

Minutes of the Oil and Gas Advisory Committee  
City of Aurora, Colorado  
September 21, 2022

Virtual Meeting

The following were present:

Brad Pierce, Committee Member, Chair, Citizen  
Josh Reddell, Committee Member, Vice-Chairman, Citizen  
Max Blair, Committee Member, Industry at 4:26pm  
David Carro, Committee Member, Surface Owner  
Marc Cooper, Committee Member, Surface Owner  
Larry Quirk, Committee Member, Citizen  
Greg Bloodworth, Committee Member applicant, Citizen  
Philip Holmes, Committee Member, Industry - ABSENT  
OPEN, Committee Member, Industry  
James Spehalski, Committee Member, Surface Owner - ABSENT  
Tom Tobiassen, Committee Member applicant, Citizen

Jeffrey S. Moore, City of Aurora, Oil & Gas Division Manager  
Maria Alvarez, City of Aurora, Senior Planner  
Forrest Thorniley, City of Aurora, Senior Inspector  
Ian Best, City of Aurora, Assistant City Attorney

1. Brad Pierce, Chairman, called the meeting to order at 4:06 p.m. There was a quorum of 5 members out of 8 filled seats after Marc Cooper joined at 4:09 pm.

2. Chairman Pierce introduced himself and proceeded to call role.

- Approval of minutes delayed until next meeting, quorum met.
- Chairman Pierce asked that City of Aurora Staff and members of the public to introduce themselves. All attendees are listed above.

3. Staff Update

- Forrest Thorniley, Senior Inspector, City of Aurora:
  - Drilling Updates
    - Crestone drilling Lone Tree Pad after completion to Eastern Hills South.
    - Crow and Fraser in 1<sup>st</sup> production. Yellow pad, status unknown, will know more the following week.
  - Inspection Updates
    - Received and have used FLIR camera
    - Completed inspections on 25 sites, found 21 leaks to date.
    - Major improvement since inspections took 1 week per site
    - Recordable spill at Rush North Pad in August, but since it was in the secondary containment tank, not considered reportable. These are temporary frack tanks they use on location to handle excess fluids when wells go into first production for extra capacity. Since then, these tanks have been removed from Rush North and discovered impacted soils under 1 of the tanks and had to excavate over 25 cu. yards. COGCC rules designed to trigger a reporting mechanism for these older tank batteries. Crestone let us know of the contamination, loss was 1.5 barrels, anything less than 5 barrels isn't reportable.
    - CDPHE has installed mobile air monitoring station (CAMEL), semi-permanent trailer used for monitoring a variety of air pollution. Leaving Lone Tree site, moving to Jamaso pad since there might be more affected people, due to more populated area in comparison to the Lone Tree site. Just need to confirm with Aurora Water that they have enough of a power source to provide power to the CAMEL.
  - Questions??
    - Larry – lives close to Eastern Hills and Jamaso, inquiring about activity and completion.
      - Forrest advised Crestone is putting up sound walls and will bring big rig to drill remaining wells, Crestone didn't drill all the wells at Jamaso at the same time. This will be ongoing.

