

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

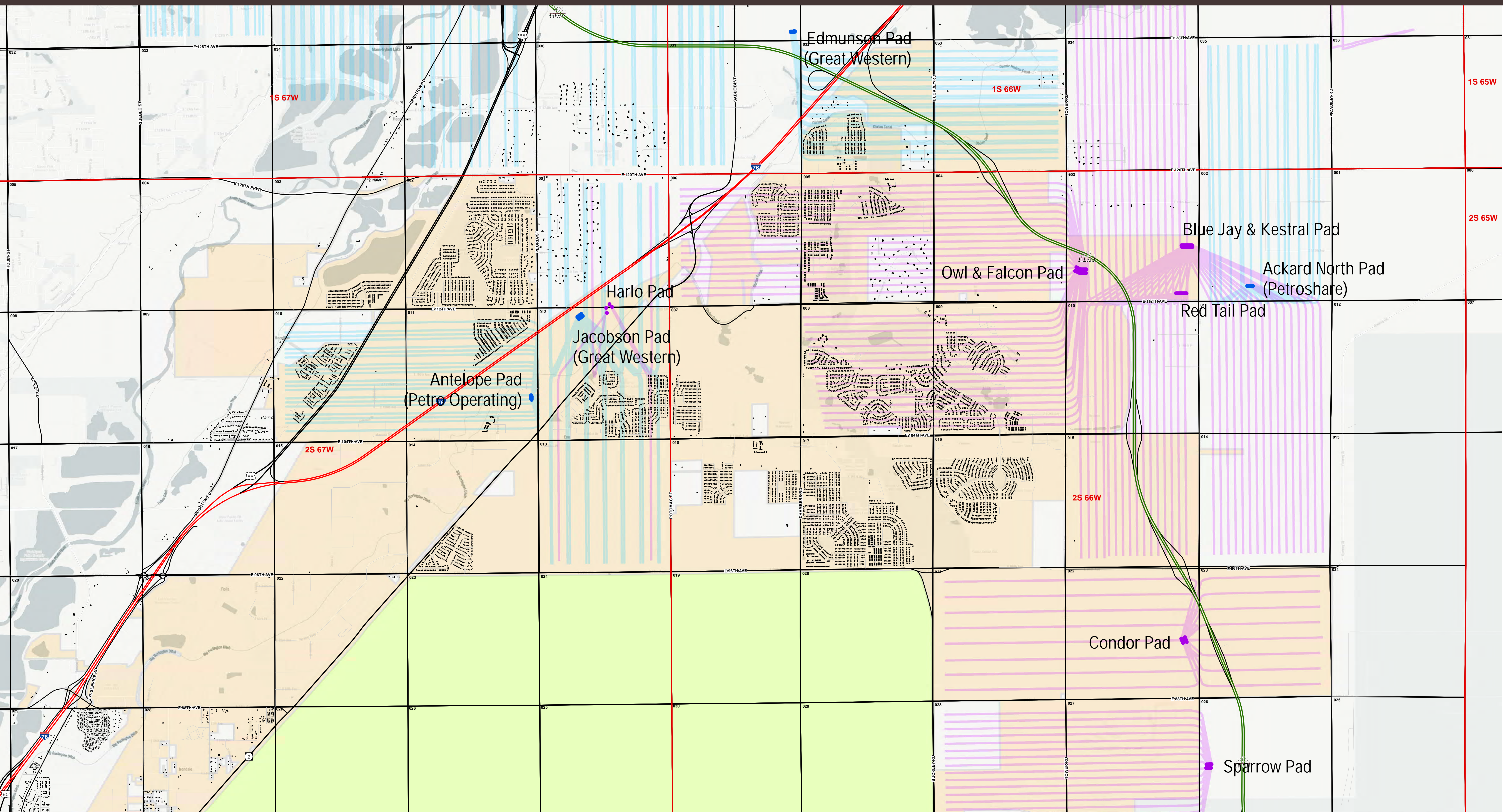
Meeting format:

