# Welcome to Commerce City's Oil and Gas Open House

Thank you for attending tonight's open house. This event is being held by the city and also includes representatives from Extraction Oil & Gas, the operator proposing most of the new oil and gas development in Commerce City.

## **Meeting purpose:**

- 1. Educate residents about various aspects of the oil and gas development being proposed within the city.
  - (Note: Detailed information about individual well pad sites will be discussed at future neighborhood meetings)
- 2. Collect public comment on oil and gas topics, especially the draft Best Management Practices (BMPs) being negotiated with Extraction to protect health, safety and quality of life for residents

### How do I submit comments?

- Write comments on your handout and give it to city staff before you exit
   OR
- Enter your comments digitally at a computer at the comment station

# How will my input be used?

Public comments from tonight's open house will:

- Help inform the city's ongoing negotiations with Extraction Oil & Gas and other future operators
- By request, comments will be submitted to the state as part of the city's formal response to state permit applications

### **Meeting format:**

- There will be no formal presentation. A series of stations are set up to address specific topics with staff members present to provide more information and answer questions.
- We encourage healthy discussion and exchange of opinions, but request that all attendees are respectful and courteous to one other.

### To stay informed and engaged:

- Submit your comments tonight
- Look for updates online at c3gov.com/OilGas
- Attend city council meetings for monthly updates, guest speakers and other oil and gas discussions
- Join us for future neighborhood meetings about individual well pad sites