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- Jeffrey advised November is when they are planning to return to drill. Also advised on a correction, 4 wells had been drilled to depth, including the horizontal portion and that, but not completed. Still have to drill down to about 5,000 feet and they set the surface casing, which they will be returning to. Still have 4 more wells to drill, the original was 12, but they plan to complete 8 wells for now beginning in November.
  - Larry expressed he is receiving a lot of questions from residents on Eastern Hills
  - Jeffrey stated there are 8 wells at this location. At the corner of Powhatan and Alameda to the southeast corner of the area there is a re-plugged well and they re-entered, not producing well, nothing in the future. All of active drilling is Civitas, everyone is under Civitas or one of their subsidiaries.
  - Larry asked about activity in this heavily populated area, any permits or requests.
  - Jeffrey said It would most likely be from this set of wells, which is outside of the City limits in unincorporated Arapahoe County.
  - Larry asked if City of Aurora would have any jurisdictions over the horizontal wells that are coming west from unincorporated Arapahoe County.
  - Jeffrey said no because authority lies within the surface area impacts, anything below surface is at the state level, COGCC. We can comment for being a proximate local government but have no authority. These wells can be annexed into the City, but only at the surface.
  - Brad inquired about notification processes for Arapahoe County.
  - Jeffrey believes it is 1-mile, Diane Kocis is Jeffrey's counterpart at Arapahoe County, very good about sending out notifications. So, anyone within that 1-mile buffer would get notifications and referrals from the county. Minerals have been leased in this area.
  - Max provided history and context, there were some locations planned in section 10, if lease is expired, they would make an offer to lease again or figure out how to develop those numbers, or go through forced pooling process if they can't reach agreement on that lease. Would expect to get some type of advanced notice before the process begins.
- Maria Alvarez, Senior Planner, City of Aurora:
    - Permitting Updates
      - King North 3-65 28-29 - entering final stages of 2<sup>nd</sup> review process, sending out 2<sup>nd</sup> review letter.
      - Spine G Lateral - Notice of Administrative Decision.
        - Notice of Administrative Decision sent out by O&G Manager, which City Council is being notified of decision being made.
    - No questions
- Jeffrey Moore: Manager, O&G Division, City of Aurora
    - Division Updates
      - Crestone has not submitted any applications submitted since King North, May/June 2022. Crestone currently undergoing through the CAP (Comprehensive Area Plan) with the COGCC, which encompasses all O&G wellsites in Aurora. Was submitted to COGCC almost a year ago.
      - This is a new process that allows them to see the big picture as to what the Operator is doing in the area, instead of viewing 1-by-1. This does not mean the Operator can change their process. For the wells inside the City of Aurora, they have already approved in the Operator Agreement. So, there are no changes there. They are planning to remove some of the wellsites. The goal is to extract the most minerals reducing surface impacts here in the City.
      - This is a good thing for us all the way around. Nevertheless, they are in this process and they're looking to review the comment period summer 2022. COGCC is having the public

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hearing on the CAP in November 2022. Once this has been approved, they will get back to submitting applications for their drilling next year.

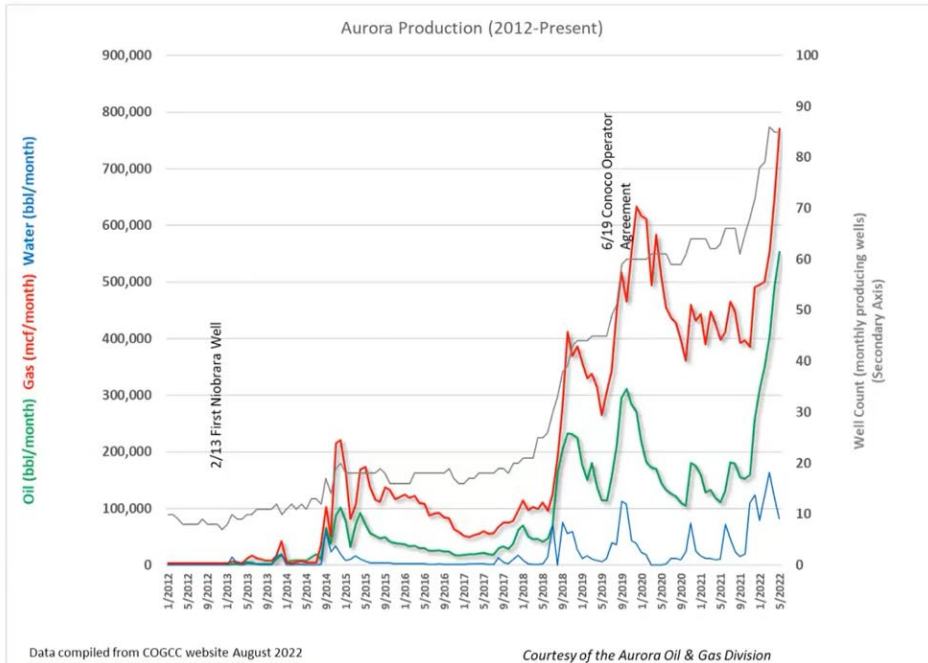
○ Production Presentation

→ Graph begins 2012 Niobrara Formation production

- (green) - ~17,800 barrels per day – oil production
- (red) - ~ 24,900 mcf per day – gas production
- (blue) - ~2,600 barrels per day – water production

- The numbers on the graph are going to continue to increase based on the number of wells that have been completed here in the last few months and the end of the year, they'll be completed more wells. The wells count that's contributing to this production will go from approximately 85-115 due to production.