- 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

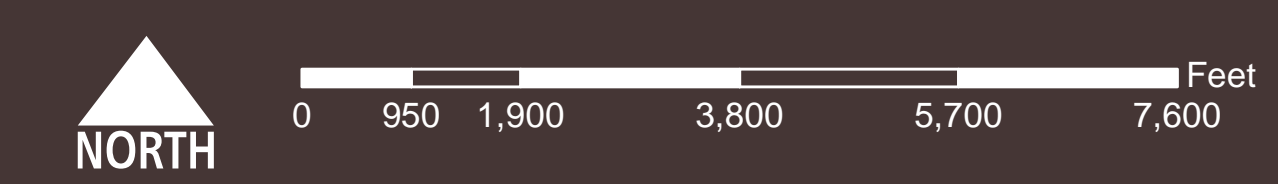


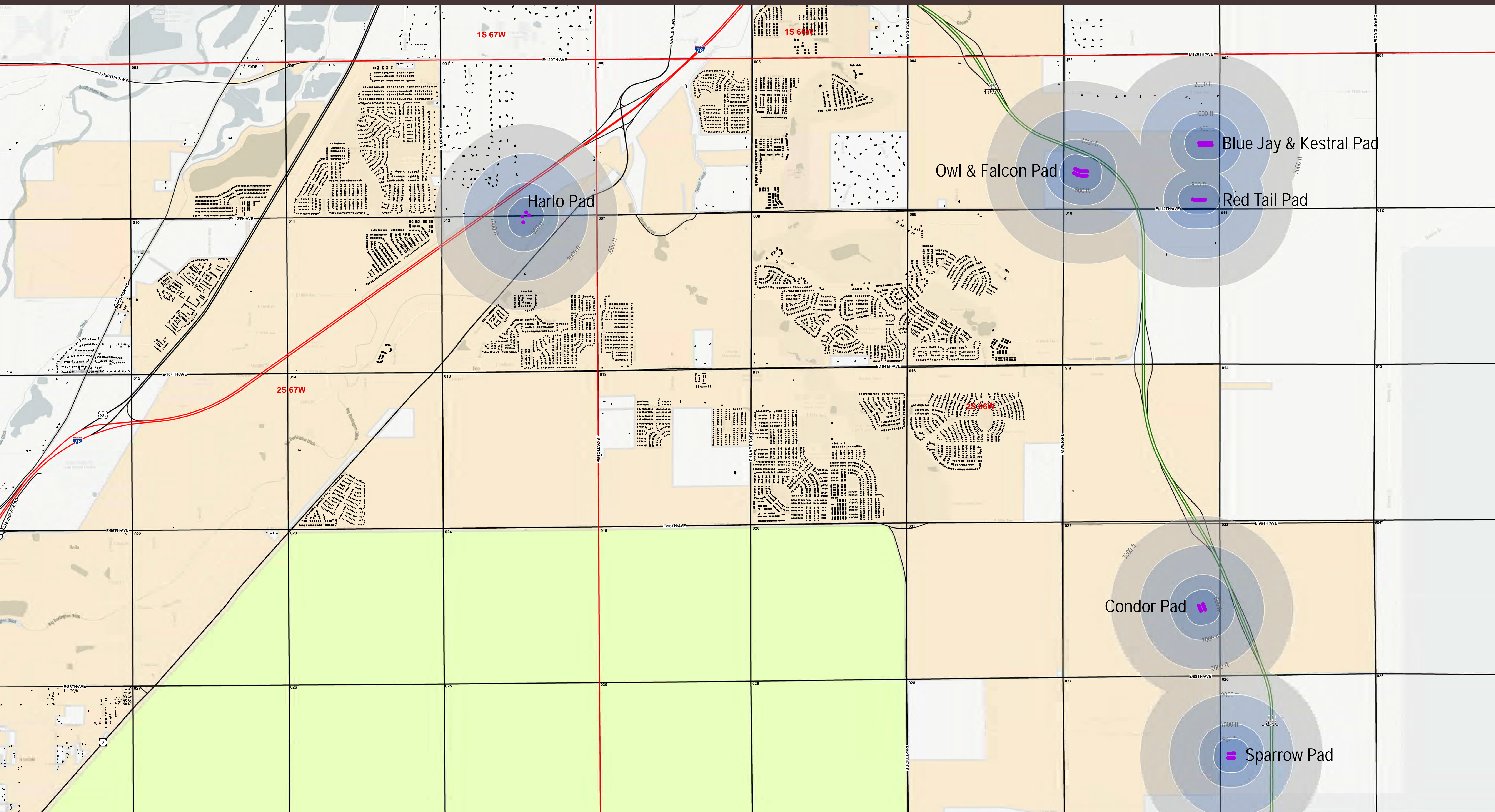


Legend

- Other Proposed Sites
- Proposed Sites (Extraction)