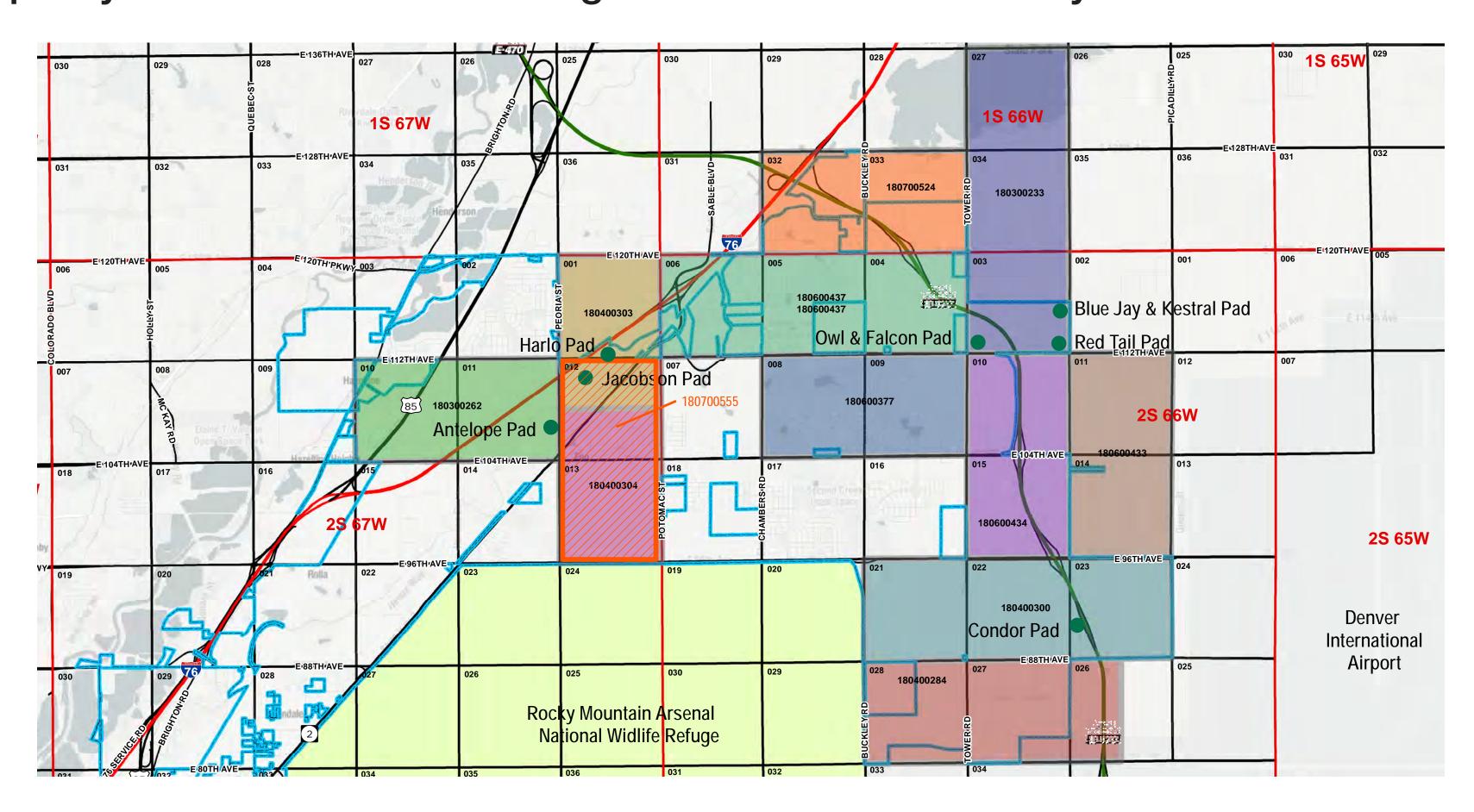




# Oil and Gas in Commerce City: Why are we here?

# **Renewed industry interest**

In spring 2018, interest in new oil and gas development in the city's northern range increased significantly, with a large number of new permit applications submitted to the state. While drilling in the area has occurred before, the city has not experienced new activity in many years. This change has sparked a new conversation about how best to protect resident health, safety and quality of life while also meeting the needs of the industry.



### Where we stand with proposed oil and gas activity:

- Three different operators have applied with the state for permits to drill new wells within Commerce City
- To date, a total of 8 new well pad sites have been proposed
  - Of these 8 sites, 6 are being pursued by Extraction Oil & Gas
  - Other operators are Petro Operating, LLC and Great Western Operating
  - Additional well pad locations may still be proposed
- No permits have yet been approved by the state, and the city has not yet received any permit applications

