

CHAPTER 12: REGULATIONS FOR OIL AND GAS OPERATIONS

10.12.1 GENERAL PROVISIONS

A. Title and Citation

These Regulations are entitled and may be cited as the "Regulations for Oil and Gas Operations."

B. Purpose

The purpose of these Regulations is to provide a framework for the responsible exploration and production of oil and gas resources in a manner that preserves other natural resources, that is sensitive to surrounding land uses, and that mitigates adverse impacts to and protects public health, safety, welfare and the environment of the Town. These standards are not intended to supersede state laws, regulations or rules pertaining to oil and gas development, but rather are meant to supplement those requirements where appropriate, and to address areas of regulation where none has been established by the state.

C. Authority

This section is adopted pursuant to C.R.S. § 31-15-401, C.R.S. and §§ 29-20-101 et seq.

D. Oil and Gas Permit Required

1. Type A Permit

Planning Commission review and decision, subject to call-up by Board of Trustees. Public hearing is not required. See Section 10.12.3.D.

2. Type B Permit

Director review, public hearing and recommendation by Planning Commission, public hearing and decision by Board of Trustees. See Section 10.12.3.E.

E. Applicability

1. New or expanded Oil and Gas Operations within the Town are subject these Regulations. These Regulations take the place of the existing special review use process. In the event that the provisions of these Regulations conflict with any other provisions of the UDC, this section shall supersede as it applies to Oil and Gas Operations.
2. Oil and Gas Permits issued pursuant to these Regulations shall encompass within its authorization the right of the Operator, its agents, employees, subcontractors, independent contractors, or any other person to perform that work reasonably necessary to conduct the activities authorized by the permit, subject to all other applicable Town regulations and requirements.
3. Operators of all Oil and Gas Operations existing prior to October 31, 2017 are required to submit to the Town Administrator by December 31, 2017 the following information regarding existing oil and gas flowlines and all other subsurface facilities installed or acquired, owned, or operated by the Operator within the Town limits. The information shall be submitted in an electronic format designated by the Town:
 - a. A map at a scale designated by the Town showing the location, including GPS location, of the existing flowlines and all other subsurface facilities. The map shall denote if the subsurface facility is in use, abandoned, or shut-in; its age; its size and the maximum pressure at which it is operated; and its depth from the surface.

- b. A copy of notices of abandonment filed by the Operator with COGCC for any abandoned flowlines or other subsurface facilities.
- c. A plan for removing abandoned flowlines or other subsurface facilities where such removal is practicable by October 31, 2018. The plan should identify those flowlines and other subsurface facilities where removal is not practicable with a brief explanation of why not.

F. Exemption from these Regulations

1. Operator Agreement

An Operator Agreement approved by the Town Board of Trustees may, by its terms, exempt the proposed Oil and Gas Operation from these Regulations.

2. Continuation of Existing Operations

Oil and Gas Operations that are in existence on the effective date of these Regulations or that are located within territory which thereafter is annexed to the Town may continue operating without the issuance of an Oil and Gas Permit under these Regulations.

3. Recompletion of Existing Wells

Recompletion of wells in existence as of the effective date of these regulations shall be reviewed in accordance with Section 10.12.3.F.

G. Expansion of Operations Existing at the Time of the Effective Date of These Regulations

Expansion of existing oil and gas operations is subject to these Regulations. "Expansion" includes:

- 1. Installation of new wells on existing well pad sites.
- 2. Expansion of the areas of existing well pad sites.

H. Severability

If any section, clause, provision, or portion of these Regulations should be found to be unconstitutional or otherwise invalid by a court of competent jurisdiction, the remainder of these Regulations shall not be affected thereby and is hereby declared to be necessary for the public health, safety and welfare.

I. Definitions

Closed Loop Drilling Process or System

A closed loop mud drilling system typically consists of steel tanks for mud mixing and storage and the use of solids removal equipment which normally includes some combination of shale shakers, mud cleaners and centrifuges sitting on top of the mud tanks. This equipment separates drill cutting solids from the mud stream coming out of the wellbore while retaining the water or fluid portion to be reused to continue drilling the well bore. The solids are placed in containment, either a shallow lined pit or an above ground container, provided on location. The system differs from conventional drilling where a reserve pit is used to allow gravitational settling of the solids from the mud which can then be reused. A Closed Loop Drilling System does not include use of a Conventional Reserve Drilling Pit.

Degradation

Lowering in grade or desirability; lessening in quality.

Director

Community Development Director or the Director's representative.

Exploration and Production Waste

Those wastes associated with Oil and Gas Operations to locate or remove oil or gas from the ground or to remove impurities from such substances and which are uniquely associated with and

intrinsic to oil and gas exploration, development or production activities that are exempt from regulation under the Resource Conservation and Recovery Act (RCRA).

Flare Pit

A pit used exclusively for flaring gas.

Flowlines

Those segments of pipe from the wellhead downstream through the production facilities ending at:

- a. In the case of gas lines, the gas metering equipment; or
- b. In the case of oil lines, the oil loading point or LACT unit; or
- c. In the case of water lines, the water loading point, the point of discharge to a pit, the injection wellhead, or the permitted surface water discharge point.

Gathering Line

A pipeline and equipment that transports gas from a production facility (ordinarily commencing downstream of the final production separator at the inlet flange of the custody transfer meter) to a natural gas processing plant or transmission line or main. The term “gathering line” includes valves, metering equipment, communication equipment, cathodic protection facilities, and pig launchers and receivers, but does not include dehydrators, treaters, tanks, separators, or compressors located downstream of the final production facilities and upstream of the natural gas processing plants, transmission lines, or main lines.

Geologic Hazards

Terrain and geological traits that pose a risk of causing damage to property or human life, including subsurface features such as fault lines, aquifers and other geothermic and geologic phenomena.

Hydraulic Fracturing or Hydraulic Fracturing Treatment

All stages of the treatment of a well by the application of hydraulic fracturing fluid under pressure that is expressly designed to initiate or propagate fractures in a target geologic formation to enhance production of oil and natural gas.

Hydraulic Fracturing Fluid

The fluid, including the applicable base fluid and all hydraulic fracturing additives, used to perform a hydraulic fracturing treatment.

Linear Feature

A road, gathering line, or pipeline that is necessary to cross a water body or connect or access a well or gathering line. A linear feature is not considered necessary simply because it is the most proximate or least expensive method for crossing a water body or connecting or accessing a well or gathering line.

Mitigation

The following actions, in order of preference:

- a. Avoiding impacts: avoiding an impact by not taking a certain action or parts of an action; or
- b. Minimizing impacts: limiting the degree or magnitude of the action or its implementation, or by changing its location; or
- c. Rectifying impacts: repairing, rehabilitating, or restoring the impact area, facility or service; or

- d. Reducing or eliminating impacts: reducing or eliminating the impact over time by preservation and maintenance operations; and
- e. Other provisions for addressing impacts: replacing or providing equivalent biological, social, environmental and physical conditions, or a combination thereof.

Oil and Gas Operations

Exploration for oil or gas, including but not limited to conventional oil and gas and coalbed methane gas; the siting, drilling, deepening, recompletion, reworking, refracturing, closure or abandonment of an oil or gas well; pumping stations; production facilities and operations including the installation of flow lines and gathering lines; accessory equipment; construction, site preparation, reclamation and related activities associated with the development of oil and gas resources, including their impacts on or construction of access roads and easements.