- City Limit
- Rocky Mnt Arsenal

*All applications have been submitted by Oil & Gas operators to the COGCC. No applications have been submitted to the city for review. Proposed locations are not final and subject to change and revisions

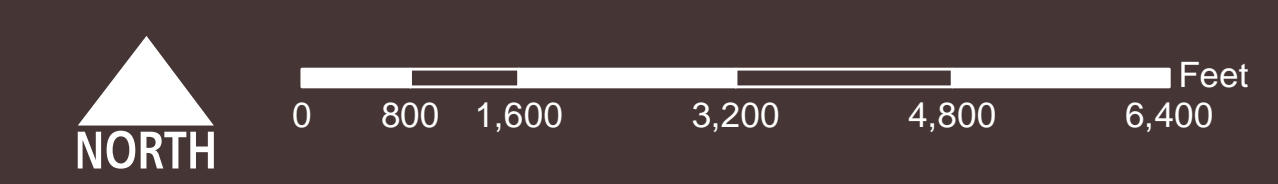




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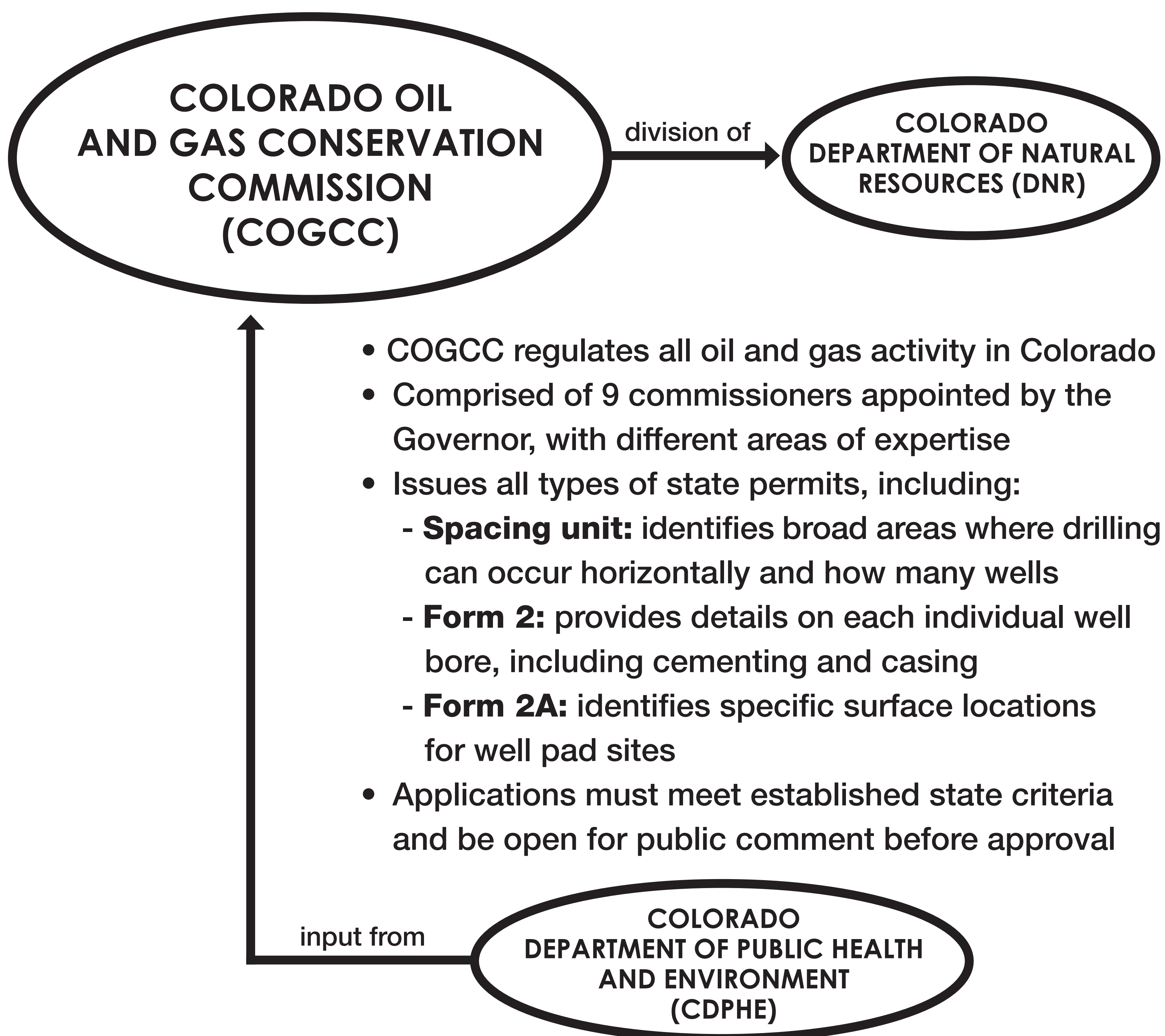