# What is the city's role?

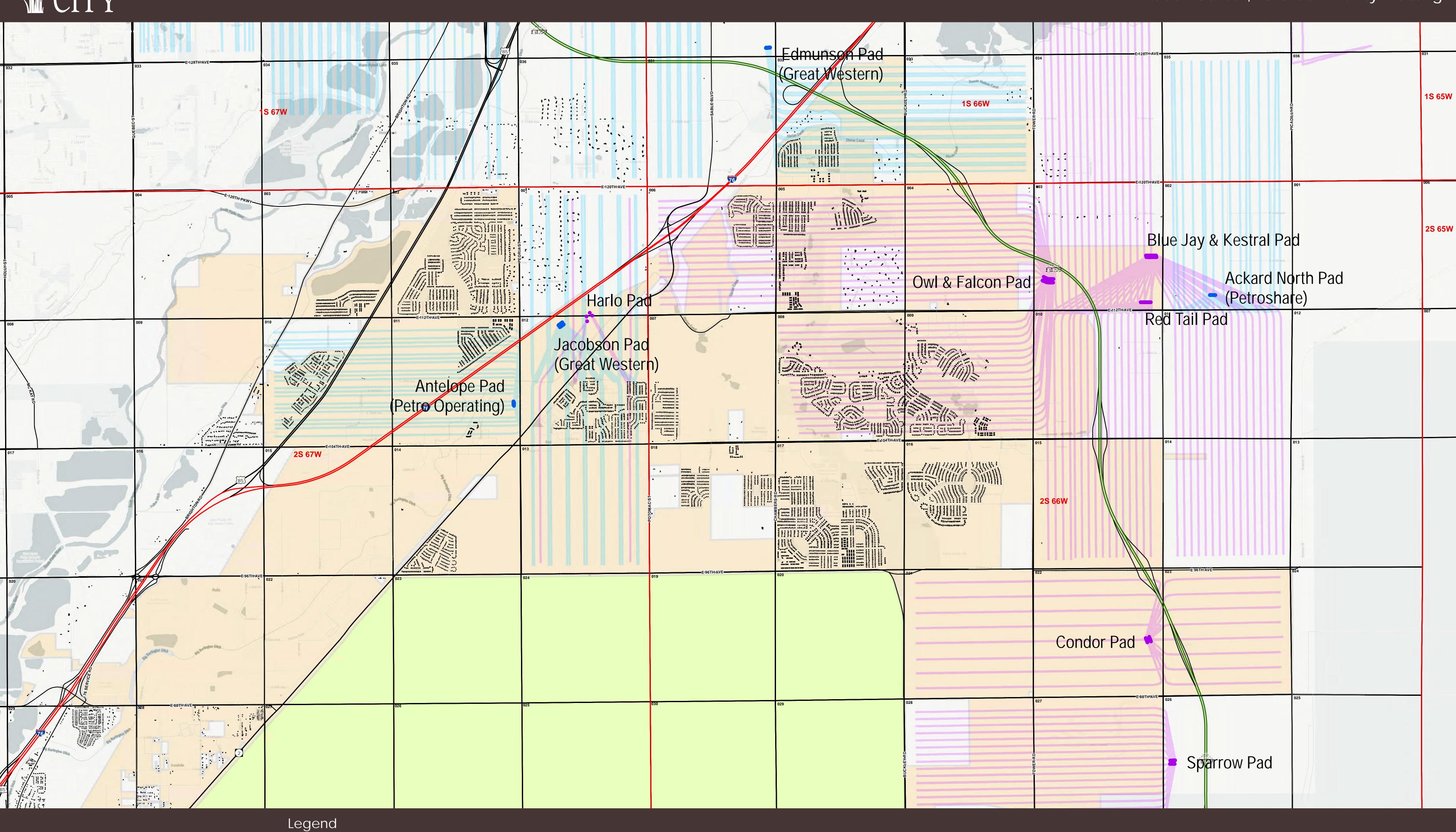
In Colorado, oil and gas development is regulated by a state agency called the Colorado Oil and Gas Conservation Commission (COGCC), a division of the Colorado Department of Natural Resources. COGCC manages most aspects of oil and gas activity and handles the state permitting process.

The city can regulate certain surface-level activities related to oil and gas drilling within city limits. The city's land development code (LDC) requires operators to obtain a city oil & gas permit and sign an extraction agreement with the city prior to any new activity.

The city's priority is to minimize impacts and maximize protections for residents related to all potential oil and gas-related activities.

