

Minutes of the Oil and Gas Advisory Committee
City of Aurora, Colorado
July 15, 2020

Virtual Meeting

Meeting was called to order at 4:15 p.m.

The following were present:

Brad Pierce, Committee Member, Chair, Citizen
Josh Reddell, Committee Member, Vice-Chairman, Citizen
Polly Page, Committee Member, Citizen
Tom Tobiassen, Committee Member, Citizen
William Gollhofer, Committee Member, Citizen
Jim Rogers, Committee Member, Industry
Philip Holmes, Committee Member, Industry
Max Blair, Committee Member, Industry
Justin Wells, Committee Member, Surface Owner
Jeffrey Moore, City of Aurora Oil and Gas Division Manager
Juliana Berry, City of Aurora Planning and Development Services
Ian Best, City of Aurora, Assistant City Attorney
Susan Chapel, City of Aurora Planning and Development Services
Larry Quirk, Citizen
Aileen Young, Western Midstream
Scott Farkas, Crestone Peak Resources
Chris McGowne, API Colorado

The following were absent:

Marc Cooper, Committee Member, Surface Owner
James Spehalski, Committee Member, Surface Owner

1. Brad Pierce, Chairman, called the meeting to order at 4:15 p.m. There was a quorum.
2. Chairman Pierce introduced himself and asked those present to introduce themselves.
3. Juliana Berry provided the following update of oil and gas applications:
The GMT location has been approved by the Planning and Zoning Commission and once the City Council call-up date has passed it is expected that they will be uploading their next submission.

Crestone Peak's revised field-wide plans are under review and they will soon be recording mylars for two of their projects. They have four more applications that may start technical reviews soon.

Extraction's ACM High Point application is waiting to start the first review.

There are a number of pipeline applications currently in the review process, one of which has completed its Planning process.

Minutes of the Oil and Gas Advisory Committee
City of Aurora, Colorado
July 15, 2020

4. Public Comment Period

Larry Quirk, Citizen, asked for an update for the Jamaso and Nevin Gun Club well pad sites. Mr. Moore stated that, although Extraction did file Chapter 11 Bankruptcy to allow a reorganization of their company, they are not going out of business. Extraction has not submitted a development application for the Nevin Gun Club site to the City and cannot drill until an application has been made and goes through the review process. The Jamaso site has drilled eight of the approved twelve wells. The COGCC permits for drilling the other four wells have expired. Recent conversations with Extraction indicates that interim reclamation is the next step at Jamaso, with the installation of fencing around the well heads in the near future and returning some of the pad site to its original pre-drilling conditions. Extraction still plans to complete the wells, but it may be more than 12 months before that is done.

5. Committee Discussion: Comments on the Draft Oil & Gas Manual

Mr. Moore went through the feedback from the Committee and stated that he will be responding to all the comments in writing.

Chairman Pierce asked if it is possible to clarify the definition of flowlines based on the comments of the Committee members, beyond the COGCC base definition. The Committee comment was “needs more distinction between flowline and gathering line and how will the city regulate them differently”, and Mr. Moore answered that gathering lines are included in the Oil & Gas Manual later in Section 31. In general, a lot of the same parameters apply but there are some differences in how the gathering lines are permitted and regulated.

A discussion took place regarding review timelines of oil and gas applications and providing guidelines that would be meaningful for both the applicants and the City. Mr. Blair stated that it would be helpful for the City to provide a visual graphic along with the Manual that lays out the over-all review process and what is expected of both parties during the review period, specifically outlining the timelines for each side. Mr. Moore stated that the Office of Development Assistance (ODA) does have such a timeline now which can be updated to conform with the new processes. Mr. Blair further commented that an applicant would want to know the expectations before starting an application, so they could plan for their next steps after the review is complete. Mr. Holmes concurred with Mr. Blair’s comments. Mr. Blair added that some commitment from the City is needed to ensure processing is done in a timely manner along with recourse if timelines are not adhered to. Ms. Berry stated, that from a staff perspective, she has found it can be very beneficial to both sides to have the flexibility within timelines to resolve some issues and delay the sending of review comments to ensure the rest of the process is smooth and eliminate the need for additional submissions. Mr. Blair agreed and added that mutual-cooperation and respect between the applicant and staff is very important in this process but noted that legislating it in the Manual would be difficult.