Oil and Gas in Colorado: State vs. Local Regulation

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

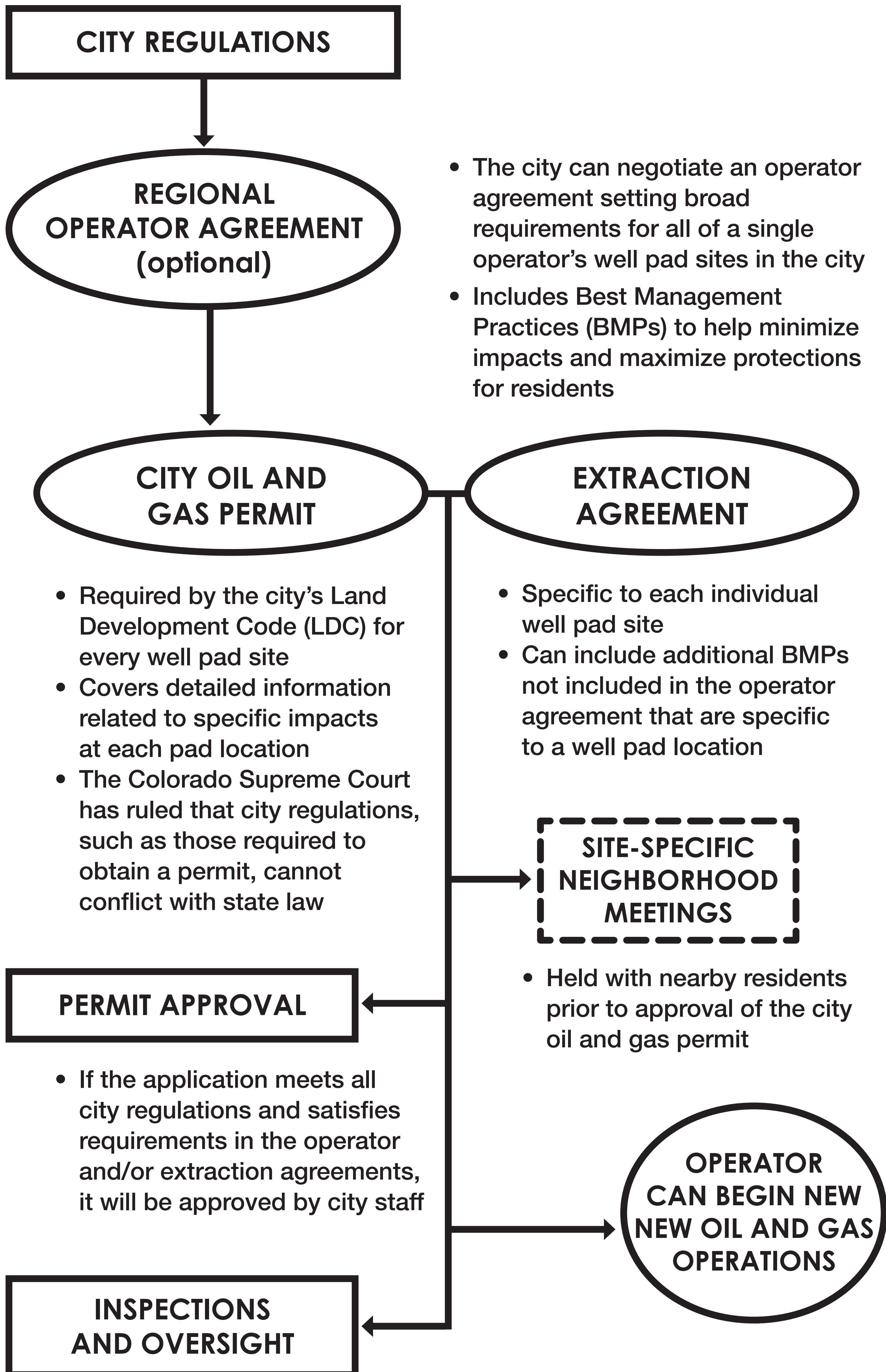


Local Regulation

- 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 cannot prohibit oil and gas development outright or set regulations that are in conflict with state law
- The city can 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





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

 Air quality

 Noise mitigation

 Use of pipelines

 Water quality protection

 Community Outreach

 Emergency Response Plan

 Safety

 Reclamation

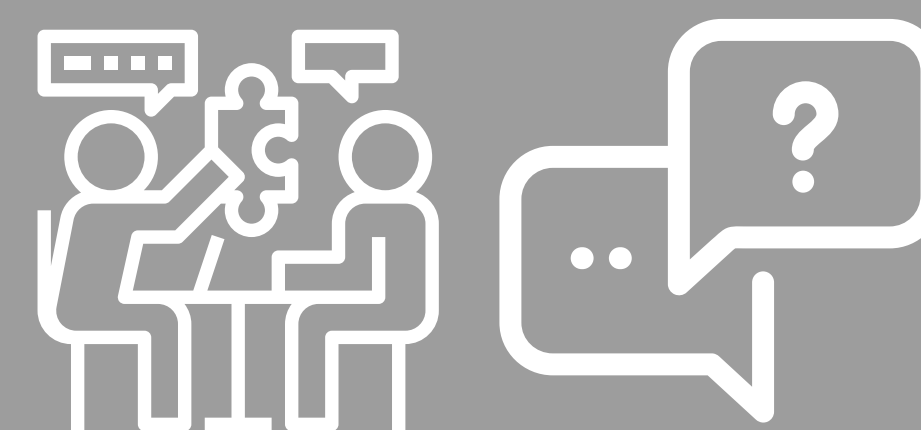
 Inspections

 Visual mitigation

 Risk Management

 Transportation & Circulation

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

AIR 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

SAFETY

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



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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

