



Community & Economic Development Department

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MEMORANDUM

USR2016-00007 Administrative Memo

Date: August 7, 2017

Request: A Use by Special Review Permit to allow sixteen (16) horizontal wells on one (1) well pad for the production of oil and natural gas and one (1) production facility.

Address: Section 25, Township 1S, Range 66W (SW/4 SE/4)
Parcel number 0156925400003

Zoning Designation: Agriculture-3 (A-3)

Future Land Use Designation: Mixed Use Employment

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 nineteen (19) referral notices sent to property owners within one half mile of the proposed facility, four (4) citizen comments were received and they were all in opposition of the proposal. The concerns included environmental, health, safety, traffic, 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, Development Review Engineering responded with concerns regarding road wear impacts to Piccadilly Road and 128th Avenue. Impacts to Piccadilly Road are estimated at \$2,000 per well, which Extraction Oil and Gas agrees to pay prior to starting any work. 128th Avenue is a rural gravel road and the impacts to that road will be addressed in a Road Maintenance Agreement.

To provide sound and visual mitigation during the drilling and completions phase, Extraction Oil and Gas 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 using a gravel surface for the well pad and access road in addition to applying water to the road and pad surface. Finally, to address the traffic concerns, the applicant has proposed that all traffic into and out of the subject site will be directed from 128th Avenue onto Piccadilly Road, which is the most direct route to a state highway.

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. Adams County has determined that visual mitigation of the site is required to provide compatibility with the surrounding area. Prior to initiation of drilling, the applicant shall submit a landscaping and screening plan for the site to be 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, as determined by the County through the review and approval of the landscape and screening plan. The screening and landscaping plan shall be designed to provide compatibility with the future development of the area. With this respect, Adams County highly recommends consultation with the surface landowner. This plan shall be implemented by the applicant within 90 days of conclusion of the completion of the final well, if all sixteen 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 landscape plan shall be implemented within 90 days of completion of the initial set of wells, taking into account the planting season.
3. Adams County has determined that noise mitigation measures will be required to provide compatibility with the surrounding area. Such measures shall be identified by the sound study to be completed by the applicant and approved by the County. During the drilling and completions phase, Extraction will construct sound/visual walls 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.

4. 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.
5. The applicant shall obtain all required access permits and oversized load permits from Adams County.
6. The applicant shall pay a total of \$32,000 for anticipated road impacts to Piccadilly Road. This payment shall be remitted prior to any commencement of the use, including well pad construction.
7. Execution of a Road Maintenance Agreement for the affected portion of 128th Avenue will be required prior to the commencement of the use, including well pad construction.
8. The applicant shall receive a "Notice to Proceed" from the Department of Community and Economic Development. Written proof that all of the conditions precedents have been satisfied shall be required prior to receiving this notice.

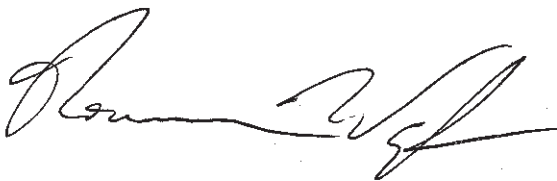
Conditions:

1. The approved traffic route for this permit is site access to 128th Avenue, 128th Avenue to Piccadilly Road, Piccadilly Road to 152nd Avenue, 152nd Avenue to Interstate 76. This route is depicted in the site plan submitted with this application.
2. Maintenance of required landscaping and fencing shall be in compliance with the Adams County Development Standards and Regulations at all times.
3. As referenced in 8(c.) of the Extraction Oil & 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.
4. The access road to this site shall be outfitted with a vehicle tracking pad.
5. The applicant shall be responsible for the cleanliness and safety of all roadways adjacent to this site. If at any time, these roadways are found to be dangerous, not passable due to debris or mud, or found to be a nuisance due to tracking of sediment or other debris, Adams County will shut down the project until the roadway conditions have improved and are deemed acceptable. If the contractor/applicant fails to keep the adjacent roadways clean and free from debris, the County has the option to do the required clean up and bill the charges directly to the applicant, Extraction Oil & Gas.
6. Noise levels during the construction, drilling, completions, and production life-cycles shall not exceed those outlined in COGCC Section 802.

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.
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. Use of pits is prohibited.
11. Steel-rimmed berms and synthetic liners shall be required for all overflow containment facilities
 - a. Per COGCC Rule 604.c. G 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.
12. 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 as required inspections.
13. 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.

14. Upon conclusion of construction, drilling, and completion, the site shall be fenced according to the Adams County Development Standards and Regulations Section 4-10-01-03.
 - a. The Adams County Oil & Gas Inspector and the local fire district shall have access to all gate key(s)/combination(s) at all times for use in case of emergency.
15. 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.
16. 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.
17. 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, Sherriff's Office, site-specific Fire District, or Transportation Department.
18. 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.**



Norman Wright, AICP
Director, Community & Economic Development