



MEMORANDUM

USR2017-00004 Administrative Memo

Date: October 31, 2017

Case Name: Great Western – B-Farm Well Pad

Request: A Use by Special Review Permit to allow thirty (36) horizontal well on one (1) well pad for the production of oil and natural gas and one (1) production facility.

Address: Section 7, Township 1S, Range 67W (NW/4); Parcel Number 0157108200002

Zoning Designation: Agriculture-3 (A-3)

Future Land Use Designation: Mixed Use Neighborhood

Applicable regulations Section of the Development Standards and Regulations:

Per Section 4-10-02-05-09 of the County's Development Standards and Regulations, the Administrative Use by Special Review (AUSR) permit for an oil and gas facility shall automatically include as conditions of approval all provisions of the MOU executed by the applicant.

Conformity with Development Standards and Regulations:

The conditions of approval included in the AUSR permit allow the oil and gas facility to satisfy the Compatibility requirement of the Administrative Approval Criteria (Section 4-10-02-05-02).

Referral Comments/Concerns:

Of the 90 referral notices sent to property owners within one half mile of the proposed facility, five citizen comments were received and they were all in opposition of the proposal. The concerns included environmental, health, safety, home prices, traffic, light, and noise. The application and Request for Comments were also posted on the Adams County website for the review of the general public.

During the referral period, the Development Review Planner responded with guidelines for berm development and site slopes. After reviewing the landscaping plan staff determined that the applicant's submittal meets the intentions and requirements of Adams County landscaping requirements.

To provide sound and visual mitigation during the drilling and completions phase, Great Western will construct temporary walls that will be placed along the edges of the pad; this will also block out lighting that may impact nearby residences. To address the potential for

dust, the applicant is going to follow CDPHE and COGCC guidelines for dust suppression. Finally, to address the traffic concerns, the applicant has proposed that all traffic into and out of the subject site will be directly onto Highway 7, rather than through the local, county roads. In addition, since Adams County does not presently have maintenance responsibility for Highway 7, Great Western will be solely responsible for coordinating road maintenance needs directly with CDOT. Great Western has submitted a traffic control plan for State Highway 7 to Colorado Department of Transportation which has been approved and provided to Adams County.

Recommended Conditions of Approval

Conditions Precedent:

1. Pad construction and/or drilling shall not commence until combined State approval of Colorado Oil and Gas Conservation Commission (COGCC) Form 2 and 2A and County approval of AUSR permit. Drilling shall only occur during the COGCC Form 2 permit validity timeframe.
 - a. Per section 4-10-02-05-10 of the Adams County Development Standards and Regulations, proposed changes to the plans, including but not limited to, any changes in the source or location of water to be used by the Oil and Gas Facility, need to be submitted as amendments to the Administrative Use by Special Review application, reviewed by staff, and approved by the Director or BOCC (if the BOCC approved the original application).
2. Prior to initiation of construction, the applicant shall provide the applicable title commitment documents to Adams County for review of the easement rights necessary to construct the oil, water, and gas pipelines for the facility.
3. The applicant or the applicant's subcontractors may be required to obtain Oversize Load Permits and/or Rig-Move permits. These permits may be obtained through the Adams County One-Stop Customer Center.
4. Adams County has determined that noise mitigation measures will be required to provide compatibility with the surrounding area. A Sound Impact Assessment must be conducted and the operator will be required to implement the best management practices identified from the study to meet COGCC rule 802 Noise Abatement and the MOU section 9. During the drilling and completions phases, Great Western will construct sound/visual walls, in accordance with the sound study performed, that will be placed along the edges of the pad; this will block out any lighting that may impact nearby residences. The pad will be constructed in such a manner that noise mitigation may be installed and removed without disturbing the site or landscaping.
5. The applicant shall receive a "Notice to Proceed" from the Department of Community and Economic Development. Written proof that all of the conditions precedent have been satisfied shall be required prior to receiving this notice.

Conditions:

1. The approved traffic route for this permit is Interstate 25 to Highway 7, Highway 7 to the site access. The site access is located approximately 2,100 feet east from the intersection of

Highway 7 and Colorado Boulevard. This route is depicted in the site plan submitted with this application. All traffic activities associated with this site shall utilize the approved traffic route and any modification shall require an amendment to the AUSR permit.

