is a requirement to use best efforts to complete the permitting process within 42 days, not including any time to determine completeness or for applicant to respond to any requests from County staff. The Director may require a public hearing at any time during the process, such as near the end of the 42-day period, delaying the application until the 30-day notice hearing is provided and it can be scheduled before the Board of County Commissioners. (Note: The hearing for a Special Use Permit Review would go before the Board of Adjustment.) And the Director has the discretion to attach conditions at any time, with no limits on the types of conditions that can be attached, not even a requirement that they not be inconsistent with the MOU.

The Director should not have the option of requiring a public hearing. The Director should not have the discretion to attach conditions inconsistent with the MOU. The Director should not have the discretion to attach conditions that are addressed by surface owner consents, Best Management Practices (BMPs) provisions attached to the COGCC permits, or conditions at the location which would cause the mitigation measures required by the Director to have no significant impact on public health, safety or welfare, or the environment. The rules should prohibit imposition of any conditions if:

- a. There is no technology commercially available at a reasonable cost to conduct the proposed oil and gas operations in compliance with the condition, and waiver of the condition will not have an adverse effect on public health, safety or welfare, or on the environment:
- b. An alternative approach not contemplated by the condition is demonstrated to provide a level of protection of the public health, safety and welfare and of the environment that would be at least equivalent to the condition; or

c. Application of the condition is impractical or would create an undue or unnecessary hardship because of unique physical circumstances or conditions existing on or near the site of the oil and gas facility, which may include, without limitation, topographical conditions, shape or dimension of the operation site, or inadequate public infrastructure to the site.

In addition, technical requirements specific to the oil and gas industry should be proposed to the COGCC and included as conditions of approval only if COGCC agrees after consulting with the County and the applicant. Finally, the rules should require that parties use best efforts to identify and agree upon, as early in the process as reasonably possible, the conditions and best management practices that will be required.

Under the proposed rules, an applicant who uses the Administrative Use by Special Review where a public hearing is required has to do practically everything the applicant would have to do under the Special Use Review process, and in addition obtain a Memorandum of Understanding in which the County may demand that the applicant waive rights it has under state law. And the proposed rules provide multiple opportunities to delay or kill a project without clear guidelines as to what standards must be met to obtain approval. Unless there are more limits on the Director's discretion and more concrete limits are placed on the time allowed for the review process, it does not appear that the Administrative Use by Special Review process is any more desirable than the Special Use Review process.

4. Other comments.

With respect to comments on other specific provisions in the proposed rules, Mendell agrees with and incorporates the comments of the Colorado Oil and Gas Association. In addition, Mendell requests that all required permit fees and other costs associated with the application process be identified in one place in the regulations.

Rob Ayling 970-292-8701 rayling@mendellenergyenergy.com Chris Guttormsson 720-840-8280 chrisg@mendellenergy.com



March 17, 2016

VIA EMAIL - COPY TO FOLLOW VIA U.S. MAIL

Hon. Steve O'Dorisio

Hon. Erik Hansen

Hon. Charles Tedesco

Hon. Eva Henry

Hon. Jan Pawlowski

Mr. Vince Buzek

Mr. Jerome DeHerrera

Ms. Rosie Garner

Mr. Harry Gibney

Mr. Samuel Molinaro

Mr. Steward Mosko

Ms. Sharon Richardson

Mr. Jobediah James Rittenhouse

Mr. Greg Thompson

Adams County - Board of County Commissioners & Planning Commission 4430 S. Adams County Parkway, 5th Floor Brighton, CO 80601-8204

RE: Proposed Amendments to Adams County Oil and Gas Permitting Regulations

Dear Commissioners:

Synergy Resources Corporation ("Synergy") is writing to express our serious concerns with the Oil and Gas Permitting Regulation Amendments proposed by the County Staff and published on the Adams County website on Monday afternoon, March 14, 2016. After more than a year of diligent and collaborative work between the oil and gas industry and the County to develop a strong and workable Memorandum of Understanding ("MOU") process, the County has now proposed significant amendments to its MOU process that layers on an additional, onerous Use by Special Review process. This is being done without a fair and reasonable opportunity for operators who have chosen to execute an MOU, including Synergy, to work through an appropriate stakeholder process during these last six weeks of a moratorium period with the County. Synergy is also disappointed by the unreasonably short time period of less than three days to provide comments on the Amended Regulations.