## Aurora Production – Since 2012



**~24,900  
mcf/day gas**

**~17,800  
bbl/day oil**

**~2,600  
bbl/day water**



- After the first few months of production, there will be a decline, that is common to shale production. After the initial high producing months, wells will slowly decline. The life of a well can be between 20-30 years, after that the well's life comes to an end and at that point the well will be plugged.
- If they're no longer economic production, but I was anxious to put this together because it gives us some good insight on what you expect in terms of account production as new wells come online.
- Crude oil pipeline getting further built to alleviate truck traffic. For the time being, we'll be continuing to produce the truck traffic, which is a substantial benefit to everyone in the City.

○ Other Division Works

→ Working on getting website/GIS online. Was Colin Brown's special project for the division, has been ongoing for this year. He did great work in getting background connections and information. We will be getting this out to the public once the website is tested. The O&GAC will be allowed to test before it goes live.

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- Ian Best, City Attorney's Office, City of Aurora
  - Legal Presentation on O&GAC Bylaws and the City
    - **Chapter 9-1, General Provisions**, initial appointments by the City council shall specify the term of office of each individual in order to achieve overlapping tenure and thereafter all appointments shall be for the full term specified.
    - **Aurora City Code 106-164 Terms**, the term of appointed members for the O&GAC shall be for three years, members can serve a maximum of 3 consecutive terms.
      - after reviewing these items, a discussion took place about the changes that needed to take place and redlines were shared with the Committee.
        - Acknowledgement of Article III – Membership
          - 1a. 5-citizen members
          - 1b. 3-O&G industry members
          - 1c. 3-mineral/surface owner members
            - all members will serve at the pleasure of City Council.
        - “Shall” possibly removed/replaced from the verbiage.
        - Confirmed change for #4 which will state “members may serve a maximum of three terms.”
      - Article IV Meetings
        - “All meetings are open to the public and may be held either virtually or in person. Virtual O&GAC meetings can be conducted through the use of the internet meeting service designated by the City.”
          - Redlines were made to accommodate “virtual” into the verbiage of the Bylaws.
      - Article VIII Staffing and Support
        - “the City of Aurora will provide staff support as needed to enable the functions of the O&GAC to carry out its duties, including but not limited to: ensuring access to the City’s internet meeting service, recording, transcription and distribution of draft meeting minutes, distributing communications to all O&GAC members, scheduling rooms for meeting space, securing presentation aids such as projectors, providing access to the City’s website to post meeting announcements and approved minutes of meeting, and other duties as required.”
    - Discussion -
      - Max - there are some instances here that that a, another word may be more appropriate. There are different schools of thought on when the term when the word “Shall” is appropriate, it leaves very little flexibility so, “will” or “may” or other terms may be a better.
      - Dave – maybe use the word “should”
      - Josh - I led the writing of this version of the bylaws back in 2019. I don't know Pre coded at some point and the reason that was written that way is because that doesn't even, we had a very difficult time getting. What would be considered a majority of the entire committee, so we wrote it this way the majority of the quorum. So that action could be taken by the members that typically show up that to give us that quorum.
      - Brad – Requested changes from “shall” to “should” or “will”; “majority vote” changed to “majority vote of the quorum.”
    - Procedural motion to Bylaw changes -
      - Dave – moved, 2<sup>nd</sup> by Max, passes unanimously.
- COGA Energy Symposium (Max) –
  - Smaller gathering from 2019, large exhibits took place at the Denver Center for Performing Arts. Discussion amongst colleagues on the smaller community that attended as well as the passing of SB-181 and other changes since COVID-19. Fewer entities, fewer operators fewer representatives. A number of rulemaking and interpreting that legislation affecting the industry, and the realities of operating in Colorado, as they mentioned the operating in a purple state.

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COGCC Appointed a new industry experience commissioner, but all of the members of the commission, including the chair. Jeff Robbins attended the Summit and were accessible to the to the attendees. There was a legislature Q&A, I don't know all of the different state legislators that were in attendance,

5. Public Comment Period: no public comments.

7. General Comments from the Chair:

- Next meeting November 16, 2022.
- Will go through the approval of past minutes.

The general meeting was adjourned at 5:15 p.m.

Minutes Approved



Brad Pierce, Chairman

11/16/2022

Date