It was highlighted that neighborhood association notifications were not consistent throughout the Manual.

A discussion took place regarding when the applicant has grounds to take their application to the Planning and Zoning Commission and when they could appeal to City Council for approval.

Minutes of the Oil and Gas Advisory Committee
City of Aurora, Colorado
July 15, 2020

A discussion took place regarding call-ups by City Council. Mr. Blair expressed concern that an application could become political by being subject to call-up, and that the approval process should remain wholly administrative if it meets all of the City's requirements, the applicant is committing to all of the applicable BMPs, and if it fits all of the definitions of a legal location. Mr. Moore pointed out that any new operator who wants to negotiate an Operator Agreement, including locations, still must go through City Council. Mr. Blair inquired how that process would be differentiated from an operator who wants to follow the new Manual and the ordinance that will accompany it. Mr. Moore responded that legally there is no prohibition against an operator who wants to approach the City and negotiate an Operator Agreement, however, having a codified development review process is a better regulation opportunity for the City in the future. Any Operator Agreement would have to include all of the Manual BMPs. Ms. Berry noted that the reason to conduct a public hearing before the Planning and Zoning Commission for location approval is due to the imminent requirements from COGCC. Mr. Moore elaborated that those state rules are not yet codified but the COGCC expect location permits currently under review to have met that public hearing requirement either at the local or state level.

A discussion took place regarding the complexity of oil and gas applications, alternative location analysis, the phasing of operations, the rights an applicant may have or want to obtain, and the permitting process to pursue that development.

Chairman Pierce inquired about the best way for those who would like to comment on the Committee discussions and the Manual. Mr. Moore stated that any comments should be sent to the email address provided. Further, there will be a virtual townhall meeting on July 16th from 6:00 to 8:00 p.m. and another one is scheduled for July 28th from 6:00 to 8:00 p.m.; information for participation is on the City of Aurora website. The town halls will give a high-level view of the Manual topics followed by a public comment period, Q and A, and discussions.

A discussion took place regarding Aurora Water BMPs.

A discussion took place regarding ground water protection and base-line water sampling at sites. Such sampling is done even if there are water wells close by the site and Mr. Moore explained the reasons why.

Mr. Blair cautioned that the installation of a monitoring water well is not of inconsequential cost to the operator, it is a complex and costly challenge to meet this requirement even though it is currently in Operator Agreements, especially when combined with the cost of meeting the other BMPs prescribed in the Manual. He voiced concern that operators may have to drill several monitoring wells to detect contamination to the different aquifers surrounding the pad site and could price oil and gas development out of Aurora.

Mr. Moore acknowledged that monitoring is a significant cost and if there were just one well per pad the regulations would be different, but with multiple wells per pad site it makes sense for a monitoring well to be drilled. The technology available today makes it possible for one monitoring well to take samples from multiple aquifers. He indicated that more discussions could be held with Aurora Water to make the requirement clearer.

Minutes of the Oil and Gas Advisory Committee
City of Aurora, Colorado
July 15, 2020

Chairman Pierce asked if the Committee would be open to have a special meeting to complete the review of the Manual. Mr. Moore remarked that the public comment period has been extended to August 23, 2020 and indicated that he would be willing to meet again. He noted that he will be giving written answers to all of the comments made by the Committee comments discussed thus far and suggested that perhaps they would like to review the responses before the next meeting takes place. A discussion took place on alternative options for Mr. Moore to respond to feedback on the Manual, such as broad topics instead of individual comments.

Committee members thanked staff and Mr. Blair for their work on the Manual.

A special meeting was requested to be scheduled for 4:00 p.m. on Wednesday, August 19, 2020.

Chairman Pierce announced that Philip Holmes was re-appointed to the Oil and Gas Advisory Committee.

6. The general meeting was adjourned at 5:34 p.m.

DRAFT