Synergy is deeply concerned about the potential that the Amended Regulations have for discrimination against operators who propose oil and gas development projects that are controversial in nature and could also be politically sensitive. This has been highlighted by a recent internet social media posting by a member of a local group opposed to oil and gas operations in Adams County, which purports to include an email response the member received from an Adams County Commissioner. If accurate, the Commissioner's email is further indication that the regulations were drafted so that the Board of County Commissioners can deny the Wadley Farms application. Synergy Resources has been and will continue

to strive to be a good neighbor, and has demonstrated that by being open and transparent with the Commissioners and the public about our oil and gas development plans. It is our hope that the Commissioners perform their duty of treating all citizens, including oil and gas operators, of Adams County alike, and not unfairly discriminate against Synergy because of the clamor by some in the public associated with a potential Wadley Farms or any other location. Synergy would appreciate the opportunity to put forth its plans just like any other operator and be confident that the minds of the Commissioners remain open in a reasonable manner to economic development and responsible oil and gas development. Any unfair or discriminatory treatment of Synergy that would be an outcome of the proposed Amended Regulations would be considered by Synergy to be a serious legal issue.

Synergy supports the specific comments regarding the proposed Amended Regulations that are being submitted by the Colorado Oil and Gas Association. Synergy strongly objects to the proposed Amended Regulations and requests that the Commissioners deny the County staff and the County Special Oil and Gas Counsel Jeff Robbins' proposal to adopt them on March 22, 2016. The effectiveness of the current MOU's should be acknowledged by the Board of County Commissioners, the existing regulations and MOU process should be utilized, and the remaining pending MOU's should be executed immediately. In the meanwhile, a true stakeholder process should be used to discuss the proposed Amended Regulations to further the progress the oil and gas industry has made in its negotiations with the County to date.

Thank you for the opportunity to provide the above comments.

Sincerely,

Brian J. Macke

Director of Government Affairs Synergy Resources Corporation

cc:

Heidi Miller - Adams County Attorney

Lynn Peterson - CEO, Synergy Resources Corporation

Dan Haley - President and CEO, Colorado Oil and Gas Association



1800 GLENARM PL.

SUITE 1100

DENVER, CO 80202

Phone 303,861,0362

Fax 303.861.0373

WWW.COGA.ORG

March 17, 2016

<u>VIA EMAIL – COPY TO FOLLOW VIA U.S. MAIL</u>

Hon. Steve O'Dorisio

Hon. Erik Hansen

Hon. Charles Tedesco

Hon. Eva Henry

Hon. Jan Pawlowski

Mr. Vince Buzek

Mr. Jerome DeHerrera

Ms. Rosie Garner

Mr. Harry Gibney

Mr. Samuel Molinaro

Mr. Steward Mosko

Ms. Sharon Richardson

Mr. Jobediah James Rittenhouse

Mr. Greg Thompson

Adams County - Board of County Commissioners & Planning Commission 4430 S. Adams County Parkway, 5th Floor Brighton, CO 80601-8204

RE: Proposed Amendments to Oil and Gas Permitting Regulation

Dear Commissioners:

The Colorado Oil & Gas Association ("COGA") is writing to express our concern with the Oil and Gas Permitting Regulation Amendments (the "Amended Regulations") proposed by the County Staff and published on the Adams County website on Monday afternoon, March 14, 2016. The oil and gas industry has worked diligently and collaboratively with the County over the course of more than a year to develop a Memorandum of Understanding ("MOU") process that allows the County and the oil and gas industry to negotiate best management and mitigation practices for oil and gas operations in the County. The County has now proposed significant amendments to its MOU process, including requiring operators who have entered into an MOU with the County to obtain Use by Special Review ("USR") approval, without allowing a fair and reasonable opportunity for the oil and gas industry to work through an appropriate

stakeholder process with the County. The proposed Amended Regulations eliminate any incentive on the part of operators to negotiate an MOU.

