

Minutes of the Oil and Gas Advisory Committee
City of Aurora, Colorado
March 31, 2022

Virtual Meeting

Meeting was called to order at 4:03 p.m. by Chairman Pierce.

The following were present:

Brad Pierce, Committee Member, Chair, Citizen
Josh Reddell, Committee Member, Vice-Chairman, Citizen – ABSENT
Max Blair, Committee Member, Industry
David Carro, Committee Member, Surface Owner – Joined at 4:24pm
Marc Cooper, Committee Member, Surface Owner
William Gollhofer, Committee Member, Citizen
Philip Holmes, Committee Member, Industry
Larry Quirk, Committee Member, Citizen
Jim Rogers, Committee Member, Industry – ABSENT
James Spehalski, Committee Member, Surface Owner
Tom Tobiassen, Committee Member, Citizen – ABSENT

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
Cameron Venable, Colorado Oil and Gas Association

1. Brad Pierce, Chairman, called the meeting to order at 4:03 p.m.
2. Chairman Pierce introduced himself and proceeded to call role. There was a quorum of 7. He asked that City of Aurora Staff and members of the public to introduce themselves. All attendees are listed above.
3. Approval of January 19, 2022 Minutes: Marc Copper moved to approve the January 19, 2022 minutes. James Spehalski seconded the motion. Brad complimented Colin on his taking of minutes. There was no further discussion. The motion passed unanimously.

4A. Colin Brown provided the following update of oil and gas applications since the January 19, 2022 Meeting: Crestone Peak Resources received the Notice to Proceed (NTP) for the Eastern Hills South Well Site in early April. Staff met with Crestone on Wednesday and they indicated the next application will be King North. Crestone Midstream has three lateral applications currently in progress. All 3 will be completed and sent soon. Crestone is looking at possible installing the crude oil pipeline themselves.

No other Operators have submitted applications.

4B. Forrest Thorniley provided the following update of oil and gas inspections since the January 19, 2022 Meeting: Since the January meeting, there have been a couple of spills both on Crestone sites; both at the Rush Well Site. On February 15, there was a water truck at the Rush North hauling produced

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fluids that had a valve failure and spilled 1.5 barrels. It has been cleaned up and closed. On March 15, a separator union failed and spilled 1 barrel of condensate which stayed on the pad and was immediately cleaned up. no complaints or violations through the COGCC database. Forrest is still waiting on closure of the January 7th spill of 6 barrels of fluid from a separator during separator maintenance.

Forrest conducted the 2022 1st quarter IR camera inspections. The 1st quarter inspections covered 27 Well Sites. Forrest noted that 10 Sites were undergoing construction and were not inspected. He found 6 leaks. Four were repaired immediately. The remaining 2 have since been repaired.

He also inspected the Well Sites of KP Kauffman and Painted Pegasus Petroleum. No leaks were found there. Forrest indicated these Well Sites are exempt to ai quality regulations, but he visits them anyway on behalf of the City regulations.

Forrest indicated that the Oil & Gas Division is planning to acquire its own infrared inspection camera so it does not need to rent one each quarter, and it can be used during any inspection. The brand is FLIR. The camera will be partially funded through oil and gas royalties, and the price is about \$95,000.

Jeffrey indicated that he has been working during the past 6 months to identify missing royalty payments and during that timeframe the City has received approximately \$2 million that was unexpected income. Brad and Max added additional thoughts about the City's mineral ownership.

Max Blair asked about the size of the 6 leaks discovered during the IR inspection. Forrest indicated that the leaks were all small and would not have been discovered without an IR camera.

4C. Jeffrey Moore provided a general update on items of importance to the Oil & Gas Division. An older well that was operated by Painted Pegasus Petroleum has been abandoned. COGCC recently claimed their bonds and put their wells on the Orphaned Well List. Jeffrey indicated the Division will work with the COGCC to get the well plugged as soon as possible. Jeffrey provided the context that Aurora only had one Painted Pegasus well, while neighbor Adams County had over a hundred wells orphaned from the same company.

Jeffrey provided an overview of the new Financial Assurance rules that have been approved at the COGCC. Brad mentioned that he had heard about federal money available for plugging wells. Jeffrey replied that he believed Colorado had received \$75 million initially.

