

Minutes of the Oil and Gas Advisory Committee
City of Aurora, Colorado
January 20, 2021

Virtual Meeting

Meeting was called to order at 4:02 p.m. by Chairman Pierce.

The following were present:

Brad Pierce, Committee Member, Chair, Citizen
James Spehalski, Committee Member, Surface Owner
Jim Rogers, Committee Member, Industry
Marc Cooper, Committee Member, Surface Owner
Philip Holmes, Committee Member, Industry
Polly Page, Committee Member, Citizen
Tom Tobiassen, Committee Member, Citizen
William Gollhofer, Committee Member, Citizen
Max Blair, Committee Member, Industry
Josh Reddell, Committee Member, Vice-Chairman, Citizen

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

Logan Macmillan, retired petroleum geologist, citizen
David Carro, Oakwood Homes, Director of Acquisition and Entitlement, Surface Owner Applicant
Larry Quirk, board member of Adonea Subdivision HOA, citizen

1. Brad Pierce, Chairman, called the meeting to order at 4:02 p.m. There was a quorum of 10. Philip Holmes joined the meeting late.
2. Chairman Pierce introduced himself and proceeded to call roll. He asked that each person include their category of membership on the committee (industry, public, etc.) for the benefit of the Surface Owner applicant. Aurora City Staff introduced themselves. Chairman Pierce asked members of the public to introduce themselves.
3. Approval of August 19, 2020 & November 18, 2020 Minutes - Max Blair abstained from voting on the minutes because he did not attend either meeting. Brad Pierce moved for both minutes to be approved. Marc Cooper seconded. The motion passed.
- 4A. Colin Brown provided the following update of oil and gas applications since the November 18, 2020 Meeting: Crestone Midstream has submitted two lateral pipeline amendments, both are in the review process and comments are due to Crestone on January 29. Crestone also had a Pre-Application meeting to submit a new permit for the Blue 3-65 33-32-31 pad location. No formal documents have been submitted to the city yet. GMT Exploration is still in discussions with The Aurora Highlands about the location of their proposed pad. They requested continuation of their Council callup item to February 22, 2021. All Crestone field-wide plans have been reviewed and approved. Crestone's proposal to amend

Minutes of the Oil and Gas Advisory Committee
City of Aurora, Colorado
January 20, 2021

their Operator Agreement has moved through City Council Study Session and will be heard at the January 25 meeting.

4B. Forrest Thorniley provided the following update of oil and gas inspections since the November 18, 2020 Meeting: To date, he has visited 14 oil and gas facilities and 20 pipeline appurtenances. He has followed up on one reportable spill so far. The spill was at the Crestone Peak operated Watkins 30-5 well location. There was a release of approximately 8 barrels of produced water from a knockout pot that was going to a tank vapor combustor. It was been verified that the spill was appropriately remediated. Mr. Thorniley will follow up again when he receives the formal closeout Form 19 from Crestone, which is also sent to the COGCC. He is also collecting data for future inspections this year. He verified that Denver has finished the plugging and abandonment of the Jeff Drohan 2-1 well, which is operated by PetroPro on their behalf. It has not been fully reclaimed, but the well has been capped. Chairman Pierce had a general follow up question related to where the Jeff Drohan well is located at and whether it was within City limits or not.

Chairman Pierce asked a clarification question about the spill at the Watkins 30-5. He asked if Crestone had self-reported that spill or did Forrest discover that when performing an inspection. Forrest responded that it was reported to the COGCC, which notified the City and that he followed up on the cleanup.

Max Blair asked if the spill was all inside secondary containment or if it was on the pad. Forrest responded that spill was all on the pad, but that it did not leave the pad.

Chairman Pierce asked if there would be a standing agenda item at the Advisory Committee meetings for Forrest to present Inspection Updates. For the time being, Mr. Thorniley will continue to give verbal inspection reports at the Advisory Committee meetings and will provide data tables to include with the Advisory Committee packets.

Jeffrey Moore expanded upon the current inspection program and the goals for the future. One goal for the future is for an interactive map on the Aurora website that would allow the public to click on a well location to access the inspection reports. Forrest Thorniley also stated that if anybody ever has comments or concerns about inspections or well sites, they can reach out to him directly.