Operator Agreement

An agreement between the Town and an Operator describing how proposed Oil and Gas Operations are to be conducted within the municipal boundaries.

Operation(s)

Oil and Gas Operations.

Operator

The applicant, a parent or subsidiary entity or person, or an entity that has a financial interest in the Operation.

Permit

Town of Erie Oil and Gas Permit issued pursuant to the provisions of this Chapter 12.

Pipelines

Flowlines and gathering lines for oil and gas wells.

Pit

Any natural or man-made depression in the ground used for oil or gas exploration or production purposes. A pit does not include steel, fiberglass, concrete or other similar vessels which do not release their contents to surrounding soils.

Pitless

Pitless with respect to drilling means there is no pit regardless of size or function. This includes conventional reserve drilling pits and drilling cutting pits, but does not include flare pits which may be utilized to contain necessary flaring during the drilling, completion, or up-set conditions. An above ground water tight metal or other material container is utilized instead of a sub-surface pit to hold drilling cuttings until they are disposed of.

Production Facilities

All storage, separation, treating, dehydration, artificial lift, power supply, compression, pumping, metering, monitoring, flowline, and other equipment directly associated with oil wells, gas wells, or injection wells.

Regulation(s)

The Town of Erie Oil and Gas Regulations set forth in Chapter 12 of the UDC.

Reference Area

An area either (1) on a portion of the site that will not be disturbed by oil and gas operations, if that is the desired final reclamation; or (2) another location that is undisturbed by oil and gas

operations and proximate and similar to a proposed oil and gas location in terms of vegetative potential and management, owned by a person who agrees to allow periodic access to it for the purpose of providing baseline information for reclamation standards, and intended to reflect the desired final reclamation.

Residential Building Unit

Building or structure designed for use as a place of residency by a person, a family, or families. The term includes manufactured, mobile, and modular homes, except to the extent that any such manufactured, mobile, or modular home is intended for temporary occupancy or for business purposes.

Significant

Of considerable or substantial consequence.

Significantly Degrade

To lower in grade or desirability to a significant as opposed to trifling degree.

Subsurface Facility

Flowlines and all other subsurface facilities of Oil and Gas Operations.

UDC

Town of Erie Unified Development Code.

VOC Emissions

Volatile organic compounds in oil and gas operations that are released into the atmosphere and/or ground.

Water Body

Any surface waters which are contained in or flow in or through the Town, including: Coal Creek, Boulder Creek, Erie Lake, Erie Reuse Reservoir, Thomas Reservoir, Prince Lake #2, and any irrigation ditches.

Well (Oil and Gas)

An oil or gas well, a hole drilled for the purpose of producing oil or gas, a well into which fluids are injected, a stratigraphic well, a gas storage well, or a well used for the purpose of monitoring or observing a reservoir.

Wildlife Habitat

A natural or man-made environment that contains the elements of food, shelter, water, and space in a combination and quantity necessary to sustain one or more wildlife or plant species at stable population levels in historically-used habitats. Sensitive wildlife habitat areas include, but are not limited to, nesting, brood rearing areas, rookeries, leas, migration corridors, calving and fawning grounds for big game.

10.12.2 PERMIT APPLICATION PROCESS FOR OIL AND GAS OPERATIONS

A. Permit Application Submittal

The applicant shall submit the Permit application materials to the Director. The Permit application materials are set forth in Section 10.12.2.D.

B. Waiver of Permit Application Material Requirements

The Director may waive any part of the Permit application material requirements when the information would not be relevant to determining whether the proposed Oil and Gas Operation complies with the approval standards.

C. Permit Application Fee

The applicant is responsible for the costs of reviewing and processing the Permit application. The applicant is responsible for the costs of counsel, consultant and referral agency review of the Permit application including reviews associated with the pre-application conference, completeness determination, and all hearings and meetings on the Permit application.

1. Fee Requirement

The Permit application shall be accompanied by the application fees set forth in Section 2-10-5 of the Municipal Code.

2. Payment of Additional Costs

If there are costs for reviewing and processing the Permit application in addition to the application fees paid pursuant to C.1 above, the additional cost shall be billed to the applicant. Additional costs billed to the applicant must be paid within thirty (30) days of the billing date, and must be paid in full prior to final action by the Town on the Permit application.

D. Permit Application Materials for Oil and Gas Operations

The applicant shall submit the application materials to the Community Development Department. The Director may waive any part of the application material requirements when the information would not be relevant to determining whether the proposed Oil and Gas Operation complies with the applicable standards.

1. Application Form

Completed Land Use application form.

2. Summary Proposed Oil and Gas Operation

Summary of proposed Oil and Gas Operation, including a list of all proposed oil and gas facilities to be installed and estimated timeline.

3. Topographic Map

- a. Proposed Oil and Gas Operation location. The location of the proposed Oil and Gas Operation including well pads, tanks, roads, pipelines and gathering systems, and related features on a United States Geological Survey quadrangle map or on a recorded plat if the proposed Oil and Gas Operation is within an approved subdivision, with the location highlighted so that it is easy to see.
- b. Topography. Existing and proposed topography at intervals established by the Director as necessary to portray the direction and slope of the area affected by the proposed Oil and Gas Operation.
- c. Transportation and roads. All public and private roads that traverse and/or provide access to the proposed Oil and Gas Operation.
- d. Easements. Easements recorded or historically used that provide access to or across, or other use of, the property.
- e. Municipal and subdivision boundaries. Municipal or subdivision boundaries within one mile of the well pad, tanks, gathering lines, storage areas or any other ancillary feature of the proposed Oil and Gas Operation.
- f. Other Operations. Location of other Oil and Gas Operations within one mile of the site.
- g. Shortest distance between any proposed well or surface equipment on the well pad and the nearest exterior wall of an existing Building Unit.

4. Current Aerial Photo

Current aerial photo that shows the location of the proposed Oil and Gas Operation and the shortest distance between any proposed well or surface equipment on the well pad and the nearest exterior wall of an existing Building Unit, displayed at the same scale as the topographic map to facilitate use as an overlay.

5. Site Preparation Plan

Site plan for site preparation, mobilization, and demobilization.

6. Applications and Permits

Copies of all state applications for the proposed Oil and Gas Operation, and permits, when issued.