COGA is disappointed with the unreasonably short public comment period. COGA is also concerned that the new USR requirement is illegal, and so vague as to allow the County almost unlimited discretion to deny or to impose unreasonable conditions on oil and gas operations. COGA members would like the County to address the circumstances that have arisen between January 2015 and now that justify the massive extension of local government regulation over and above what the County and the oil and gas industry have negotiated over the past year.

1. The Amended Regulations are Illegal.

The proposed Amended Regulations are illegal. It is quite clear that the County's intent in adopting these regulations is to expand its review of oil and gas operations to include all areas of operation, including technical, environmental, and downhole impacts. This is evident from Administrative Approval Criteria 3, which provides that "an Oil and Gas Facility shall not create any site-specific conditions that present significant and material impacts to public health, safety or welfare, or the environment." The USR provisions also mandate that oil and gas operations shall not adversely impact surface or groundwater in the County and shall not result in emissions exceedances. Finally, the County is requesting reams of technical data under the USR approval process, including information on drilling operations, production operations and construction plans. There are plenty of credible scientific studies that confirm the safety record of the oil and gas industry and must be used to set standards when looking at local impacts.

Under Colorado preemption law, local governments have an important, but limited, role in review and approval of oil and gas operations. In the seminal Colorado preemption case of *La Plata County v. Bowen/Edwards*, 830 P.2d 1045 (Colo. 1992), the Supreme Court held that only the COGCC, and not local governments, may impose requirements on the "technical" areas of oil and gas operations, including, but not limited to, drilling, operations and reclamation. Colorado courts have relied on *Bowen/Edwards* in striking down local government regulations or permit conditions attempting to regulate setback requirements, noise abatement provisions, visual impact of operations, and impositions of penalties and inspection fees. Courts struck down these provisions on grounds of operational preemption because they involved technical considerations of oil and gas operations and because they conflicted with COGCC regulations. See *Town of Frederick v. North American Resources*, 60 P.3d 758 (Colo. App. 2002); *Gunnison County v. BDS International*, 159 P.3d 773 (Colo. Ct. App. 2006).

The Amended Regulations are illegal under this precedent because they expand the County's review and decision making authority to include all aspects of oil and gas operations – including technical, environmental and downhole impacts – that State law makes clear are within the sole purview of the COGCC. Indeed, the Amended Regulations delegate breathtakingly broad authority to the Director and the Board of County Commissioners to deny, significantly limit, or impose unreasonable costs on operators after consideration of every aspect of the proposed oil and gas development.

Needless to say, all clarity of agreement diligently negotiated in the MOU process with the County has now disappeared.

As mentioned above, COGA is particularly concerned with several Sections that give the County broad authority to block proposed Oil and Gas Facilities at its discretion. Section 4-10-02-05-02, Paragraph 3 "Environmental/Public Health and Safety Impacts," gives the County broad authority to block any proposed Oil and Gas Facility that creates "any sitespecific conditions that present significant and material impacts to public health, safety or welfare, or the environment" (emphasis added). The proposed Amended Regulations provide no defined standards to determine such "significant impacts" and may embody an automatic assumption of significant impacts as advocated by certain activist groups. COGA believes that the General Assembly has clearly assigned the responsibility and authority for addressing public health, safety, welfare and environment issues to the COGCC. If the County maintains this Section it must, at a minimum, be revised to provide operators the opportunity to mitigate any significant impacts through Best Management Practices ("BMPs") negotiated in each MOU, as done in the Arapahoe County MOU process. Furthermore, Section 4-10-02-05-04, Paragraph 6.4.e. provides that "oil and gas operations must minimize impacts to the physical infrastructure of the county transportation system." This broad provision also gives the Board carte blanche authority to deny virtually every Application and extends well beyond the compatibility analysis that should be the proper criteria in a USR permit approval process.

