



MEMORANDUM

USR2018-00010 Administrative Memo

Date: April 23, 2019

Request: A Use by Special Review Permit to allow twenty-six (26) horizontal well on one (1) well pad for the production of oil and natural gas and one (1) production facility.

Address: Section 2, Township 1S, Range 67W, Parcel number 0157102100003

Zoning Designation: Agriculture-3 (A-3)

Future Land Use Designation: Agriculture

Applicable regulations Section of the Development Standards and Regulations:

Per Section 4-10-02-03-03-06 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 4-10-02-03-03-07-02).

Referral Comments/Concerns:

Of the 224 referral notices sent to property owners within one-half (1/2) mile of subject parcel boundary, one comment was received during the referral period and one comment was received after the referral period. The concerns expressed included potential structural impacts to nearby residences as well as a request to plug and abandon specific oil and gas wells located in the area. The application and Request for Comments were also posted on the Adams County website for review by the general public. These concerns have been addressed by the applicant, the COGCC Rules, the Adams County Development Standards and Regulations, and the Conditions of Approval attached to this application.

Adams County reviewed the application and provided comments specific to the landscaping plan and visual mitigation. Additional information was also requested concerning the proposed pipelines for transporting the produced oil from the site. The applicant responded to staffs comments and there are no outstanding issues or concerns.

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 4-10-02-03-03-07-10 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, shall 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 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 by the study in order to meet COGCC rule 802 Noise Abatement and the MOU section 9.
3. A traffic impact fee in the amount of \$549,665.00 for the construction and production of twenty-six (26) oil and gas wells using product pipelines is due prior to ground disturbing activities.
4. The applicant shall receive a "Notice to Proceed" from the Department of Community and Economic Development. Written proof that all of the condition precedents have been satisfied shall be required prior to receiving this notice.

Conditions:

1. Great Western is required to provide notice to parcel owners and occupants located within a one-half (1/2) mile radius of the parcel boundary on which the well pad is located at least fourteen (14) days prior to the commencement of any drilling or completions operations.
2. 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 half (1/2) mile radius of the new oil and gas facility.
3. The applicant or the applicant's subcontractors may be required to obtain Oversize Load Permits, and/or Access Permits, and/or a Right-of-Way Construction Permit. These permits may be obtained through the Adams County One-Stop permit center.

4. Per Section 12 of the executed MOU, Great Western will construct the lease/access road to be capable of supporting a 75,000-pound emergency response vehicle. 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, Adams County staff determines these roadways to be dangerous or not passable due to debris or mud, the applicant will cease use of the roadways until the roadway conditions have improved and are deemed acceptable by the County. If the contractor/applicant fails to keep the adjacent roadways clean and free from debris, Adams County has the option to complete the required clean up and bill the charges directly to the applicant, Great Western.
6. 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 the 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.
7. Per Section 5 of the executed MOU, in an effort to reduce truck traffic, where feasible, the Operator will identify a water source close to the facility location that is lawfully available for industrial use, including oil and gas development, to be utilized by the operator and its suppliers. The Operator will comply with the Colorado Department of Public Health and Environment requirements and Tri-County Health Department (TCHD) regulations that address water quality. With respect to wastewater treatment, the 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 necessary applications and required inspections.
8. The approved traffic route for travelling to and from the site will be as follows:

Route (To Site)

1. Direct access off of Highway 85 to 168th Avenue.
 2. 168th Avenue to access road
 3. Left turn onto access road to site
- * Egress from the site will be the same route in reverse order

Alternative (To site)

1. Interstate 25 to Highway 7
 2. Right on Highway 7 to Havana street
 3. Left on Havana Street to 168th Avenue
 4. Right on 168th Avenue to Access Road
- * Egress from the site will be the same route in reverse order

9. Great Western intends to transport oil from the Baseline well pad via pipeline. Connection to the pipeline is planned to be completed by a 3rd party prior to production of oil. In the event that the 3rd party produced oil pipeline is temporarily out of service, Great Western is permitted to store produced oil on site. Under these circumstances Great Western may truck oil from the site for a short period of time. If it is estimated that the pipeline downtime will be less than 7 calendar days, Great Western will provide Adams County with a written notice which includes an estimate of the number of trucks, length of time trucking will occur, and the truck route that will be required for transporting the produced oil prior to trucking operations beginning. If it is estimated that pipeline downtime will go beyond 7 calendar days, Great Western will provide Adams County with a written notice which includes an estimate of the number of trucks, length of time trucking will occur, and the truck route that will be required for transporting the produced oil. Adams County agrees to provide a written decision no later than 72 hours after receipt of a request for the use of trucks for the transportation of oil for more than 7 calendar days. Adams County cannot deny the request without reasonable cause. Adams County reserves the right to re-evaluate the Traffic Impact and Maintenance Fee based on the information provided by Great Western if the estimated trucking time is more than 30 calendar days when requesting to transport produced oil via trucks.
10. Prior to initiation of production, the applicant will submit to the county written certification that the facility is connected to a pipeline for the transfer of product off-site.
11. 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 ninety (90) days of completion for the construction of the final well if all twenty-six (26) approved wells are drilled and completed at the same time. If the 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 ninety (90) days of completion of the initial set of wells.
12. If additional material is brought to the site for construction of the berms, an inert fill permit is required. The permit type (temporary, special, conditional) will be based on the length of hauling time and volume of fill.
13. An engineering review application is required as part of the building permit review process in order to verify the structural and drainage aspects of the proposed berms.
14. 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.
15. Applicant is required to receive an approved Waiver of Responsibility/Completion of Reclamation from Adams County upon abandonment and reclamation of the well pad and its associated facilities.
16. Well pad, its associated facilities, and the access road shall be free of any County and State identified noxious weeds throughout the drilling, completion, and production stages of operation.
17. Upon request by the County's Local Government Designee, Emergency Manager, Local Emergency Planning Commission, Sheriff's Office, site-specific Fire District, or Transportation Department, a tabletop exercise pertaining to the Emergency Response Plan will be required.
18. 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.
19. All permanent lighting shall be directed downward and internally. Temporary lighting shall conform to COGCC Rule 803 and not adversely affect adjacent residential properties. Any complaints regarding lighting shall be communicated to the Adams County Oil & Gas Liaison in order to ensure resolution.
20. Provided at least one well is drilled and completed within a three (3) year period following approval of a multi-well pad locations, such approval permanently vests the permitted location for the number of wells as contained within the initial permit approval. If additional wells are to be drilled following expiration of the initial three (3) year period, the permits for those wells shall be revised pursuant to the Development Standards and Regulations section 4-10-02-03-03-07-07(3).
21. All representations and commitments by the applicant made during the AUSR process are incorporated herein as conditions of approval.

Based on the Criteria for Approval outlined in Section 4-10-02-03-03-07-02 of the County's Development Standards and Regulations, the Director officially issues an **Approval of the request.**

A handwritten signature in black ink, appearing to read "Bryan Ostler". The signature is fluid and cursive, with a large loop at the end.

Bryan Ostler
Deputy County Manager
Interim Director, Community & Economic Development