7. Reports/Studies/Plans

The following reports, studies and plans shall be prepared to adequately portray the physical characteristics of the property.

a. Air Quality Impact Assessment and Mitigation Plan

An assessment of air quality impacts of the proposed Oil and Gas Operation and a plan to maintain air quality, including a plan to minimize VOC emission in compliance with these Regulations.

b. Chemicals and Hydraulic Fracturing Fluids Disposal and Reporting Plan

A plan for disposal and reporting of chemicals and hydraulic fracturing fluids, that includes:

- i. Material safety data sheets for the chemicals used in the proposed Oil and Gas Operation.
- ii. Chemical Abstract Service Registry Numbers for every chemical used in the proposed Oil and Gas Operation, if available, other than those protected as Trade Secrets.
- iii. Hydraulic fracturing.
- iv. Provision for reporting to the Town the chemicals, other than those protected as a Trade Secret, that will be stored and used during any hydraulic fracturing event along with the maximum quantity that will be present on-site at any one time.

c. Cultural Survey

A cultural, historical, and archeological survey of the proposed Oil and Gas Operations site and other areas and properties impacted by access to the site.

d. Dust Suppression Plan

Dust suppression and control plan.

e. Grading/Drainage and Erosion Control Plan

A plan that identifies existing (dashed lines) and proposed (solid lines) contours, at two-foot intervals, and the methods for controlling erosion during construction and operational phases of the proposed Oil and Gas Operation.

f. Emergency Response Plan

A plan that addresses events such as explosions, fires, gas or water pipeline leaks or ruptures, leaks from well casings and pits, tank leaks or ruptures, hydrogen sulfide or other toxic gas emissions, transportation of hazardous material and vehicle accidents or spills. The plan must include proof of adequate personnel, supplies, and funding to immediately implement the emergency response plan at all times during construction and Operations.

g. Geological Report

A report detailing the geological characteristics of the site, prepared by a registered engineer. The report shall include an assessment of the geologic hazards within one mile of the site and a plan for mitigating impacts from geologic hazards to the proposed Oil and Gas Operation and impacts of the proposed Operation on geologic hazards.

h. Public Services and Facilities Impact Assessment

A description of existing levels, demand for, adequacy of, and the operational costs of public services affected by the proposed Oil and Gas Operation; a description of the increase in demand on those services and a plan for mitigating the impacts to public services and facilities.

i. Lighting

A plan for installation of down cast lighting or some other form of lighting that mitigates light pollution and spill-over onto adjacent properties; provided, however, that the Operator may still use lighting that is necessary for public and occupational safety.

j. Operations Plan

A plan including the method and schedule for drilling, completion, transporting, production and post-operation, and a description of future Oil and Gas Operations.

k. Flowline Management Plan

A plan that includes the following:

- i. A copy of COGCC approved continuous monitoring program providing for pressure data monitoring 24 hours a day 7 days a week and a provision for reporting results to the Town; or description of COGCC Rule 1101.e pressure testing practices and provision for reporting results to the Town.
- ii. A map at a scale designated by the Town showing the location, including GPS location, of all existing and proposed flowlines and other subsurface facilities associated with the Oil and Gas Operations. For each existing and proposed flowline or other subsurface facility, the map shall denote its size and the maximum pressure at which it is or will be operated; its depth from the surface; and, if existing, whether it was constructed or installed before October 31, 2017 and whether it is in use, abandoned, or shut-in.

l. Reclamation Plan

A plan for interim reclamation and revegetation of the site and final reclamation of the site. The plan shall include the locations of any proposed Reference Areas to be used as guides for interim and final reclamation.

m. Spill Prevention Control and Countermeasures Plan

n. Traffic Management Plan

A plan showing the estimated number of vehicle trips per day for each type of vehicle, proposed access routes to and from the site, and measures to mitigate adverse impacts to traffic patterns and safety caused by the proposed operation.

o. Access Road Plan

A plan sufficient to demonstrate compliance with the approval standards in Section 10.12.4.

p. Stormwater Control Plan

A plan to minimize impacts to surface waters from erosion, sediment, and other sources of nonpoint pollution. The stormwater control plan required by COGCC Rule 1002(f) may be provided to establish compliance with this provision.

q. Vegetation and Weed Management Plan

A written description of the species, character and density of existing vegetation on the site, a summary of the potential impacts to vegetation as a result of the proposed Oil and Gas Operation, and proposed mitigation to address these impacts. The plan shall include any COGCC required interim and final reclamation procedures.

r. Water Quality Impact Assessment and Mitigation Plan

i. Identification of all surface and subsurface water bodies. An inventory and location of all water bodies, as well as domestic and commercial water wells within one mile of the proposed Oil and Gas Operation.

ii. Identification of intake(s) for public drinking water supply.

iii. Water quality monitoring and mitigation plan. A Water Quality Monitoring Plan that establishes a baseline and a process for monitoring changes to water quality and the aquatic environment to demonstrate the effectiveness of mitigation. The plan shall comply with the Colorado Oil and Gas Association Voluntary Baseline Groundwater Quality Sampling Program, as it may be amended, and be complementary to any monitoring required by the state. The plan shall, at a minimum, include the following elements:

(A) Key stream segments, other water bodies, and groundwater to monitor.

(B) Locations for and frequency of sampling and monitoring to establish baseline of existing conditions prior to the proposed Oil and Gas Operation including existing water quality, aquatic life and macro-invertebrates, and groundwater data.

(C) Key indicators of water quality and stream health, and threshold levels that will be monitored to detect changes in water quality and health of the aquatic environment.

(D) Locations for and frequency of sampling and monitoring for key indicators of water quality and stream health, including but not limited to constituents regulated by the Colorado Water Quality Control Commission, and constituents associated with the proposed Oil and Gas Operation.

(E) Locations for and frequency of sampling and monitoring to measure effectiveness of water quality mitigation during the life of the proposed Oil and Gas Operation and five years after final reclamation of all disturbed areas is complete.

(F) Mitigation steps that will be implemented to avoid degradation of water bodies if monitoring of key indicators reveals degradation.

s. Water Availability: Physical Availability and Legal Right to Utilize

An assessment of how much water will be needed for each phase of the proposed Oil and Gas Operation, and the source of water supply both physically and legally, for the life of the proposed Operation.

t. Wildlife and Wildlife Habitat Assessment

An assessment of existing wildlife and wildlife habitat, an evaluation of the impacts of the proposed Oil and Gas Operation on wildlife and wildlife habitat, and proposed mitigation to address these impacts.

u. Operational Conflict/Technical Infeasibility/Environmental Protection Waiver Request

Documentation of the basis for any waiver of approval standards based on operational conflict, technical infeasibility or environmental protection that the applicant may request pursuant to Section 10.12.4.C of these Regulations.

v. Additional information requested by the Director

10.12.3 PERMIT PROCESS FOR OIL AND GAS OPERATIONS AND NOTICE OF RECOMPLETION OF EXISTING WELLS

A. Pre-Application Conference and Permit Classification

1. Pre-Application Conference

Prior to submitting an application for an oil and gas permit, an applicant shall meet with the Director to discuss the proposed Oil and Gas Operation. The purpose of the pre-application conference includes, without limitation:

- a. To discuss the location and nature of the proposed Oil and Gas Operations;
- b. To explain the application submittal requirements, the nature of materials that will be responsive to those requirements, and waivers of any materials that would not be necessary in determining whether the application complies with Town requirements;
- c. To discuss state terms and conditions imposed on the proposed Oil and Gas Operation;
- d. To identify site-specific concerns and issues that bear on the proposed Oil and Gas Operation;
- e. To discuss projected impacts and potential mitigation;
- f. To discuss the Town Oil and Gas Operations Standards that must be satisfied for Permit approval;
- g. To discuss whether the application will be classified as a Type A or Type B Permit application; and
- h. To identify potential Operational Conflicts, or waivers of Oil and Gas Operation Standards based on technical infeasibility or environmental protection that the applicant intends to raise.

2. Pre-Application Materials

At or before the pre-application conference, the applicant shall provide the Director with information that is sufficient for determining the location and nature of the proposed Oil and Gas Operation, the degree of impacts associated with the Operation, and mitigation proposed to offset such impacts.