5. Public Comment Period - Chairman Pierce asked for any comments. Larry Quirk asked for a status update regarding the Nevin pad location, operated by Extraction Oil and Gas. Jeffrey Moore stated that the Nevin pad is not part of the Operator Agreement with Extraction. It has not been submitted to the City. The location has been filed with the COGCC, but nothing has been submitted to the City. Mr. Moore stated that based on conversations with Extraction, they did not intend to do any drilling within the City in 2021, but more likely in 2022. Extraction is not likely to complete the Jamaso wells until late 2021 or in 2022. This is all subject to change, but this is what Extraction has communicated with the City. Mr. Moore gave a general update on the Jamaso wells. Mr. Quirk informed the Committee that the majority of Extraction's leases in the Adonea subdivision expired in 2020 and thought that may be a factor in whether or not Extraction chooses to complete the Jamaso wells.

6. Applicant interview for Surface Owner vacancy (David Carro) – Chairman Pierce gave a brief explanation of how the interview process would go. David Carro provided a brief summary of his background and motivation for why he wants to be on the Committee. Mr. Carro currently works for

Minutes of the Oil and Gas Advisory Committee
City of Aurora, Colorado
January 20, 2021

Oakwood Homes as the Director of Acquisition and Entitlement and has been in the development industry for 10 years. Prior to that, he was a landscape architect. He would like to be on the Committee to understand the balance of development and oil and gas regulations. He has worked in Weld County with Occidental (formerly known as Anadarko) on the plug and abandonment process, well site setbacks and how they related to future planning for Oakwood Homes. He believes his knowledge and experience of working for a property developer would allow him to bring a good perspective to the Committee and help him to find a balance between developers, operators and homeowners.

Chairman Pierce had Committee Members ask Mr. Carro the interview questions one at a time. The questions and Mr. Carro's responses are as follows:

Question 1: In your opinion, what is the purpose of an Oil and Gas Advisory Committee, why do you wish to serve? What experience, skills, or talents would you bring to the Committee?

Answer: The purpose is to protect the safety of the citizens, balance the desires of the industry and protect the property rights of surface owners. The committee's purpose is to balance all the facets that come through and to find an equitable solution as certain regulations move forward or concerns come up. I wish to serve so I can understand the nuances within the City of Aurora and how the dynamic of the oil and gas industry changes and morphs within the City. I have a planning background and come from the residential development industry. I am a problem solver and try to understand all of the aspects that we are working with as things come up. I try to find solutions that meet the mission of this Committee, while finding the best solutions to support residential safety, industry operations and property ownership rights.

Question 2: When you hear the term 'advisory', what does that mean to you as far as your role on the Committee?

Answer: Advisory in my opinion is taking all the information, concerns that the City has as a whole or certain regulations that are changing within the City and the City wants to determine how that integrates into their code. Advisory would basically be boiling down the information and making recommendations to the City of Aurora and City Council, to make recommendations on what the best path or options there are to move forward on particular issues. They then take that under advisement and make their decision accordingly.

Question 3: If you were to hold a different opinion from one of the other Committee members, how would you handle your difference of opinion and would you be open to other points of view on oil and gas development?

Answer: Absolutely, we all have different insights and process information differently, we all have different views, which is what makes up this Committee. We are on a committee and we work together, and everyone has an opinion, and we all have to respect each other's opinions. It is our job as a committee to take everyone's opinion and basically boil it down to a recommendation that we provide as an advisory committee upwards into the City of Aurora.

Minutes of the Oil and Gas Advisory Committee
City of Aurora, Colorado
January 20, 2021

Question 4: How is regulatory power balanced between the state and local government? As a committee member, how would you work within these confines and would you be open minded to any changes regarding regulations of oil and gas?

Answer: I think the best way to do it is to understand the state regulations, the state setbacks, and other regulations that govern the oil and gas industry. Individual jurisdictions have their own regulations at the jurisdictional level, whether that be Aurora, Denver, some place in Weld County or others, and it's a matter of understanding what those restrictions are and working with the individual jurisdictions and COGCC to understand the balance of those regulations and the implications of decisions that are made at each level. We don't have any influence on the COGCC level, but we do have influence on the local level, and it's understanding what's best for the City and what's the best way to balance that. I think it's the job of the Committee to assess the facts and assess the implications and determine what the best recommendations are for the City of Aurora.

Question 5: Due to the fact that oil and gas development affects many of Aurora's population, how would you communicate or get information out to the citizens concerning discussion topics heard at the Oil and Gas Advisory Committee meetings?