Finally, COGA is concerned that the broad discretion of the Director to refer any application to the Board for a public hearing will, coupled with the unlimited decision making authority discussed above, result in County decisions on Applications that plainly flout preemption law. COGA is specifically concerned that the County will use its claimed discretion to further a political agenda and deny permits. Such an abuse of authority will likely violate state preemption law, as well as illegally impact the vested property rights of operators, as well as surface owners and mineral owners.

2. Undefined and Broad Assessment of Fees and Costs

Several sections in the proposed Amended Regulations provide for potentially excessive fees and costs to be paid by the operator. Specifically, under Section 4-10-02-05-04, Paragraph 6.4.e, the Applicant is responsible for "[a]ny costs to improve county transportation system infrastructure necessitated by the proposed oil and gas operation" as well as the requirement addressed above to minimize impacts. This appears to give the Board broad assessment authority to impose excessive costs on operators, or to deny Applications based on projected infrastructure impacts. Furthermore, in Section 4-10-02-05-04, Paragraph 5.2.g must be revised to eliminate the automatic assumption that costs associated with any emergency are within the responsibility of the oil and gas operator, and instead obligate Applicant to only reimburse costs directly resulting from operation of the Facility.

3. Inclusion of Task Force Local Government Consultation Requirement

The County incorporates the Task Force Recommendation regarding consultation, which is outside of the scope of its authority. In Section 4-10-02-05-12, "COGCC Rule 305([a]) or 305A Consultation Process", the County is attempting to use non-delegated authority to "guide the implementation" of COGCC Rule 305A and 305(a)(1), as stated in the Staff Report. Adams County participated in the COGCC Task Force Rulemakings that established new Rule 305A, which is effective as of March 16, 2016, and understands that the COGCC did not adopt proposals for local governments to utilize their local permitting process as the required "consultation" under the new Rule 305A. The inclusion of Section 4-10-02-05-12 is an attempt to disregard the new Rule 305A and cause unreasonable delays to an operator seeking a Large UMA Facility location and the operator's intended development of oil and gas in Adams County.

4. General Concerns

Finally, COGA has several general concerns arising from the Amended Regulations. First, the Staff is recommending approval of pending MOUs and overseeing already-existing MOUs that includes language in conflict with the proposed Amended Regulations. These MOUs provide that an operator only need apply for an Oil and Gas permit that will be processed within 2 weeks, which obviously conflicts with the new requirement that operators must obtain USR approval, a process that will require at least several months. Operators require specific guidance from the County regarding this inconsistency. Furthermore, several operators have existing operations within the County and need specific guidance as to whether future site improvements or additions trigger an entire new approval process for such site.

In particular, operators that have fully complied with the existing County regulations have been forced to delay drilling operations in violation of COGCC permits and rules as a result of the recent moratorium approved by the County. The County's reversal of its position regarding oil and gas permitting regulation, moratorium and proposed Amended Regulations have stymied oil and gas development in the County and prevented operators from developing their property.

Finally, if the County will be engaging an oil and gas inspector, this process must be done through an Intergovernmental Agreement ("IGA") between the County and the COGCC that includes clear terms regarding what aspects of the Oil and Gas Facility will be inspected and stating that the enforcement authority remains with the COGCC. The IGA must also specify that operators will not be charged a fee for the County's inspection, as it is clear under C.R.S. 34-60-106(15) that the enforcement authority for oil and gas operations remains with the COGCC, and operators cannot be assessed a fee to pay for a County inspector. See *Town of Milliken v. Kerr-McGee Oil & Gas Onshore, LP*, 2013 COA 72, 12 CA 1618 (Colo. App. 2013)(Town preempted from imposing fees for inspections of oil and gas wells because the inspections concerned matters already regulated by the COGCC).