B. Classification of Permit Application

Within ten (10) working days after the pre-application conference the Director shall classify the Permit application as a Type A or Type B Permit application.

1. Oil and Gas Operations Classified as Type A

An Oil and Gas Operation will be classified as a Type A Permit application if the Operator agrees to conduct the operation in conformance with the following requirements¹.

¹ These requirements may not be waived.

- a. The Operation will be at least 1000 feet from occupied buildings or occupied buildings permitted for construction.
- b. Wells and production facilities shall be 750 feet or more from Erie platted residential lots or parks, sports fields and playgrounds, or other designated outside activity areas.
- c. The Operation will be at least 500 feet from any surface water body.
- d. The Operation will be at least 500 feet from any domestic or commercial water wells or irrigation wells and the Operation is not located within a floodway district as defined in Section 10.2.7.C.4 of the UDC.
- e. The Operation will utilize closed-loop systems for drilling and completion operations.
- f. The Operator agrees to control noise levels as follows.
 - i. For db(A) scale noise, Operator will insure that the noise level from Operations subject to the light industrial zone noise standard under COGCC Regulations 802.b and 604.c.(2)(A) does not exceed sixty (60) db(A) and that the noise level from Operations subject to the industrial zone noise standard under COGCC Regulations 802.b and 604.c.(2)(A) is reduced at least five (5) db(A) below the maximum level permitted by those Regulations. For this purpose, the noise level shall be measured as set forth in COGCC Regulations 802.b and c, except no measurements shall be taken when traffic is passing the sound level meter, and Operator shall be present during all measurements. As set forth in COGCC Regulation 802.b, the noise levels shall be subject to increase for a period not to exceed fifteen (15) minutes in any one (1) hour period and reduction for periodic, impulsive or shrill noises.
 - ii. For db(C) scale noise, Operator shall comply with the requirements of COGCC Regulation 802.
- g. The Operator agrees to control air quality through the following practices.
 - i. To identify leaks, Operator will perform audio, visual and olfactory inspections on a monthly basis at all of its new and existing wells and related facilities and equipment within Erie's Town Limits. Operator will also inspect each such well with an infra-red camera on a monthly basis. The initial baseline inspections will occur within sixty (60) calendar days after the date of Permit approval. After a well has produced for twelve (12) months, the frequency of such inspections shall decrease from monthly to quarterly. If Operator determines that any repairs are required based on these inspections, Operator will promptly initiate these repairs.
 - ii. Operator will report to the Director on the inspection results and any associated repairs the month after the inspection or repair occurs. This information will be collectively reported on a monthly basis in the same format that Operator uses for reporting to the Air Pollution Control Division under Regulation 7, but that is specific to wells located within the Erie Town Limits. The Town will make this information available upon its website, or may provide a link for such information from Town's website to Operator's website.
 - iii. For each well completion operation with hydraulic fracturing, the Operator will control emissions by the following procedures.

(A) For the duration of flowback, route the recovered liquids into one or more storage vessels or re-inject the recovered liquids into the well or another well, and route the recovered gas into a gas flow line or collection system, re-inject the recovered gas into the well or another well, use the recovered gas as an onsite fuel source, or use the recovered gas for another useful purpose that a purchased fuel or raw material would serve, with no direct release to the atmosphere.

(B) If compliance with the prior paragraph is infeasible, the Operator must capture and direct flowback emissions to a completion combustion device equipped with a reliable continuous ignition source over the duration of flowback, except in conditions that may result in a fire hazard or explosion, or where high heat emissions from a completion combustion device may negatively impact waterways or nearby structures. Non-flammable gas may be vented temporarily until flammable gas is encountered where capture or combustion is not feasible.

h. The Operation will recycle and reuse water at the pad sites and otherwise minimize waste water production to the extent that it is determined such recycling, reuse, and waste water minimization is technically and economically feasible.

i. If water is not being piped to a well pad site, the proposed Operation will utilize Town water rather than trucking water to the site.

j. The Operation will not utilize Class II underground injection control wells.

2. Oil and Gas Operations Classified as Type B

Operations that are not classified as Type A Permits shall be classified as Type B Permits.

C. Determination of Completeness

1. Application Is Not Complete

If the Director determines that the application is not complete, the Director shall inform the applicant in writing of the deficiencies and shall take no further action on the application until the deficiencies are remedied. If the applicant fails to correct the deficiencies within thirty (30) calendar days after the notice that the application is incomplete, the application shall be considered withdrawn unless the applicant requests more time to ensure that the materials are as complete as possible.

2. Application Is Complete

If the Director determines that the application is complete, the Director shall date the application and notify the applicant in writing.

3. Completeness Is Not a Determination of Compliance

A determination that an application is complete shall not constitute a determination that it complies with the approval standards of these Regulations.

D. Type A Permit Review and Planning Commission Decision

A Type A Permit is subject to review and decision by the Planning Commission. The Planning Commission shall make a decision on the Permit application at a properly noticed public meeting. A public hearing is not required.

1. Neighborhood Meeting

The purpose of a neighborhood meeting is to provide an informal opportunity to inform the residents and landowners of the surrounding neighborhood(s) of the details of the proposed

Oil and Gas Operation, how the applicant intends to meet the standards contained in these Regulations, and to receive public comment and encourage dialogue at an early time in the review process. No decision regarding the application will be made at the Neighborhood Meeting.

a. Applicability

The Director may waive the neighborhood meeting requirement if it is determined that the proposed Oil and Gas Operation would not have significant impacts in any of the following areas. The waiver shall be in writing and shall be included as part of the case record.

- i. Traffic;
- ii. Natural resources protected under the UDC; and
- iii. Operational compatibility, such as lighting, hours of operation, odor, noise, litter, or glare.

b. Notice of Neighborhood Meeting

The applicant shall submit an affidavit to the Town stating that the public notice requirement has been met.

c. Attendance as Neighborhood Meeting

The applicant or applicant's representative shall attend the neighborhood meeting. The applicant shall be responsible for scheduling the meeting, coordinating the meeting, and for retaining an independent facilitator if needed. Attendance at the meeting by Town staff is not required. The Director may require attendance at the meeting, only for the purpose of explaining the application process. Comments made by staff at the neighborhood meeting are preliminary in nature and not determinative of the Town's position on the application.

d. Summary of Neighborhood Meeting

The applicant shall prepare a written summary of the neighborhood meeting. The written summary shall be provided to Town staff.

2. Public Notice of Planning Commission Meeting

a. Written Notice of Planning Commission Meeting to Adjacent property Owners

Not less than fifteen (15) calendar days prior to the date of the Planning Commission meeting to consider the Permit application, the Director shall mail written notice of the meeting to adjacent property owners. The applicant shall provide a stamped and addressed envelope for each party to be notified.

i. Notice

The applicant is responsible for composing the written notice. The notice shall include:

- (A) Date, time, and place of the meeting;
- (B) Description of the property involved in the application by street address or by legal description and nearest cross street;
- (C) Description of the purpose of the meeting and that interested parties can come to the meeting and speak on the matter;
- (D) Information on how to obtain additional information on the proposed Oil and Gas Operation and to comment on the proposed Operation; and

(E) Contact information for the Operator, including phone number and office hours.

ii. List of Property Owners

The list of property owners to be notified shall include the following persons and shall be compiled by the applicant using the most current list of property owners on file with the County Assessor.