NOT REQUIRED IN THIS CIRCUMSTANCE

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

NOT REQUIRED

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

NOT REQUIRED

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

MAXIMUM 80DB(A) ADJACENT TO RESIDENTIAL

 **VISUAL MITIGATION**

PIPELINES - NO STORAGE TANKS

NOT REQUIRED

NO PUMPJACKS ALLOWED

ALLOWED

STAGED LANDSCAPING REQUIREMENT

NO LANDSCAPE REQUIREMENT

 **COMMUNITY OUTREACH**

NOTIFY ADJACENT NEIGHBORS OF DRILLING, INCIDENTS, AND ACCIDENTS

NOT REQUIRED

BI-ANNUAL UPDATE TO CITY COUNCIL

NOT REQUIRED

OPERATOR WILL MAINTAIN A 24/7 COMPLAINT RESPONSE HOTLINE

NOT REQUIRED



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

AIR 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**

**HIGH EFFICIENCY COMBUSTION
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**

SAFETY

FLOWLINES REQUIRED TO BE REMOVED

SITE SECURITY PLAN FOR EACH WELL PAD

**OPERATOR ASSISTANCE WITH EMERGENCY
RESPONSE TRAINING**

RISK MANAGEMENT PLAN

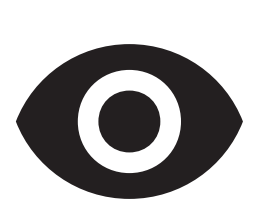


COMMERCE CITY BMPs - GENERAL OVERVIEW

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TOPIC

PROPOSED BMP



VISUAL MITIGATION

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

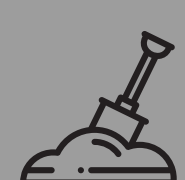


COMMUNITY OUTREACH

**NOTIFY ADJACENT NEIGHBORS OF
DRILLING, INCIDENTS, AND ACCIDENTS**

BI-ANNUAL UPDATE TO CITY COUNCIL

**OPERATOR WILL MAINTAIN A 24/7
COMPLAINT RESPONSE HOTLINE**



RECLAMATION

**ENHANCED ENVIRONMENTAL DILIGENCE
AROUND PREVIOUSLY DRILLED WELLS**

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

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

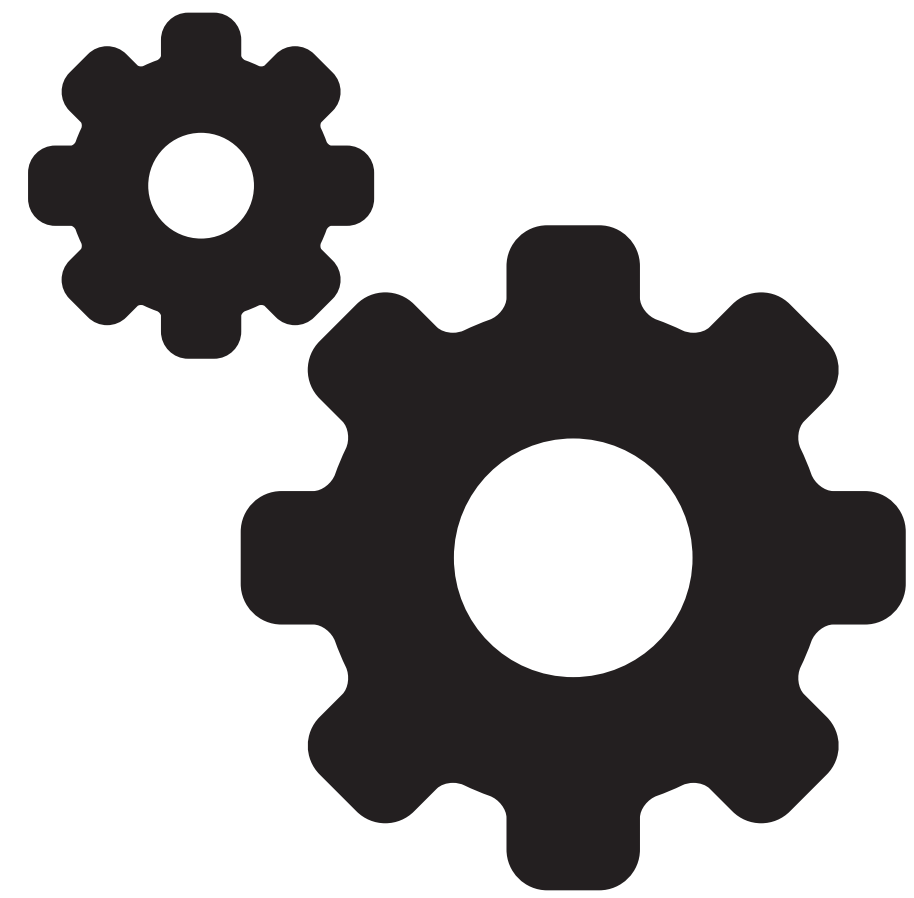
ROAD IMPACT FEE (CURRENTLY UNDER DEVELOPMENT BY THIRD PARTY) - WILL APPLY TO ALL SITES