5. <u>Comparison to Arapahoe County Regulations</u>

The Staff Report issued by the County on March 14, 2016 states that the proposed Amended Regulations more closely align with the Arapahoe County regulations. To the contrary, the Amended Regulations propose significant requirements that far exceed the Arapahoe County regulations, as shown below. Accordingly, it is misleading for the County to point to the Arapahoe County ordinance as a model. COGA highlights its concerns with the proposed Amended Regulations in the summary table below, which depicts the significant differences between the Arapahoe County regulations and the proposed Amended Regulations.

Arapahoe County	Adams County
12-1903.03: allows significant and material impacts to be mitigated through conditions in the MOU or USR	4-10-02-05-02, Section 3: no mitigation provision
12-1904.01: no requirement for County to submit a list of owners to receive notice	4-10-02-05-03, Section 1: County will provide operator with a list of property owners within ½ mile to receive notice
12-1904.03: staff review of 14 working days	4-10-02-05-03, Section 3: staff review of 21 days
Emergency Preparedness Plan negotiated by Operators in MOUs with defined cost recovery	4-10-02-05-04, Section 5: an Emergency Preparedness Plan is required with a broad and undefined cost recovery provision
Transportation Plan negotiated by Operators in MOUs with no requirement to improve roads and the payment of a defined fee per well 12-1905.05.06: floodplain modification	4-10-02-05-04, Section 6.4: a Transportation Plan is required and Operators must pay "any costs to improve" infrastructure 4-10-02-05-04, Section 6.6: a
study is required	floodplain use permit is required
12-1906.03: the impact area map does not require existing improvements within 1,500 feet	4-10-02-05-05, Section 3: an impact area map must include existing improvements within 1,500 feet
12-1907: notice only to owners of adjacent parcels	4-10-02-05-06, Section 1: notice required to all owners of parcels within ½ mile; recipients can request notice of commencement of construction and drilling; notice must contain an offer to consult to any municipality or county whose boundaries are within ½ mile of the USR
12-1907: no neighborhood meeting requirement	4-10-02-05-06, Section 2: Director may require a neighborhood meeting to allow those in attendance to provide input as to proposed operation and suggested mitigation

12-1908.01: County will use best	4-10-02-05-07: County will use best
efforts to process the USR within 30	efforts to process the USR within 42
calendar days	calendar days, with Director discretion
	to send to a hearing
No provision regarding Rule 305	4-10-02-05-12: if consultation is
consultation	triggered under Rule 305(a)(1) or 305A,
	the Director may, in his discretion use
	either the USR process or Special Use
	process, or develop a case by case
	consultation process with the operator

Finally, COGA has prepared a redline of the proposed Amended Regulations, which is available to the County upon request.

For all of these reasons provided herein, COGA strongly objects to the proposed Amended Regulations and requests that the Commissioners reject the County staff and Mr. Robbins' proposal to adopt them on March 22, 2016. The Board of County Commissioners should acknowledge the effectiveness of the current MOUs, execute the remaining pending MOUs, utilize the existing regulations and MOU process, and allow the current moratorium to expire, all while continuing to engage in a true stakeholder process for the development of the proposed Amended Regulations. This action will further the progress the oil and gas industry has made in its negotiations with the County to date.

Respectfully,

Dan Haley, President and CEO Colorado Oil & Gas Association

Ja Helay

cc: Heidi Miller – Adams County Attorney
Jeff Robbins – Adams County, Special Counsel
Jen Rutter – Adams County Local Government Designee
Jamie Jost – Jost Energy Law, COGA Counsel
Anne Carto – Colorado Oil & Gas Association