(A) Owners of record of property within one-half (1/2) mile of the site of the proposed Operation.

(B) Associated homeowners associations.

(C) Additional persons or geographic areas that the Director may designate.

iii. Validity of Notice

The applicant is responsible for the accuracy of lists of property owners to whom written notice is provided. If the applicant makes reasonable good faith efforts to accomplish the notice responsibilities identified above, then the failure of any property owner to receive notice shall not affect the validity of the decision.

b. Posted Notice

The applicant is required to post on the property a notice of the Planning Commission meeting to consider the Permit application. The Town will provide the signs for posting. The applicant is responsible for filling out the signs, posting the signs, checking on the signs to make sure they remain in place, and to remove the signs within two days after the meeting. Prior to the meeting the applicant shall submit to the Community Development Department a notarized affidavit, on the Town form, stating that the notice was posted and maintained.

3. Referral of Application

The Director may send a copy of the complete application to consultants and any local, state or federal agency that may have expertise or an interest in impacts that may be associated with the proposed Oil and Gas Operation. The applicant shall be responsible for the costs of any consultant and referral agency review.

4. Application Review and Staff Report

a. Director Review and Staff Report

The Director shall prepare a report taking into account the application, review comments, issues raised by referral agencies and consultants, terms and conditions imposed by state agencies, probability of compliance with the approval standards, and any other available information on the record.

b. Distribution of Staff Report

The Director shall submit the staff report to the applicant and to the Planning Commission. A copy of the staff report shall also be available for public review prior to the hearing.

5. Permit Decision by Planning Commission

The Planning Commission shall approve, approve with conditions, or deny the Permit application based upon compliance with the approval standards in Section 10.12.4 of these Regulations. The Commission's decision shall include the following:

a. Description of Project

Brief discussion of the proposed Oil and Gas Operation;

- b. Issues**
Description of issues raised by the affected property owners, referral agencies and consultants;
- c. Conditions Imposed by the State**
Description of terms, conditions and requirements imposed on proposed Oil and Gas Operation by the state;
- d. Impacts and Mitigation**
Description of impacts of the proposed Oil and Gas Operation, proposed mitigation, and whether each approval standard has been satisfied; and
- e. Conditions of Approval**
Conditions of approval, if any, necessary to ensure compliance with approval standards.

6. Reconsideration of Planning Commission Decision by Board of Trustees

- a. Call-up by Board of Trustees**
At the next regularly scheduled meeting for which proper notice can be accomplished following the Planning Commission's decision, the Board of Trustees may, at its discretion, decide to reconsider the Commission's decision.
- b. Request by Applicant for Reconsideration by Board of Trustees**
Not more than five (5) working days after the Planning Commission's decision, the applicant may submit a written request for reconsideration by the Board of Trustees of the Planning Commission's decision.
- c. Reconsideration of Planning Commission's Decision**
After call-up by the Board or upon receiving the request for reconsideration of the Planning Commission's decision, the Board may reconsider the decision at the next regularly scheduled meeting for which proper notice can be accomplished. A public hearing is not required. The Board shall either uphold the Planning Commission's decision, modify the decision, or reverse the decision based upon the information on record.

E. Type B Permit Review and Decision

1. Neighborhood Meeting

The purpose of a neighborhood meeting is to provide an informal opportunity to inform the residents and landowners of the surrounding neighborhood(s) of the details of the proposed Oil and Gas Operation, how the applicant intends to meet the standards contained in these Regulations, and to receive public comment and encourage dialogue at an early time in the review process. No decision regarding the application will be made at the Neighborhood Meeting.

a. Applicability

The Director may waive the neighborhood meeting requirement if it is determined that the proposed Oil and Gas Operation would not have significant impacts in any of the following areas. The waiver shall be in writing and shall be included as part of the case record.

- i.** Traffic;
- ii.** Natural resources protected under the UDC; and
- iii.** Operational compatibility, such as lighting, hours of operation, odor, noise, litter, or glare.

b. Notice of Neighborhood Meeting

The applicant shall submit an affidavit to the Town stating that the public notice requirement has been met.

c. Attendance at Neighborhood Meeting

The applicant or applicant's representative shall attend the neighborhood meeting. The applicant shall be responsible for scheduling the meeting, coordinating the meeting, and for retaining an independent facilitator if needed. Attendance at the meeting by Town staff is not required. The Community Development Director may require attendance at the meeting, only for the purpose of explaining the application process. Comments made by staff at the neighborhood meeting are preliminary in nature and not binding.

d. Summary of Neighborhood Meeting

The applicant shall prepare a written summary of the neighborhood meeting. The written summary shall be provided to Town staff.

2. Public Notice of Planning Commission Hearing

a. Published Notice

Not less than fifteen (15) calendar days prior to the date of the public hearing, the Director shall publish a notice of public hearing on the Permit application. The notice shall be published once in a newspaper having general circulation in the area. The notice shall include contact information for the Operator, including phone number and office hours. The applicant shall be responsible for the cost of publication.

b. Written Notice of Planning Commission Hearing to Adjacent Property Owners

Not less than fifteen (15) calendar days prior to the date of the public hearing, the Director shall mail written notice of the public hearing to adjacent property owners. The applicant shall provide a stamped and addressed envelope for each party to be notified.

i. Notice

The applicant is responsible for composing the written notice of Public Hearing. The notice shall include:

- (A) Date, time, and place of the hearing;
- (B) Description of the property involved in the application by street address or by legal description and nearest cross street;
- (C) Description of the purpose of the hearing and that interested parties can come to the meeting and speak on the matter;
- (D) Information on how to obtain additional information on the proposed Oil and Gas Operation and to comment on the proposed Operation; and
- (E) Contact information for the Operator, including phone number and office hours.

ii. List of Property Owners

The list of property owners to be notified shall include the following persons and shall be compiled by the applicant using the most current list of property owners on file with the County Assessor.

- (A) Owners of record of property within 300 feet of the site of the proposed Operation.
- (B) Associated homeowners associations.

(C) Additional persons or geographic areas that the Director may designate.

iii. Validity of Notice

The applicant is responsible for the accuracy of lists of property owners to whom written notice is provided. If the applicant makes reasonable good faith efforts to accomplish the notice responsibilities identified above, then the failure of any property owner to receive notice shall not affect the validity of the decision.

c. Posted Notice

The applicant is required to post on the property a notice of the Planning Commission hearing. The Town will provide the signs for posting. The applicant is responsible for filling out the signs, posting the signs, checking on the signs to make sure they remain in place, and to remove the signs within two days after the final decision on the Permit application. Prior to the hearing the applicant shall submit to the Community Development Department a notarized affidavit, on the Town form, stating that the notice was posted and maintained.

3. Referral of Application

The Director may send a copy of the complete application to consultants and any local, state or federal agency that may have expertise or an interest in impacts that may be associated with the proposed Oil and Gas Operation. The applicant shall be responsible for the costs of any consultant and referral agency review.

4. Application Review and Staff Report

a. Director Review and Staff Report

The Director shall prepare a report taking into account the application, review comments, issues raised by referral agencies and consultants, terms and conditions imposed by state agencies, probability of compliance with the approval standards, and any other available information on the record.

b. Distribution of Staff Report

The Director shall submit the staff report to the applicant and to the Planning Commission. A copy of the staff report shall also be available for public review prior to the hearing.