2. Great Western intends to transport oil and/or condensate from the B-Farms pad via pipeline, as long as the following is true: a gathering pipeline by a third party company is approved and constructed; a contract between Great Western and such third-party pipeline company is negotiated and executed; a technologically and economically feasible route to install a pipeline from the B-Farms pad to such gathering pipeline is identified, and the rights-of-way or other property rights necessary or advisable to construct a connecting pipeline system are acquired. Circumstances resulting in alternative methods of product transportation will be communicated to the County.
3. The applicant has submitted a landscaping and screening plan for the site, which has been reviewed and approved by the Community & Economic Development Department staff. Screening of the site shall be provided through a combination of fencing and landscape materials. This plan shall serve as the interim restoration plan and it shall be implemented by the applicant within 90 days of completion of the construction of the final well, if all thirty-six (36) approved wells are drilled and completed at the same time. If applicant staggers well completion (i.e., completes a lesser number of wells initially with plans to complete the remaining wells at a future date), then the interim restoration plan shall be implemented within 90 days of completion of the initial set of wells.
4. Maintenance of required landscaping and fencing shall be in compliance with the Adams County Development Standards and Regulations at all times.
5. As referenced in 8.(c.) of the Great Western Oil and Gas/Adams County MOU the applicant agrees to conduct a baseline test of any registered water well requested by the owner, on a one-time basis, if such well is within a ½ mile radius of the new oil and gas facility.
6. The access road to this site shall be outfitted with a vehicle tracking pad.
7. Per Section 14 of the executed MOU, 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 negative impact to natural resources, shall be permitted to be applied to roads and land surfaces. Noise levels during the construction, drilling, completions, and production life-cycles shall not exceed levels established under COGCC 802.
8. Financial assurance shall meet or exceed the requirements of COGCC 700 Series Rules Financial Assurance and Oil and Gas Conservation and Environmental Response Fund.
9. A closed loop system will be used, as depicted in the permit application.
10. Per COGCC Rule 604.c. Overflow containment facilities shall be constructed around crude oil, condensate, and produced water storage tanks and shall enclose an area sufficient to contain and provide secondary containment for one-hundred fifty percent (150%) of the largest single tank. Berms or other secondary containment devices shall be sufficiently impervious to contain any spilled or release material.

11. Per Section 5 of the executed MOU, 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 Tri-County Health Department (TCHD) regulations concerning water quality. With respect to wastewater treatment, Operator agrees to comply with TCHD's Regulations 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 matters and required inspections.
12. Per COGCC Section 604.c (4) B. IV. Zero Flaring or venting of gas upon completion of flowback, excepting upset or emergency, or with prior written approval from the COGCC Director for necessary maintenance operations.
 - a. The applicant shall provide a copy of written COGCC Director approval to the CEDD Director within 24 hours of flaring operations and/or approval, whichever occurs first.
13. If requested by the surface owner, or practicable for site security, the fence shall contain a gate and the gate shall remain closed and locked when the well pad and associated facilities are not in use.
 - a. The local fire district shall have access to ALL gate key(s)/combination(s) at all times for use in case of emergency.
 - b. Adams County oil & gas inspector shall have access to ALL gate key(s)/combination(s) at all times for use in case of emergency.
14. Applicant is required to receive an approved waiver of responsibility/completion of reclamation from Adams County upon abandonment and reclamation of well pad and associated facilities.
15. Well pad, associated facilities, and access road shall be free of any county and state identified noxious weeds throughout the drilling, completion and production portions of operations.
16. A tabletop exercise pertaining to the Emergency Response Plan will be required. This may be requested by the County's Local Government Designee, Emergency Manager, Local Emergency Planning Commission, Sheriff's Office, site-specific Fire District, or Transportation Department.
17. All representations and commitments of the applicant made during the AUSR process are incorporated herein as conditions of approval.

Based on the criteria for Approval outlined in Section 4-10-02-05-02 of the County's Development Standards and Regulations, the Director officially issues an **Approval of the request.**



Kristin Sullivan, AICP
Director, Community & Economic Development