TO: Jen Rutter, Planning Commission Members, County Commissioners

FROM: Louisa Muff de Lopez

RE: Comments on Planning Commission Special Hearing Staff Report

DATE: March 17, 2016

Lessons learned. Do humans ever really learn their lessons? After watching the mining industry wander if the air its employees were breathing was toxic or not, but no studies had been done so they just kept pressing on because the work had to get done and the world needed the minerals. Before the tobacco industry finally had medical proof that the smoke people was breathing actually did cause lung cancer and other illnesses, people kept smoking because there was no proof. Nuclear plants have left tons of waste that the EPA is still trying to clean up, but the work had to get done because humans needed the power. Thousands of Veterans are suffering because the chemicals used in warfare needed to accomplish a goal. The EPA is still cleaning up chemical dumps in streams and rivers across the nation because industry needed a place to relieve themselves of a burden. We find ourselves at yet another crossroads where humans are asking for more protections because even the CDPHE says there are no long term studies "yet" that can prove that VOC's produced by Oil and Gas production are harmful and that these studies are hard to produce as toxins released into the air don't travel in a behavioral direction.

Adams county residents and residents across Colorado came together asking 1st the COGCC for better protections, but only 1% of new Oil and Gas facilities will be affected by these "new" protections. We've gone to city councils, the Supreme Court, and now we come to our County to try and get the same protections that surrounding cities and counties afford their citizens. I appreciate the time and effort our County Commissioners are putting towards trying to make things better, but it seems we have found ourselves in yet another bureaucratic paper dance. Instead of changing the existing MOU, BOCC thinks it better to use the MOU to reference other documents (SUP and Adco Dev Stds and Regs), whereby denial of such documents sends us straight back to the COGCC which we is why we have come to our BOCC in the first place. I am concerned that some decisions are going to be left up to future BOCC'S and the CED director. What will their motives be?

There are still not enough protections to address the issues of OG facilities being built in or near neighborhoods and communities in general. I personally don't want my county to follow the lead of another County that offers very little protections for its citizens as well. The fact that no one government entity, save some other Counties and Cities is willing to stand up to Big Industry should be the biggest red flag of all.

I support the statements and concerns that ACCDAN is submitting as well as some additional concerns regarding the inclusion of protections for 'temporary' modular school buildings that have been in

placefor decades although not considered 'permanent structures.' Kids that attend classes in these structures deserve protections as well.

Thank you for taking the time to read these concerns and work for a better future for Adams County Citizens.

Sincerely,

Louisa Muff de Lopez

Jen Rutter

From: J. P. [jlptech@live.com]

Sent: Thursday, March 17, 2016 12:00 PM

To: Jen Rutter

Subject: Public comment to commissioners

EXTEND THE MORATORIUM.

One thing that makes America great is being able to be safe in our homes. Communities will no longer have that right when they question what our their kids breathing in, or what they are being exposed to, or if they will get cancer 10-20 years from living near these wells. How can that father in Wadley Farms have peace of mind and feel safe when a massive and hazardous industrial site is 500ft away?

It's not the American way. It is terrorism by an industry who's only goal is to make more money.

Protect the people not industry.

Jen Rutter

From: Prather, Holly [hprather@brightonco.gov]
Sent: Prather, Holly [hprather@brightonco.gov]
Thursday, March 17, 2016 12:42 PM

To: Jen Rutter

Subject: Adams County Oil and Gas Regulations

Attachments: DOC031716.pdf; Figure1PlanningInfluenceArea.pdf

Ms. Rutter,

Good afternoon. I have attached a letter regarding the Adams County draft Oil and Gas Regulations, along with an attachment to this email. Although it is difficult to see, the boundaries of our Planning Influence Area are in black (areas that have been annexed into the city are shaded in green). Please let me know if you need anything further.