5. Planning Commission Hearing and Recommendations

The Planning Commission shall consider the Permit application at a public hearing following proper public notice.

a. Recommend Approval of Permit Application

If the proposed Oil and Gas Operation satisfies the approval standards, the Planning Commission shall recommend the Permit application be approved.

b. Recommend Denial of Permit Application

If the proposed Oil and Gas Operation fails to satisfy the approval standards, the Planning Commission may recommend that the Permit application be denied; or

c. Recommend Conditional Approval of Permit Application

The Planning Commission may recommend approval with conditions determined necessary for compliance with applicable development standards.

6. Public Hearing and Decision by Board of Trustees

a. Public Notice of Board of Trustees Hearing

i. Published Notice

Not less than fifteen (15) calendar days prior to the date of the public hearing, the Director shall publish a notice of public hearing on the Permit application. The notice shall be published once in a newspaper having general circulation in the area. The notice shall include contact information for the Operator, including phone number and office hours. The applicant shall be responsible for the cost of publication.

ii. Written Notice of Planning Commission Hearing to Adjacent Property Owners

Not less than fifteen (15) calendar days prior to the date of the public hearing, the Director shall mail written notice of the public hearing to adjacent property owners. The applicant shall provide a stamped and addressed envelope for each party to be notified.

(A) Notice

The applicant is responsible for composing the written notice of public hearing. The notice shall include:

- (1) Date, time, and place of the hearing;
- (2) Description of the property involved in the application by street address or by legal description and nearest cross street;
- (3) Description of the purpose of the hearing and that interested parties can come to the hearing and speak on the matter.
- (4) Information on how to obtain additional information on the proposed Oil and Gas Operation and to comment on the proposed Operation.
- (5) Contact information for the Operator, including phone number and office hours.

(B) List of Property Owners

The list of property owners to be notified shall include the following persons and shall be compiled by the applicant using the most current list of property owners on file with the County Assessor.

- (1) Owners of record of property within 300 feet of the site of the proposed Operation.
- (2) Associated homeowners associations.
- (3) Additional persons or geographic areas that the Director may designate.

(C) Validity of Notice

The applicant is responsible for the accuracy of lists of property owners to whom written notice is provided. If the applicant makes reasonable good faith efforts to accomplish the notice responsibilities identified above, then the failure of any property owner to receive notice shall not affect the validity of the decision.

iii. Posted Notice

The applicant is required to post on the property a notice of the hearing. The Town will provide the signs for posting. The applicant is responsible for filling out the signs, posting the signs, checking on the signs to make sure they remain in place, and to remove the signs within two days after the final decision on the Permit application. Prior to the hearing the applicant shall

submit to the Community Development Department a notarized affidavit, on the Town form, stating that the notice was posted and maintained.

b. Application Review and Staff Report

i. Director Review and Staff Report

The Director shall prepare a report taking into account the application, Planning Commission recommendation, review comments, issues raised by referral agencies and consultants, terms and conditions imposed by state agencies, probability of compliance with the approval standards, and any other available information on the record.

ii. Distribution of Staff Report

No less than seven (7) calendar days prior to the date of the public hearing, the Director shall submit the staff report to the applicant and to the Board of Trustees. A copy of the staff report shall also be available for public review prior to the hearing.

c. Permit Decision by Board of Trustees

The Board of Trustees shall approve, approve with conditions, or deny the Permit application based upon compliance with the approval standards in Section 10.12.4 of these Regulations. The Board's decision shall include the following:

i. Description of Project

Brief discussion of the proposed Oil and Gas Operation;

ii. Issues

Description of issues raised by the Planning Commission, affected property owners, referral agencies and consultants;

iii. Conditions Imposed by the State

Description of terms, conditions and requirements imposed on proposed Oil and Gas Operation by the state;

iv. Impacts and Mitigation

Description of impacts of the proposed Oil and Gas Operation, proposed mitigation, and whether each approval standard has been satisfied; and

v. Conditions of Approval

Conditions of approval, if any, necessary to ensure compliance with approval standards.

F. Recompletion of Wells Existing as of the Effective Date of These Regulations

1. Notice of Recompletion

Prior to submitting Form 2 to the COGCC for recompletion of any well existing as of the effective date of these Regulations, the Operator shall notify the Local Government Designee ("LGD") of its intent to submit such form.

2. Neighborhood Meeting

Prior to submitting the Form 2 for recompletion of any well existing as of the effective date of these Regulations, the Operator shall hold a neighborhood meeting at the Erie Community Center or a similarly convenient location approved by the Operator and the Town. The Operator shall provide 3 x 5 cards for the public to make written comments. The Town shall provide a lockbox for purposes of collecting written comments from meeting attendees. The LGD or his appointee will attend the meeting and collect the lockbox containing any written comments from meeting attendees. The LGD will transmit the written comments to the COGCC with any comments he submits on behalf of the Town regarding the Form 2.

3. Mailed Notice

Prior to the neighborhood meeting, the Operator shall mail notice of the anticipated recompletion to those properties located within at least one-half (1/2) mile of the pad site that would be affected by the recompletion. Owners of record shall be ascertained according to the records of the County Assessor's Office, unless more current information is made available in writing to the Town prior to the mailing of the notices. This notice shall include reference to the neighborhood meeting, contact information for the Operator, and the approximate date recompletion will begin. The Operator will provide the Town with an affidavit or certificate of mailing showing that notice was provided to the list of property owners.

4. Posted Notice

Ten (10) days prior to the neighborhood meeting, the Operator shall post a sign at the pad site, giving notice to the general public of the recompletion and contact information for the Operator. The Town will provide the signs for posting. The applicant is responsible for filling out the signs. For parcels of land exceeding ten (10) acres in size, two (2) signs shall be posted. Such signs shall be posted on the subject property in a manner and at a location or locations reasonably calculated by the Town to afford the best notice to the public.

10.12.4 OIL AND GAS OPERATIONS APPROVAL STANDARDS

A. Standards Applicable to Type A Permits

In addition to the standards in Section 10.12.4.B, below, all Type A permits shall be subject to the requirements set forth in Section 10.12.3.B.1.

B. Standards Applicable to Type A and Type B Permits

The following standards are the minimum standards that will apply to all proposed Oil and Gas Operations, and shall be in addition to any applicable state standards.

1. Use of Steel-Rim Berms

The Oil and Gas Operation will use steel rim berms or some other state of the art technology that will contain fluids and other material instead of sand or soil berms.

2. Setbacks

Wells and any associated Oil and Gas Operation facility or structure (above ground) shall be set back in accordance with Colorado Oil and Gas Conservation Commission Regulations, as amended.

3. Minimal Site Disturbance

The Oil and Gas Operation shall be located and constructed in a manner so that there is no unnecessary or excessive site disturbance and that minimizes the amount of cut and fill:

- a. Multi-well drill pads and consolidated facilities will be used to minimize surface disturbance.
- b. Pad dimensions will be the minimum size necessary to accommodate operational needs while minimizing surface disturbance.
- c. Structures and surface equipment will be the minimum size necessary to satisfy present and future operational needs.
- d. The Operation will be located in a manner to minimize impacts on surrounding uses, and achieve compatibility with the natural topography and existing vegetation.