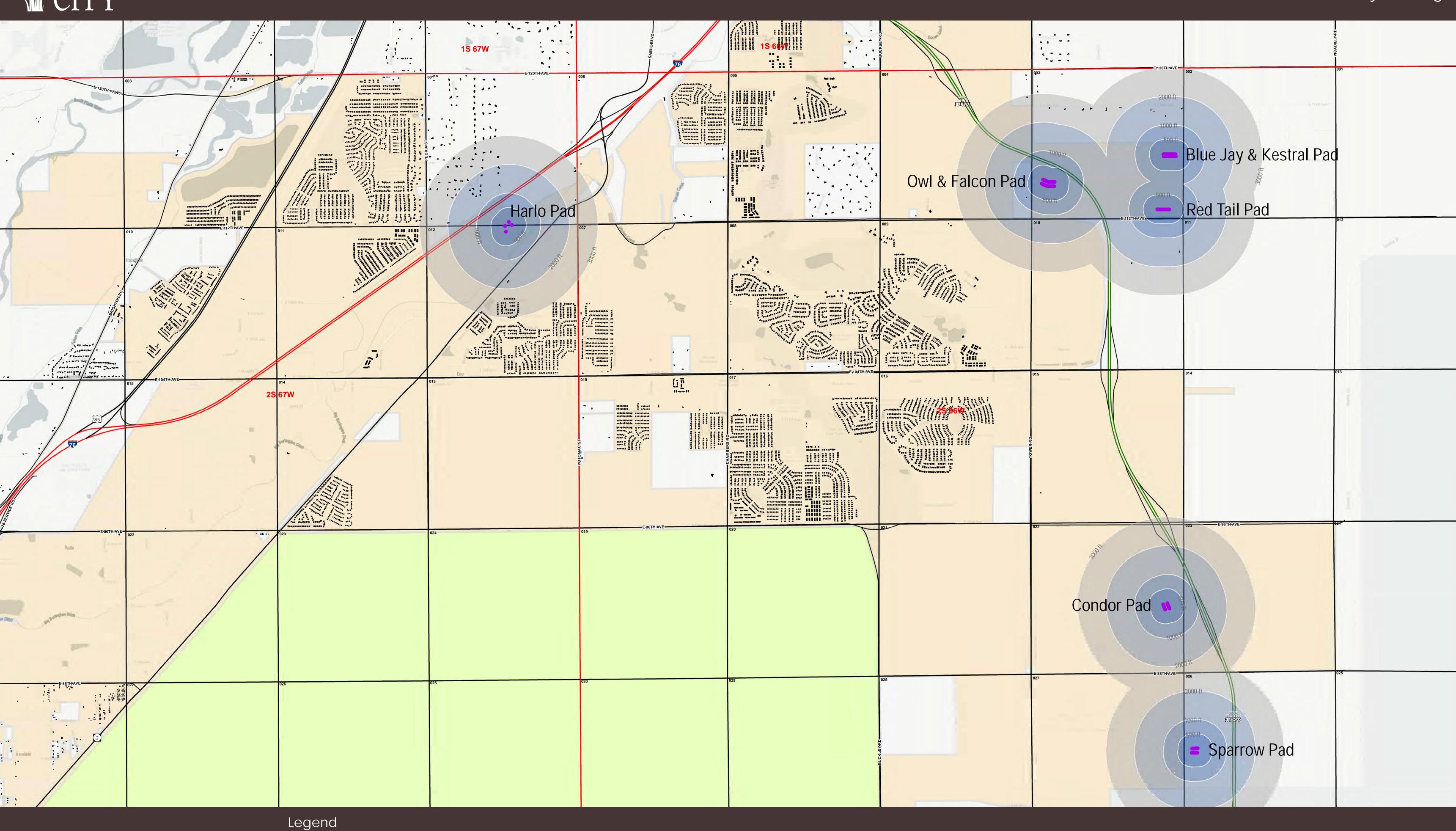


December 6th, 2018 Community Meeting



# Setbacks From Proposed Extraction Sites

December 6th, 2018 Community Meeting



6,400



# Oil and Gas in Colorado: State vs. Local Regulation

### What is the Colorado Oil and Gas Conservation Commission (COGCC)?

The Colorado Oil and Gas Conservation Commission (COGCC) is a state agency charged with fostering the responsible development of Colorado's oil and gas natural resources in a manner consistent with the protection of public health, safety, and welfare, including the environment and wildlife resources.

Learn more at cogcc.state.co.us

COLORADO OIL
AND GAS CONSERVATION
COMMISSION
(COGCC)

COLORADO
DEPARTMENT OF NATURAL
RESOURCES (DNR)

• COGCC regulates all oil and gas activity in Colorado
• Comprised of 9 commissioners appointed by the

- Comprised of 9 commissioners appointed by the Governor, with different areas of expertise
- Issues all types of state permits, including:
  - Spacing unit: identifies broad areas where drilling can occur horizontally and how many wells
  - Form 2: provides details on each individual well bore, including cementing and casing
  - Form 2A: identifies specific surface locations for well pad sites
- Applications must meet established state criteria and be open for public comment before approval

input from

COLORADO

DEPARTMENT OF PUBLIC HEALTH

AND ENVIRONMENT

(CDPHE)

