



MEMORANDUM

USR2018-00003 Administrative Memo

Date: November 13, 2018

Case Name: PetroShare - Wakeman Well Pad

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

Address: Section 20, Township 1S, Range 65W; Parcel number 0156720400003

Zoning Designation: Agriculture-3

Future Land Use Designation: Agricultural

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 thirty-one (31) referral notices sent to property owners and occupants located within one-half mile of the subject parcel boundary, one comment was received. The application and Request for Comments were also posted on the Adams County website for review by the public. The concerns presented by the resident include traffic impacts, noise impacts, and general compatibility with the area. 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.

During the referral period, Adams County Development Services responded with concerns about the visual mitigation plan and its conformance with the Development Standards and Regulations; the applicant has since provided a plan that meets the specified requirements. Visual mitigation will be implemented as interim restoration and will consist of native grasses and matte black chain link fence. Adams County Development Services also requested additional information regarding the water wells that will be used for sampling, as

well as the pipes that will be used for transporting product off-site. The applicant has provided the additional information.

Brighton Fire District, the Colorado Department of Public Health and Environment (CDPHE), and Tri-State Generation and Transmission Association responded with comments, which have been addressed by the applicant.

To provide sound and visual mitigation during the drilling and completions phase, PetroShare 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. PetroShare will be utilizing pipelines for water, oil, and natural gas, reducing on-site storage and truck traffic. Finally, the applicant has proposed that all traffic into and out of the subject site will be directed from Powhatan Road to East 152nd Avenue or East 120th Avenue to US-85, depending on the desired direction of travel on US-85.

Responding without Concerns:

The Federal Aviation Administration (FAA)
Colorado Parks and Wildlife

Notified but not Responding / Considered a Favorable Response:

Adams County Office of Emergency Management
Adams County Sheriff's Office
Brighton School District 27J
Tri-County Health Department

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 4-10-02-03-07-10 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. 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.

3. A traffic impact fee in the amount of \$314,721 for the construction and production of 16 oil and gas wells using fresh water and 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 conditions precedents have been satisfied shall be required prior to receiving this notice.

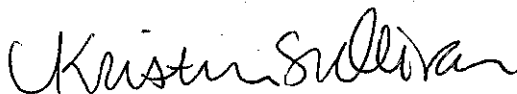
Conditions:

1. The approved traffic route for travelling to and from the site will depend on the general direction of travel when US-85 is reached.
 - a. Traffic intending to travel north on US-85:
North on Powhatan Road from the access road;
West on East 152nd Avenue to US 85
 - b. Traffic intending to travel south on US-85:
South on Powhatan Road from the access road;
West on East 120th Avenue to US-85
2. The applicant shall implement the best management practices as identified in the Ambient Sound Study provided as part of the application and provided in Exhibit 2.3 (Ambient Sound Study). These mitigation measures include 16-foot high sound walls around the equipment within the site during drilling and hydraulic fracturing (completion) operations. Noise levels during the construction, drilling, completions, and production life cycles shall not exceed those outlined in COGCC Section 802.
3. The applicant shall submit written certification that the facility is connected to a pipeline for the transfer of product off-site prior to the initiation of production.
4. Once the wells are producing, the on-site storage shall be limited to two oil tanks and two water tanks. The tank battery shall be painted in uniform, non-contrasting, non-reflective color tones with the colors matched to but slightly darker than the surrounding landscape.
5. 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 final well, if all sixteen (16) approved wells are drilled and completed at the same time. If the applicant develops the facility in phases (i.e., completes a lesser number of wells initially with plans to drill and complete additional wells at a future date), then the interim restoration plan shall be implemented within 90 days of completion of the initial set of wells.

6. 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.
7. Maintenance of required landscaping and fencing shall comply with the Adams County Development Standards and Regulations at all times.
8. 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.
9. 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.
10. As referenced in 8(c.) of the PetroShare/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.
11. PetroShare is required to provide notice to parcel owners and occupants located within a one-half mile radius of the parcel boundary on which the well pad is located at least 14 days prior to the commencement of any drilling or completions operations.
12. 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.
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 request by the County's Local Government Designee, Emergency Manager, Local Emergency Planning Commission, Sherriff's Office, site-specific Fire District, or Transportation Department, a tabletop exercise pertaining to the Emergency Response Plan will be required.

15. 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 Inspector in order to ensure resolution.
16. Per Section 12 of the executed MOU, PetroShare will construct the lease/access road to be capable of supporting a 75,000-pound emergency response vehicle.
17. 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.
18. 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.
19. 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