4. Visual Quality

The Oil and Gas Operation will not cause significant degradation to the scenic attributes and rural character of the Town.

- a. Facilities shall be painted in a uniform, non-contrasting, non-reflective color, to blend with the surrounding landscape and with colors that match the land rather than the sky. The color should be slightly darker than the surrounding landscape.
- b. The Oil and Gas Operation should be buffered from sensitive visual areas by providing landscaping along the perimeter of the site between the surface equipment and the sensitive visual area.
- c. The Oil and Gas Operation should be constructed in a manner to minimize the removal of and damage to existing trees and vegetation. If the Operation requires clearing trees or vegetation, the edges of the cleared vegetation should be feathered and thinned and the vegetation should be mowed or brushhogged while leaving root structure intact, instead of scraping the surface.
- d. The Oil and Gas Operation shall be sited away from prominent natural features and visual, scenic and environmental resources such as distinctive rock and land forms, rivers and streams, and distinctive vegetative patterns.
- e. To the maximum extent practicable, the Oil and Gas Operation will use low profile tanks or less intrusive equipment.

5. Natural Resource Area

The Oil and Gas Operation may not be located as to cause significant degradation of natural landmarks, rare plant species, riparian corridors, wildlife habitat or other sensitive areas.

6. Historical and Cultural Resources

The Oil and Gas Operation shall not cause significant degradation to resources of historic, cultural, paleontological, or archeological importance.

7. Public Services and Facilities

The Oil and Gas Operation shall not have a significant adverse effect on the capability of the Town to provide municipal services or the capacity of the service delivery systems.

8. Use of Existing Roads

Unless traffic safety, visual or noise concerns, or other adverse surface impacts clearly dictate otherwise, existing roads on or near the site of the Oil and Gas Operation shall be used in order to minimize land disturbance.

9. Transportation, Roads, and Access Standards

The Oil and Gas Operation shall not cause significant degradation to resources of historic, cultural, paleontological, or archeological importance.

a. Compliance with Town Standards

All public roads shall be constructed and maintained in compliance with Town standards as necessary to accommodate the traffic and equipment related to Oil and Gas Operations and emergency vehicles.

b. Dust Suppression

Dust associated with on-site activities and traffic on access roads shall be minimized throughout construction, drilling and operational activities such that there are no visible dust emissions from access roads or the site to the extent practical given wind conditions.

c. Access to Public Roads

- i. Access points to public roads shall be located, improved and maintained to assure adequate capacity for efficient movement of existing and projected traffic volumes and to minimize traffic hazards.

- ii. Access roads shall be improved a minimum distance of 200 feet on the access road from the point of connection to a public road. The access road shall be improved as a hard surface (concrete or asphalt) for the first 100 feet from the public road and then improved as a crushed surface (concrete or asphalt) for 100 feet past the hard surface in the appropriate depth to support the weight load requirements of the vehicles accessing the well and production facilities.
 - iii. If an access road intersects with a pedestrian trail or walk, the Operator shall pave the access road as a hard surface (concrete or asphalt) a distance of 100 feet either side of the trail or walk and if necessary, replace the trail or walk to address the weight load requirements of the vehicles accessing the well and production facilities.
 - iv. Temporary access roads associated with the Oil and Gas Operation shall be reclaimed and revegetated to the original state within sixty (60) days after discontinued use of the temporary access roads.
- d. If the projected use of public roads as a result of the Oil and Gas Operation will result in a need for an increase in roadway maintenance, the Operator shall enter into an agreement with the Town whereby the Operator provides for private maintenance or reimburses the Town for such increased costs and/or provides a bond or other financial assurance in an amount acceptable to the Town to cover the costs of mitigating impacts to public roads.

10. Implementation of Traffic Management Plan

The Operator will implement the required Traffic Management Plan

11. Road Repairs

- a. The Operator will arrange for a qualified outside consultant to perform a road impact study for all public roads that are used to access the Oil and Gas Operation. The consultant will conduct the first part of the study prior to operations and the second part of the study after the Operator completes all drilling and hydraulic fracturing. The Operator and the Town will use these studies to determine the extent of any damage accruing to the road during the study period. The Operator will either promptly pay the Town to repair such damage or arrange for and pay the cost of such repairs itself, whichever the Town prefers.
- b. The Operator shall maintain financial assurance to secure its road repair obligations. The amount of such financial assurance shall equal the Town's annual road maintenance budget as of the date of permit approval multiplied by the percentage yielded by dividing the total number of Town road miles as of the date of permit approval into the number of such road miles that the Operator will use to access the Oil and Gas Operation. The Operator shall select the form of such financial assurance and shall maintain such assurance until it fulfills its obligation to repair road damage pursuant to paragraph a, above.

12. Grading/Drainage and Erosion Control

The Oil and Gas Operation shall be conducted in accordance with the Grading/Drainage and Erosion Control Plan.

13. Water Quality

The Oil and Gas Operation shall not cause significant degradation of water quality of affected water bodies. The Operator will implement the required water quality monitoring plan. Determination of effects of the Operation on water quality may include, but is not limited to the following considerations:

- a. Applicable narrative and numeric water quality standards.

- b. Changes in point and nonpoint source pollution loads.
- c. Increase in erosion and sediment loads.
- d. Changes in stream channel or shoreline stability.
- e. Changes in stormwater runoff flows.
- f. Changes in quality of ground water.
- g. Certification. The Operator must submit annual reports to the Director certifying compliance with water quality standards, documenting any non-compliance, including its date and duration. A compliance plan is required for all instances of non-compliance.

14. Wells

The Oil and Gas Operation shall not cause water quality or water pressure of any public or private water wells to go below pre-project levels. The Operator must submit annual reports to the Director certifying that the Operation has not caused water quality or pressure of public and private wells to go below pre-project levels, documenting non-compliance, including its date and duration. A compliance plan is required for all instances of non-compliance.

15. Floodplain, Wetlands and Riparian Areas

The Oil and Gas Operation will not have a significant adverse effect on the floodplain and will not significantly degrade wetlands and riparian areas. Oil and Gas Operations conducted within the Floodplain Overlay District shall comply with Section 10.2.7.C of the UDC.

16. Wildlife

The Oil and Gas Operation shall not cause significant degradation of wildlife or wildlife habitat.

17. Fuel Storage Areas

The Oil and Gas Operation includes measures to contain fuel in fuel storage areas to prevent release to any water body. Inventory management or leak detection plans may be required.

18. Disposal of Hydraulic Fracturing Fluid

The Operator shall demonstrate the ability to and shall dispose of all hydraulic fracturing fluids in accordance with the Hydraulic Fluid Fracturing Disposal Plan.

19. Hazardous Materials

- a. The Oil and Gas Operation includes measures to contain all hazardous materials in storage areas to prevent release to any water body. Inventory management and leak detection systems are required.
- b. Full disclosure, consistent with COGCC requirements, including material safety data sheets of all hazardous materials that will be transported on any public or private roadway within the Town for the Oil and Gas Operation, shall be provided to the Director. This information will be treated as confidential and will be shared with other emergency response personnel only on an as needed basis.

20. Spill Release Response and Reporting

The Operator has demonstrated the ability to control and contain all spills and releases of exploration and production waste, including produced fluids, immediately upon discovery in compliance with the following requirements:

- a. Impacts resulting from spills and releases shall be investigated and cleaned up as soon as practicable.