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 maximizes protections for residents before executing the agreement.

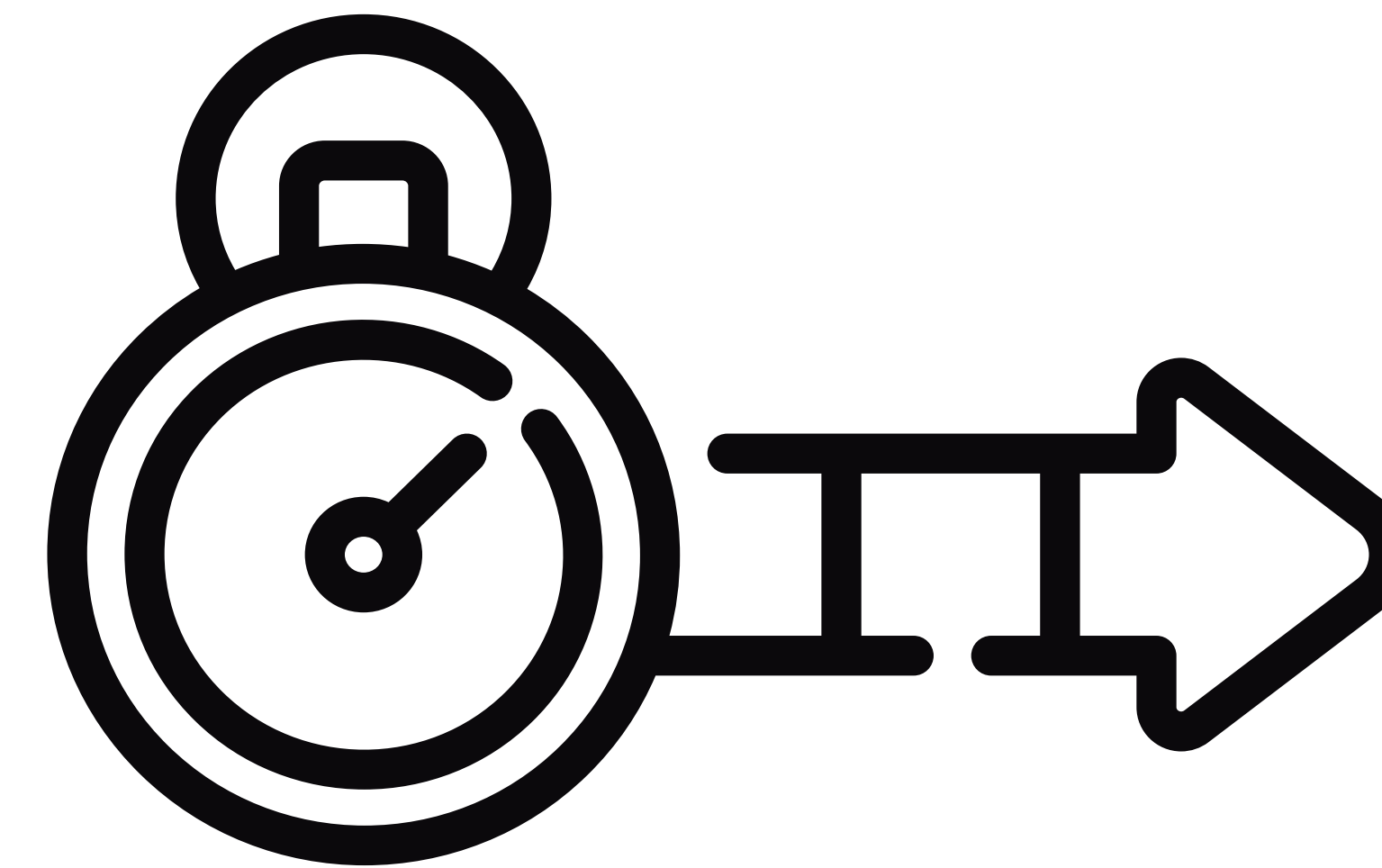
