



Oil & Gas Focus Group: Regional Operator Agreement (ROA) Feedback Meeting

July 24, 2019

Scope of Meeting

- July 15 – motion passed by council to establish one additional meeting with previous focus group members regarding specific ROA feedback, prior to closing of public comment period. The comment period was not extended.
- Staff will provide a brief overview of the ROA & key items
 - Expectation that attendees have reviewed materials in advance, and have specific comments ready
- Staff will then listen and write comments & provide to Council as requested
- Your individual comments can still be submitted directly online at c3gov.com/oilgas until Monday, July 29 at 11:59 p.m.

The ROA...

- *Does* provide greater protections than *current* COGCC regulations
 - BMP document has large number of public health, safety & environmental protections
- *Does* establish application requirements, enforcement provisions, emergency response equipment and training purchases, insurance requirements, above and beyond LDC requirements
- Exhibit A *does* indicate which sites the agreement & BMP's apply to, but *does not* guarantee that an individual city permit will be approved for each site
- Does *not* provide Extraction with vested rights, or the approval of any individual well site
 - Approval of a separate Oil and Gas Permit is required for all sites prior to drilling
 - As part of the ROA, pipelines are required under the Best Management Practices (Exhibit B), which requires conditional use permit approval through City Council
 - Most locations will have to go through a zoning or PUD amendment process

ROA Key Terms

- Article II – Agreement may be terminated by either party with 6 months notice (within first 4 years)
- Article III – Applicable code defined as city regulations at the time an Oil and Gas Permit is submitted
- Article V – Requirement for individual Oil & Gas Permit & submittal materials
- Article VI – If less than ¼ mile from residential, drilling and hydraulic fracturing cannot occur simultaneously on one site
- Article VII – BMP’s (Exhibit B) applies to all sites
- Article VIII – Operator may not protest city code changes in the future. BMP’s apply even if the COGCC does not adopt them as COA’s (Conditions of approval)
- Article IX – City will not protest Extraction’s State Applications, but still has the ability to comment
- Article X – No drilling may commence later than December 31, 2024
- Article XII - \$3M bond or LOC required for emergency cleanup, bankruptcy, or other situation deemed necessary by city
- Article XIII – City has authority to inspect all sites at any time. City will receive \$500/well/year for inspection costs, and \$250/well/year for ongoing air quality monitoring from operator



ROA Key Terms

- Article XIV – Enforcement provisions. City has the ability to enforce these provisions through hearing before community development director. Director also has discretion to determine what is practicable.
- Article XV – Potential successors bound to ROA & BMP's. Force Majeur – if operator claims inability to complete a BMP, they are not relieved, but have to provide a comparable alternative within 180 days
- Exhibit C – Required to carry commercial general liability, auto, workers comp, umbrella/excess liability, and environmental liability insurance
- Exhibit D – 9 wells plugged & abandoned within city limits, and an additional 34 wells in growth boundary (not plugged & abandoned until time of annexation)
- Exhibit F – Anticipated 1st wells drilled in 2021. Rig will move from pad to pad approximately every 6 months with final drilling to commence by Q3 2024. Two pads will not be drilled simultaneously
- Exhibit G – Extraction providing \$560,000 for purchase of essential emergency response equipment and training

ROA Discussion

- Topics or items you would like to include in the group comments?
- Individual comments can be submitted directly online at c3gov.com/oilgas until Monday, July 29 at 11:59 p.m.





Feedback