### **Local Regulation**

- The city has the authority to regulate certain surface-level aspects of oil and gas activity
- The Colorado Supreme Court has ruled that local governments <u>cannot</u> prohibit oil and gas development outright or set regulations that are in conflict with state law
- The city <u>can</u> negotiate with operators to determine Best Management Practices (BMPs) that go beyond requirements in state law, since these are agreed upon with the operator and not mandated by city regulations



# Oil and Gas in Commerce City: City Permitting Process

# CITY REGULATIONS REGIONAL OPERATOR AGREEMENT (optional) CITY OIL AND GAS PERMIT

- Required by the city's Land Development Code (LDC) for every well pad site
- Covers detailed information related to specific impacts at each pad location
- The Colorado Supreme Court has ruled that city regulations, such as those required to obtain a permit, cannot conflict with state law

# PERMIT APPROVAL

• If the application meets all city regulations and satisfies requirements in the operator and/or extraction agreements, it will be approved by city staff

INSPECTIONS AND OVERSIGHT

- The city can negotiate an operator agreement setting broad requirements for all of a single operator's well pad sites in the city
- Includes Best Management Practices (BMPs) to help minimize impacts and maximize protections for residents

# EXTRACTION AGREEMENT

- Specific to each individual well pad site
- Can include additional BMPs not included in the operator agreement that are specific to a well pad location

# SITE-SPECIFIC NEIGHBORHOOD MEETINGS

 Held with nearby residents prior to approval of the city oil and gas permit

OPERATOR
CAN BEGIN NEW
NEW OIL AND GAS
OPERATIONS



# BEST MANAGEMENT PRACTICES (BMPs)

City staff is negotiating with Extraction to determine a series of Best Management Practices (BMPs) applying to their operations in Commerce City. These BMPs are designed to help minimize impacts and maximize protections for residents. In many areas, the current draft BMPs exceed requirements from the COGCC.

# TOPICS COVERED IN DRAFT BMP









Noise mitigation







Use of pipelines



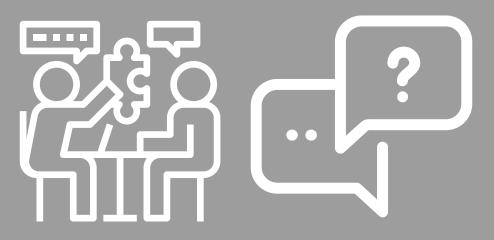
**Q** Inspections



# HOW ARE THESE BMPs BEING DEVELOPED?













Staff assessed code regulations from other cities and counties in Colorado, state regulations, previous agreements signed between operators and cities, and common best industry practices.

Over the course of many months, the city met with Extraction to form a dialogue, determine how these practices could apply to their proposed sites, and minimize their impact on the community.

After input from different stakeholders, government entities and the public is collected and incorporated into the document, the BMPs will become an exhibit to the regional operator agreement, and apply to Extraction's proposed sites.



# COMMERCE CITY BMPs vs. STATE REGULATIONS

The following examples highlight topic areas where the city was able to make significant progress in negotiating BMPs that go above and beyond state regulations to protect resident health, safety and quality of life.