CONCEPTS OF REGIONAL OPERATOR AGREEMENT



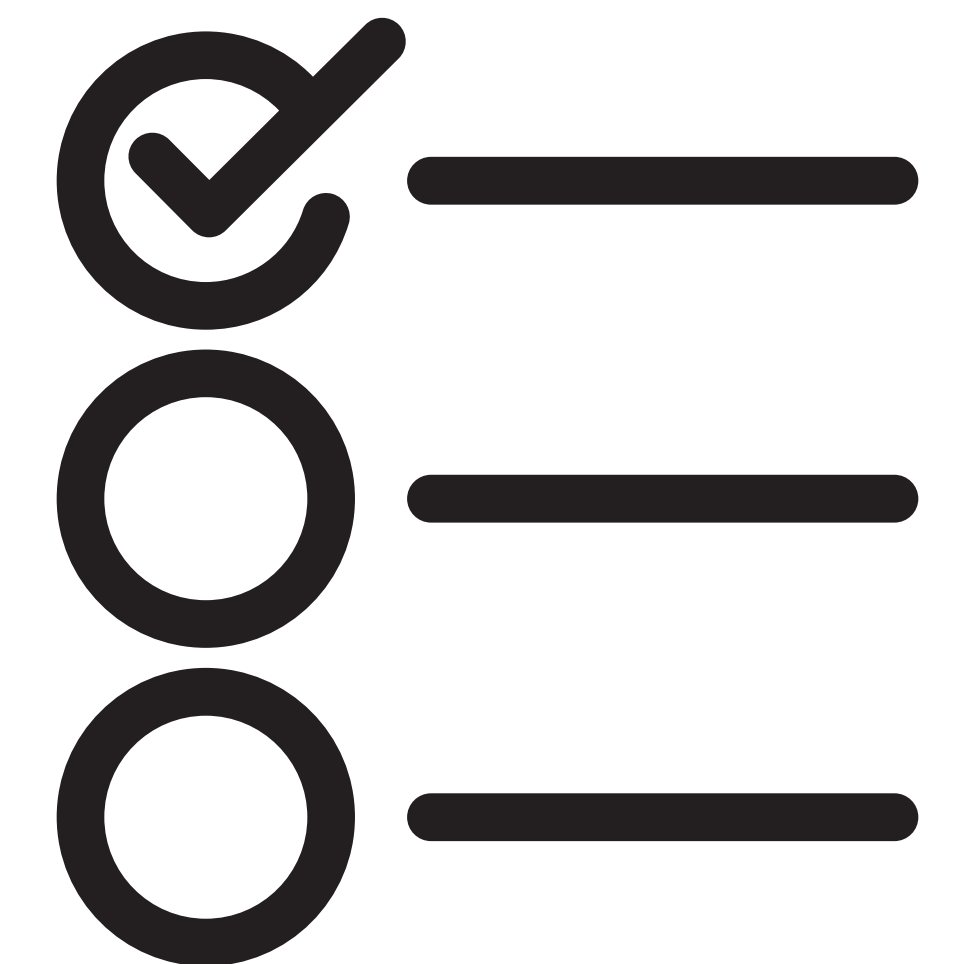
PROVIDE A MECHANISM TO ALLOW THE CITY TO REQUIRE BMPs



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.