Cordially, Holly Prather, AICP Community Development Director City of Brighton

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March 17, 2016 Adams County Jen Rutter, jrutter@adcogov.org

RE: City of Brighton's comments on Adams County draft Oil and Gas Regulations

The City of Brighton appreciates the opportunity to comment on the new draft Adams County Oil and Gas Regulations. The Brighton City Council ratified the City's new oil and gas ordinance regulations just over a year ago. Brighton employs a regulatory structure similar to what is being proposed by Adams County to approve oil and gas locations. An oil and gas operator that requests a new oil and gas location within the City limits of Brighton has the option of going through a conditional use process, that requires hearings before the Planning Commission and City Council, or entering into an Memorandum Of Understanding (MOU) with Brighton which would allow the location to be approved administratively. Brighton's MOU process requires site-specific conditions of approval for each application for each operator. The site-specific conditions of approval in the MOU must also be included as conditions of approval in the Operator's Form 2A permit submitted to the Colorado Oil and Gas Conservation Commission.

COMMENTS

The City of Brighton appreciates that Adams County's proposed regulations include the requirement that the operator notify, and offer to consult with, any municipality whose boundaries are within ½ mile of the proposed oil and gas location. 4-10-02-05-06 Draft Adams Cty Dev. Standards and Regs ("Draft"). Brighton requests that this notice and offer to consult be extended to the "Planning Influence Area" and the language clarified to ensure Brighton and other local governments receive that notice at least ten days prior to the application being filed with the County.

Planning Influence Area

Brighton's Planning Influence Area is a combination of its Urban Growth Area and the result of inter-governmental agreements that Brighton has entered into over the years with Adams County and other adjacent local governments. A map of this area from the City of Brighton Comprehensive Plan is attached.

Brighton's Comprehensive Plan defines the Planning Influence Area in Policy 2.1:

Policy 2.1: Planning Influence Area The full geographic area can be generally described as extending from Yosemite Street in the west to Harvest Mile Road and 136th Avenue in the east and from Weld County Road #6 in the north (with a few properties excepted) to 120th Avenue in the south (See Figure 1: Planning Influence Area for further detail). Within this area, all projects and plans proposed by both public and private entities shall be, at a minimum, commented on by the City of Brighton and, at a maximum, subject to regulatory approval by the City. The level of review performed by the City in areas outside Brighton's municipal boundaries shall be based on agreements with other neighboring jurisdictions. (Emphasis added).

In this case, the City of Brighton is not requesting the right to approve oil and gas development in the Planning Influence Area but merely to have notice of the pending application and an early opportunity to comment on it.

Timing of Notice

The language of the notice provision in the Draft does not state when the notice would be given to affected local governments or the content of that notice. To address these issues, Brighton offers the following revisions to the "Notice" section:

4-10-02-05-06 Draft

1. Notice

The applicant shall provide written notification by U.S. Mail to owners of parcels within ½ mile of the boundaries of the proposed parcel where an application for an Administrative Use by Special Review for an Oil and Gas Facility has been filed with the County. The Notice of Application shall meet the format prescribed by the County and shall be mailed no less than ten (10) days prior to the submittal date of an application for an Oil and Gas Facility to the County. The Notice of Application shall contain a statement informing the recipients of the notice that they may request written notification by the Applicant of the commencement of construction and commencement of drilling operations. The applicant shall also provide a Notice of Application written notification by U.S. Mail, which shall include an offer to consult, to any municipality or county whose boundaries are within 1/2 mile of the proposed parcel where an application for an Administrative Use by Special

Review for an Oil and Gas Facility has been filed with the County, or if the parcel falls within a designated Urban Growth Boundary or Planning Area that is filed with Adams County (See Appendix ____). The Notice of Applications shall meet the format prescribed by the County and shall be mailed no less than ten (10) days prior to the submittal date of an application for an Oil and Gas Facility to the County. The Notice of Application shall contain a statement informing the recipients of the notice that they may request written notification by the Applicant of the commencement of construction and commencement of drilling operations.

CONCLUSION

Again, the City Brighton appreciates the opportunity to comment on the regulations and looks forward to continuing a cooperative dialogue with Adams County on future oil and gas issues. Please feel free to contact me any time with any questions.

Sincerely

Holly Prather, AICP

Director of Community Development

City of Brighton