TOPIC

# PROPOSED BMP

# COGCC REQUIREMENT

SAIR QUALITY

ELECTRIC POWERED DRILL RIG, COMPRESSORS, AND LIFT EQUIPMENT REQUIRED

\$20,000 ANNUAL PAYMENT FOR AIR QUALITY MONITORING

GLYCOL AND DESSICANT DEHYDRATORS ARE PROHIBITED

INCREASED INSPECTION FREQUENCY

OIL PIPELINE - NO STORAGE TANKS

LEAK DETECTION AND REPAIR PROGRAM - ENHANCED TECHNOLOGY AND MONITORING TIMELINES

NOT REQUIRED

ANNUAL MONITORING NOT REQUIRED

**ALLOWED** 

AS FEW AS 1 INSPECTION / YEAR BASED ON PRODUCTION

NOT REQUIRED

NO TIMELINE REQUIREMENTS

WATER QUALITY

PROHIBITION OF 15 FRACKING CHEMICALS KNOWN
TO BE DANGEROUS

INJECTION WELLS PROHIBITED

NO DRILLING WITHIN FLOODWAYS

WASTEWATER REQUIRED TO BE PIPED FROM WELLPADS

NO BAN ON SPECIFIC HYDRAULIC FRACTURING CHEMICALS

NOT PROHIBITED

ALLOWED

TRUCKING OF WASTEWATER ALLOWED

SAFFTY

FLOWLINES REQUIRED TO BE REMOVED

SITE SECURITY PLAN FOR EACH WELL PAD

OPERATOR ASSISTANCE WITH EMERGENCY RESPONSE TRAINING

REMOVAL OF FLOWLINES NOT REQUIRED

NOT REQUIRED

NOT REQUIRED



# COMMERCE CITY BMPs vs. STATE REGULATIONS

The following examples highlight topic areas where the city was able to make significant progress in negotiating BMPs that go above and beyond state regulations to protect resident health, safety and quality of life.

TOPIC

# PROPOSED BMP

# COGCC REQUIREMENT

NOISE MITIGATION NOISE MITIGATION PLAN REQUIRED IF WITHIN

1/4 MILE OF A HOME

CONTINUOUS NOISE MONITORING IF WITHIN 1/4 MILE OF A HOME

QUIET FLEET TECHNOLOGY REQUIRED IF WITHIN 1/4 MILE OF A HOME

NOISE MAY NOT EXCEED 55db or 4db OVER BASELINE LEVEL

PIPELINES - NO STORAGE TANKS

NO PUMPJACKS ALLOWED

STAGED LANDSCAPING REQUIREMENT

NOTIFY ADJACENT NEIGHBORS OF DRILLING, INCIDENTS, AND ACCIDENTS

BI-ANNUAL UPDATE TO CITY COUNCIL

OPERATOR WILL MAINTAIN A 24/7 COMPLAINT RESPONSE HOTLINE

NOT REQUIRED IN THIS CIRCUMSTANCE

NOT REQUIRED

NOT REQUIRED

MAXIMUM 80DB(A) ADJACENT TO RESIDENTIAL

NOT REQUIRED

ALLOWED

NO LANDSCAPE REQUIREMENT

NOT REQUIRED

NOT REQUIRED

NOT REQUIRED

COMMUNITY OUTREACH

VISUAL

MITIGATION



# COMMERCE CITY BMPs - GENERAL OVERVIEW

The following is a general overview of items that are regulated in the Best Management Practices Document. All items either meet or exceed COGCC Requirements.

TOPIC

PROPOSED BMP

ELECTRIC POWERED DRILL RIG, COMPRESSORS, AND LIFT EQUIPMENT REQUIRED

\$20,000 ANNUAL PAYMENT FOR AIR QUALITY MONITORING

GLYCOL AND DESSICANT DEHYDRATORS
ARE PROHIBITED

INCREASED INSPECTION FREQUENCY

OIL PIPELINE - NO STORAGE TANKS

LEAK DETECTION AND REPAIR PROGRAM ENHANCED TECHNOLOGY AND
MONITORING TIMELINES

HIGH EFFICIENY COMBUSTION REQUIREMENTS

PROHIBITION OF 15 FRACKING CHEMICALS
KNOWN
TO BE DANGEROUS

INJECTION WELLS PROHIBITED

NO DRILLING WITHIN FLOODWAYS

WASTEWATER REQUIRED TO BE PIPED FROM WELLPADS

FLOWLINES REQUIRED TO BE REMOVED

SITE SECURITY PLAN FOR EACH WELL PAD

OPERATOR ASSISTANCE WITH EMERGENCY RESPONSE TRAINING

RISK MANAGEMENT PLAN

SAIR QUALITY

**WATER QUALITY** 





# COMMERCE CITY BMPs - GENERAL OVERVIEW

The following is a general overview of items that are regulated in the Best Management Practices Document. All items either meet or exceed COGCC Requirements.