Answer: Communication is key. When we have worked in communities with oil and gas development and there are operations within an existing community, one of the first things we do is go to the metropolitan district and ask them to distribute developer updates so that residents are aware of what's going on. We have also encouraged the COGCC to do community outreach within the community to answer questions. In this particular case, within the City of Aurora, I think having open meetings with well documented meeting minutes and public comment is obviously the start. The City Council at Town Hall meetings is a great thing. I think having that information for each individual council member as they have their individual updates to their portions of the city and to residents. Having more one on one dialogue with residents and transparency is key. Having those avenues that promote transparency helps and also dialogue with any concerns of residents or industry members.

Mr. Carro made a few closing remarks. He appreciates the opportunity to interview for the vacant position. He thinks he would be an asset to the committee because his background has given him a unique perspective. His problem-solving approach would be as asset as well.

Chairman Pierce gave a description of when the Committee meets and the steps forward for the position. The Committee members would discuss the interview and Chairman Pierce would communicate with Mr. Carro regarding the next steps. Chairman Pierce would need to draft a memo to City Council recommending the appointment of Mr. Carro to the vacant Committee position, which would need to be heard during a City Council meeting.

Polly Page proposed that the Committee let Mr. Carro stay on the call for the next agenda item and discuss his interview at the end of the meeting. Chairman Pierce agreed.

7. Briefing on COGCC Rulemaking – Jeffrey Moore providing an update on rulemaking at the Colorado Oil & Gas Conservation Commission (COGCC). The COGCC has completed their rulemaking proceedings with the new rules going into effect January 15th, 2021. Mr. Moore presented a PowerPoint

Minutes of the Oil and Gas Advisory Committee
City of Aurora, Colorado
January 20, 2021

presentation that gave a high-level view of the largest changes to the COGCC rules. The key topics are outlined below.

- Missing Change
 - Recognized and implemented framework of co-equal, independent siting authority for local governments and the COGCC.
 - Recognized the authority of local governments to regulate surface impacts in a manner more protective than COGCC.
 - Significantly revised permitting process such that local governments and COGCC can work together through consultation and coordination to work on siting.
 - Significantly strengthened safety, nuisance, environmental protection, public health protections and wildlife protections to implement new mandate to protect and minimize adverse impacts.
- 200 Series – General
 - Requires Operator to “comply with all applicable Commission Rules, and will ensure compliance by their contractors and subcontractors.”
 - Operator is now responsible for the actions of their contractors and subcontractors.
- 300 Series – Drilling, Development, Production and Abandonment
 - Process and Standards for approval and denial
 - All Oil & Gas Development Plan (OGDP) go to Commission for approval, Form 2’s go to staff.
 - May deny permit if it does not comply with COGCC rules.
- Opportunities for local input on state permit
 - Recognizes that Commission and local governments share authority to require permits for surface impacts. Commission supports creating coordinated, efficient processes among the permitting authorities.
 - Relevant Local Government may request Formal Consultation Process with Director prior to Operator submitting OGDP or Form 2A to discuss siting, alternative location analysis, BMPs, COAs, opportunities for collaboration, etc.
 - Prior to Director making recommendation whether to approve or deny OGDP, local governments may request, and will be provided, opportunity to formally consult with COGCC and Operator.
 - Commission will defer to local siting disposition for locations that don’t require an alternative location analysis (ALA). Commission will hold a hearing on a location that has been denied by a local government.
 - Polly Page asked a question about what that hearing looks like and if the COGCC would overrule a decision to deny a location by the local government. Since the rule changes are so new, Mr. Moore was unsure of the hearing format and how the COGCC would approach a local government denial of a permit.
 - COGCC will work with local governments where local approval involves a site that triggers an ALA to avoid conflicting siting determinations.
- When is ALA required?
 - Required where preferred location is:

Minutes of the Oil and Gas Advisory Committee
City of Aurora, Colorado
January 20, 2021