- b. For all spills and releases reportable under COGCC Rule 906, within ten (10) days after discovery Operator shall submit to the Director a copy of the spill and release report (COGCC Form 19), including the topographic map showing location of the spill and any information relating to initial mitigation, site investigation, and remediation that accompany the report.
- c. For spills and releases which exceed twenty (20) barrels of exploration and production waste, the spill and release shall be verbally reported to the Director as soon as practicable, but not more than twenty-four (24) hours after discovery.
- d. Spills and releases of any size which impact or threaten to impact any waters of the state, residence or occupied structure, livestock, or public byway shall be verbally reported to the Director as soon as practicable, but not more than twenty-four (24) hours after discovery.
- e. Spills and releases of any size which impact or threaten to impact any water supply area shall be verbally reported to the Colorado Environmental Spill Reporting Hotline at 1-877-518-5608, to the Local Government Designee, and to the Director immediately after discovery.
- f. Spills, chemical spills and releases shall be reported in accordance with applicable state and federal laws, including the Emergency Planning and Community Right to Know Act, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Oil and Pollution Act, and the Clean Water Act, as applicable.

21. Emergency Response

The Oil and Gas Operation shall be conducted in accordance with the Emergency Response Plan.

22. General Operations and Maintenance Requirements

- a. The Oil and Gas Operation shall maximize resource recovery and minimize releases to the atmosphere during flowback and subsequent recovery / operation.
- b. Gas produced during production shall be captured and not flared or vented to the maximum extent practicable.
- c. The Operator shall at all times keep the well sites, roads, rights-of-way, facility locations, and other Oil and Gas Operation areas safe and in good order, free of noxious weeds, litter and debris.
 - i. The Operation shall comply with COGCC rules concerning weed control. The Operator shall be responsible for ongoing weed control at all locations disturbed by the Operation and along access roads during construction and operation, until abandonment and final reclamation is completed.
 - ii. The Operation shall comply with COGCC rules concerning removal of debris.
 - iii. The Operator shall utilize vehicle tracking control practices to control potential sediment discharges from unpaved surfaces. Such practices may include road and pad design and maintenance to minimize rutting and tracking, controlling site access, street sweeping or scraping, tracking pads, and wash racks. Traction chains from heavy equipment shall be removed before entering a public roadway.
- d. The Operator shall dispose of all water, unused equipment, litter, sewage, waste, chemicals and debris off of the site at an approved disposal site.
 - i. All equipment used for drilling, re-drilling and maintenance shall be removed from the well pad site within thirty (30) days after completion of

the work, unless otherwise agreed to by the surface owner. Permanent storage of equipment on well pad sites shall not be allowed.

- ii. Materials shall not be buried on-site.
- e. The Operator shall promptly reclaim and reseed all disturbed sites in conformance with COGCC rules.
- f. Routine field maintenance of vehicles or mobile machinery shall not be performed within three hundred (300) feet of any water body.
- g. All mechanized equipment associated with the Operation shall be anchored to minimize transmission of vibrations through the ground.
- h. No burning of trash shall occur in association with the Operation.
- i. Open-ended discharge valves on all storage tanks, pipelines and other containers shall be secured where the Operation site is unattended or is accessible to the general public. Open-ended discharge valves shall be placed within the interior of the tank secondary containment.
- j. All permanent equipment with engines or motors that can be electrified shall be electrified from the power grid or from renewable sources. All well pads that are not electrically operated should use quiet design mufflers (also referred to as hospital grade or dual dissipative) or equivalent; or acoustically insulated housing or covers to enclose the motor or engine.
- k. Exhaust from all engines, motors, coolers and other mechanized equipment shall be vented up or in a direction away from the closest occupied structures.
- l. Oil and gas well facilities (above ground) shall be fenced with wrought iron fencing or Ameristar Impasse or Stronghold fencing or approved equivalent, as determined by the Director. The fencing color shall be bronze unless the Director approves black fencing. Black fencing will only be approved by the Director if fencing or site furnishings in the adjacent developments have approved black elements.
- m. The Operator will install down cast lighting or some other form of lighting that mitigates light pollution and spill-over onto adjacent properties; provided, however, that Operator may still use lighting that is necessary for public and occupational safety.
- n. Well Abandonment. The Operator shall comply with any COGCC rules regarding well abandonment. Upon plugging and abandonment of a well, the Operator shall provide the Director with surveyed coordinates of the abandoned well and shall leave onsite a permanent physical marker of the well location.

C. Waiver of Approval Standards

The Town may waive one or more of the Oil and Gas Operation Approval Standards set forth in this Section 10.12.4.B for Operational Conflict, Technical Infeasibility or Environmental Protection.

1. Operational Conflict

An approval standard may be waived by the Board of Trustees if the application of a Town standard to the proposed Oil and Gas Operation would materially impede or destroy the state's interest in the responsible, balanced development, production and utilization of oil and gas consistent with protection of public health, safety and welfare, including protection of the environment and wildlife resources.

a. Request for Waiver

Upon written request by the applicant, the Director shall schedule a public hearing by the Board of Trustees at the next regularly scheduled meeting for which proper

notice can be accomplished and for which there is time on the agenda following receipt of the written waiver request.

b. Notice of Public Hearing

- i. The notice of public hearing on the waiver request shall be prepared by the Director and shall include a description of the proposed Oil and Gas Operation, description of the standard(s) sought to be waived, and the date and location of the hearing.
- ii. Not less than fifteen (15) days prior to the hearing, the Director shall publish the notice of public hearing on the waiver request in a newspaper having general circulation in the area. The Operator shall be responsible for the cost of publication.
- iii. Not less than fifteen (15) calendar days prior to the date of the public hearing on the waiver request, the Director shall mail written notice of the public hearing to owners of real property within 300 feet of the subject parcel when the proposed Oil and Gas Operation is located. The applicant shall provide a stamped and addressed envelope for each party to be notified. The list of property owners to be notified shall be compiled by the applicant using the most current list of property owners on file with the County Assessor.

c. Decision by Board of Trustees on Request for Waiver of Standard

The Board of Trustees may waive the standard if the Board determines, based on evidence and testimony at the hearing, that application of the approval standard to the proposed Oil and Gas Operation will result in an operational conflict with a state statute, regulation, or other requirement. The Board may impose conditions that are necessary to minimize any negative impacts of the waiver.

2. Technical Infeasibility

The Operator may make a written request to the Director for a waiver due to technical infeasibility at any time during the application review process prior to the final decision on the application. The Director may approve the request for waiver based upon the following determinations:

- a. There is no economical technology commercially available to conduct the proposed Oil and Gas Operation in compliance with the standard; and
- b. Conduct of the proposed Oil and Gas Operation if the standard is waived will be protective of public health, safety, welfare and the environment.

3. Environmental Protection

The Operator may make a written request to the Director for a waiver based on environmental protection at any time during the application review process prior to the final decision on the application. The Director may approve the request for waiver if protection of public health, safety welfare and the environment will be enhanced by an alternate approach not contemplated by the standard.

10.12.5 ENFORCEMENT

These Regulations for Oil and Gas Operations shall be enforced pursuant to Section 10.10.1 of the UDC.