TOPIC

PROPOSED BMP



PIPELINES - NO STORAGE TANKS

NO PUMPJACKS ALLOWED

STAGED LANDSCAPING REQUIREMENT

UP TO 30 FOOT SOUND WALLS DURING DRILLING

LOW PROFILE VESSELS

NOISE

MITIGATION

NOISE MITIGATION PLAN REQUIRED IF WITHIN 1/4 MILE OF A HOME

CONTINUOUS NOISE MONITORING IF WITHIN 1/4 MILE OF A HOME

QUIET FLEET TECHNOLOGY REQUIRED IF WITHIN 1/4 MILE OF A HOME

NOISE MAY NOT EXCEED 55db OR 4db
OVER BASELINE LEVEL

C-SCALE NOISE MITIGATION

COMMUNITY OUTREACH NOTIFY ADJACENT NEIGHBORS OF DRILLING, INCIDENTS, AND ACCIDENTS

BI-ANNUAL UPDATE TO CITY COUNCIL

OPERATOR WILL MAINTAIN A 24/7 COMPLAINT RESPONSE HOTLINE

ENHANCED ENVIRONMENTAL DILIGENCE AROUND PREVIOUSLY DRILLED WELLS

RECLAMATION

RECLAMATION PLAN REQUIRED
-INTERIM RECLAMATION: LANDSCAPING AND BERMING
-FINAL RECLAMATION: RESTORE TO ORIGINAL STATE
AND REMOVE EQUIPMENT



# COMMERCE CITY BMPs - GENERAL OVERVIEW

The following is a general overview of items that are regulated in the Best Management Practices Document. All items either meet or exceed COGCC Requirements.

TOPIC

PROPOSED BMP

USE OF PIPELINES

BMPs REQUIRES PIPELINE UTILIZATION

OPERATOR WILL UTILIZE PIPELINES FOR TRANSPORTING OIL, GAS, AND WATER

MANY BMPs ARE DIRECTLY ATTRIBUTED TO
THE UTILIZATION OF PIPELINES
-SIGNIFICANTLY REDUCED TRUCK TRAFFIC
-NO STORAGE TANKS
-REDUCED EMISSIONS & DUST

EMERGENCY RESPONSE

24 HOUR EMERGENCY CONTACTS WITH EXTRACTION

FIRE DISTRICT APPROVAL OF RESPONSE PLAN

**EMERGENCY EVACUATION PLAN** 

NEARBY NEIGHBOR NOTIFICATION OF PLANNED SITE ACTIVITIES

Q INSPECTIONS

AT LEAST ONE INSPECTION PER YEAR, WHERE CITY WILL BE PRESENT

CITY ALLOWED ONTO PADS FOR AIR SAMPLING (NON-COGCC INSPECTION)

24 HR INSPECTION AUTHORITY FOR THE CITY

TRANSPORTATION

TRAFFIC CONTROL PLAN REQUIRED

-TRUCK ROUTING MAP

-ACCESS LOCATIONS

-HAUL ROUTES

-ESTIMATED VOLUMES

MUD TRACKING MEASURES

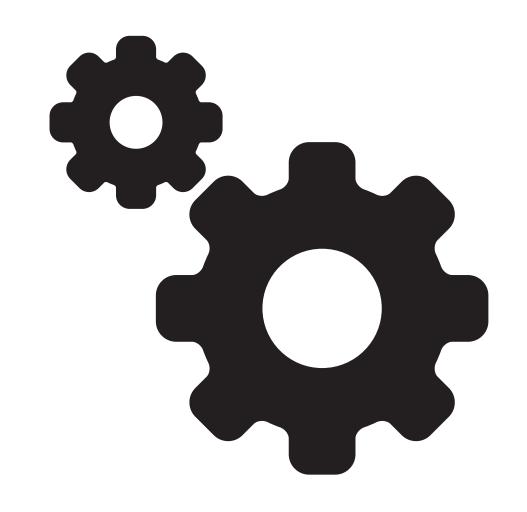
ROAD IMPACT FEE (CURRENTLY UNDER DEVELOPMENT BY THIRD PARTY) - WILL APPLY TO ALL SITES