Brad paused to mentioned that Dave Carro had joined the meeting at 4:24 pm.

Philip Holmes asked how the State prioritizes which wells to plug first. Jeffrey relayed some of the metrics used by the State, including proximity to residences and schools, whether or not the well is leaking, and also the availability of crew and equipment.

Brad mentioned that Jeffrey presented a summary of the Oil & Gas Division at the Rotary Club recently.

5. Public Comment Period: There were no public attendees or comments.

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6. Membership discussion: Brad introduced the topic by stating that everyone on the Committee had been asked to state when they were first appointed, and how many terms they served. Brad stated that the City Clerk's office has asked for an updated membership roster and details.

Larry Quirk asked Jeffrey for an update on the Jamaso Well Site. Jeffrey replied that the Site was expected to begin drilling again this summer. Larry also asked about the Nevin Well Site. Jeffrey replied that that Site appears to be cancelled, since it was never applied for in Aurora, and there is no information on the COGCC website about the Well Site. Max shared his screen with the COGCC map showing future drilling sites.

Jeffrey presented a slide presentation detailing all the work that he, Colin, Brad, and Ian have done to research the historical members of the Oil & Gas Advisory Committee since the beginning in 2015. After the research, they then created a spreadsheet of details about the members, and their terms.

During the process it was discovered that each term should run consecutively with no gaps. For example, if a term ends on June 30, the next term begins on July 1. In the history of the Committee, some members were being tracked by their individual appointment dates which did not align with the terms. Jeffrey presented a summary of this data, including which members had expiring terms this year (June 30, 2022). He also mentioned that James Spehalski and Dave Carro's term actually ended last year (June 30, 2021).

Colin then presented options for each member, to bring the membership back in line with the bylaws and City ordinance.

Ian Best then presented information about term limits, and how there is uncertainty between the City Code and the Oil & Gas Advisory Committee Bylaws. Ian recommended the Committee confirm the suggestions from Jeffrey and Colin. Ian recommended that the Bylaws be updated to clarify whether the members who had an initial 2-year term can serve an additional 3 3-year terms, or whether the 2-year term counts as a full term.

Max asked whether after serving three terms he would then be lifetime limited and could never serve on the Committee in the future. Colin replied that his training with the City Clerk indicated that an expiring member must sit out for a full 3-year term, and then may reapply.

Discussion was had by the Committee and recommended that Article III.4 be updated to say, "Members may serve a maximum of three consecutive terms." It was also recommended to add Article III.5 to read, "A member who has been term limited may reapply for appointment after waiting one full term.

Jeffrey recommended that Ian make the proposed changes in redline and send it out to the Committee for review, so absent members could see the information and the Committee could vote on the changes in the future.

Brad agreed and asked if there were other areas of the Bylaws which should be adjusted at the same time. He referenced the need for a member of the Committee to only communicate to the Council in writing after authorization. Max agreed that changes could be made in this Section 7 of the Bylaws. Max asked if we could review Bylaws from other Committees in the City.

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Jeffrey asked the Committee to vote on accepting David Carro's appointment, which occurred on April 12, 2021, as if it started on July 1, 2021. Technically his term ended on June 30, 2021 (because he was appointed to fill the term of Justin Wells who resigned near the end of his term.) Max made a motion to accept David Carro's appointment by City Council as continuing through June 30, 2024. Philip seconded the motion. David Carro agreed with this motion. The motion was unanimously approved by the Committee.

Jeffrey recommended that members who wished to reapply should indicate that at the meeting. Brad added that there was a streamlined process through the City Clerk's office where members can reapply online, and be voted on at the May meeting.

7. General Comments from the Chair: Brad indicated that the next meeting will be May 18. Brad stated that he was still working on a field tour date with Crestone. Brad stated that the Energy Symposium in Rifle was April 13-14. He is having eye surgery, so he will not be able to attend. Larry is planning to go. Brad asked if anyone else can attend in his place. There was general discussion about the event.

8. The general meeting was adjourned at 5:35 p.m.

Minutes Approved



Brad Pierce, Chairman

7/20/2022

Date