- W/in 2,000 ft setback, w/in 1500 ft of designated outdoor activity area, less than 2,000 ft from boundary of neighboring jurisdiction, w/in a floodplain, w/in surface water supply area or 2,640 ft of a public water system in a Type III aquifer, w/in or immediately upgradient from wetland or riparian corridor, w/in High Priority Habitat, Operator is using or intends to use a Surface Owner bond to access location, or w/in 2,000 ft of a building or school located within a disproportionately impacted community.
- 300 Series – Cumulative Impacts
 - Requires operators to provide quantitative and qualitative data on cumulative impacts.
 - Operator must submit a plan documenting how the Operator will address cumulative impacts.
- 400 Series – Operations and Reporting
 - Expand rules to protect public water systems that rely on shallow, vulnerable groundwater sources.
 - 1,000 ft buffer zone around those systems.
 - New standards for noise and nuisance issues.
- Rule 437 – Adopt statewide prohibition on chemical additives in hydraulic fracturing fluid that pose unique risks to public health/environment.
 - City of Aurora has included these chemicals in the Oil and Gas Manual.
- 500 Series – Rules of Practice and Procedure
 - Expanded the definition of “Standing” so that any person who may be affected or aggrieved by an application may seek party status.
 - Expanding public access and information by making pooling brochure available in Spanish, committed to best practices for community engagement, and establishing a registry for mineral owners.
- 600 Series – Safety and Facilities Operation
 - Added 2,000 foot setback from building units and schools, measured from the edge of the working pad surface edge.
 - Includes four options for variance requests
 - Well location is within an approved comprehensive drilling plan or comprehensive area plan.
 - Equipment, including wells, tanks, separation equipment, or compressors are located more than 2,000 ft. from buildings.
 - All property owners/tenants sign a waiver agreeing to have a well pad built closer than 2,000 ft.
 - The commission grants a variance at a hearing provided it finds the Operator will take “substantially equivalent” protections for public health and safety.
 - Improved regulatory standards for worker safety and public safety.
- 800 Series – Underground injection for Disposal and Enhanced Recovery Projects
 - Strengthen protections for groundwater by ensuring that underground disposal of produced fluids is fully protective of usable groundwater, in partnership with EPA and Colorado Water Quality Control Division.

Minutes of the Oil and Gas Advisory Committee
City of Aurora, Colorado
January 20, 2021

- Adopts Colorado's first-ever substantive regulatory requirements to prevent induced seismicity associated with underground injection.
- 900 Series – Environmental Impact Prevention – Ban on routine flaring and venting during production.
- Rule 904 – Evaluating cumulative impacts
- 1200 Series – Protection of Wildlife Resources
 - Strengthens the previous rules. Requires avoiding critical habitats through specific habitat protections.
 - These rules won't apply as much to Aurora as they will to other areas.

Chairman Pierce asked if Mr. Moore thought that the rules and changes he presented were going to be the final rules adopted by the COGCC. Mr. Moore said yes, these rules are the final rules. Chairman Pierce also asked about when the Aurora Oil & Gas Manual (OGM) was going to Study Session. Mr. Moore said that the OGM was going to Study Session on February 1st, 2021. It was requested the Mr. Moore send out a link to the latest redlined copy of the OGM to the Advisory Committee.

8. 2021 Calendar and Discussion Topic Ideas (3rd Wednesdays of March, May, July, September and November) – Jim Rogers is attempting to get Bob Raynolds from the Museum of Nature and Science to come present at the March meeting. Mr. Rogers provided a brief background of Bob Raynolds. Mr. Raynolds is an expert on shallow sandstones that serve as aquifers for municipalities and for public use. He has spent many years studying the aquifers in the Denver area. He has also studied the permeability of the shallow reservoirs to transmit fluids. Mr. Rogers and Chairman Pierce thought it would be appropriate for Mr. Raynolds to comment on the permeability of sandstone aquifers as it relates to the hydraulic fracturing process and potential contamination of ground water. Mr. Rogers will reach out to Mr. Raynolds to see if he would be able to present at the March meeting.

Chairman Pierce brought up the topic of some Committee Members and their terms coming up for expiration in June. He stated that the interviews for those Committee Members would need to occur during the May meeting and would follow the same process as the appointment of Mr. Carro. Chairman Pierce will work with Jeffrey and the City Clerk to try to determine which Committee Members terms are coming up for expiration. General discussion of the interview process, the process of reappointment and expiration of terms occurred.

Chairman Pierce asked Mr. Carro to leave the meeting so the Committee could discuss his interview. Chairman Pierce thanked Mr. Carro for applying and for taking the time to interview with the Committee. General discussion of Mr. Carro's interview occurred. Polly Page suggested Mr. Carro's appointment to the Committee be forwarded to City Council. There were no objections to that suggestion. Logan Macmillan asked a question about whether an applicant must to live within Aurora. That is not a requirement to be on the Committee.

Chairman Pierce asked for a member to recommend Mr. Carro for appointment to the Committee. Jim Rogers made a motion for Mr. Carro's appointment to the Oil and Gas Advisory Committee. James Spehalski seconded that motion. There were no objections to the motion. The motion passed unanimously.

Minutes of the Oil and Gas Advisory Committee
City of Aurora, Colorado
January 20, 2021

9. The general meeting was adjourned at 5:28 p.m.

DRAFT