# REGIONAL OPERATOR AGREEMENT

The regional operator agreement is a document negotiated between the operator and the city, providing a vehicle to apply the Best Management Practices document to the proposed sites within the city. The specific terms and conditions of the operator agreement are still currently conceptual in nature, but the city's priority is to establish content that minimizes impacts and maximixes protections for residents before executing the agreement.

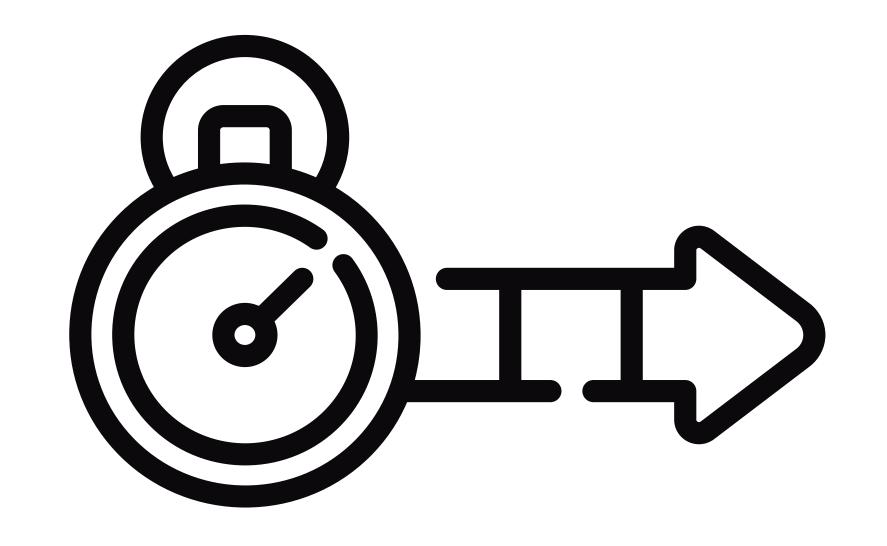
# CONCEPTS OF REGIONAL OPERATOR AGREEMENT



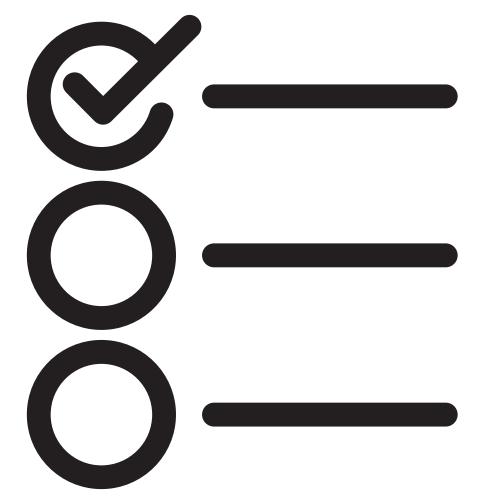
PROVIDE A MECHANISM TO ALLOW THE CITY TO REQUIRE BMPs



ESTABLISH ALL LOCATIONS



ESTABLISH A DRILLING AND PERMITTING TIMELINE



FORMALIZE APPLICATION
REQUIREMENTS AND PLANS
TO BE SUBMITTED (TRAFFIC,
NOISE MITIGATION, ETC)

# WHAT IS THE BENEFIT?

The agreement provides the city the ability to require additional protections that are generally above and beyond state regulations.