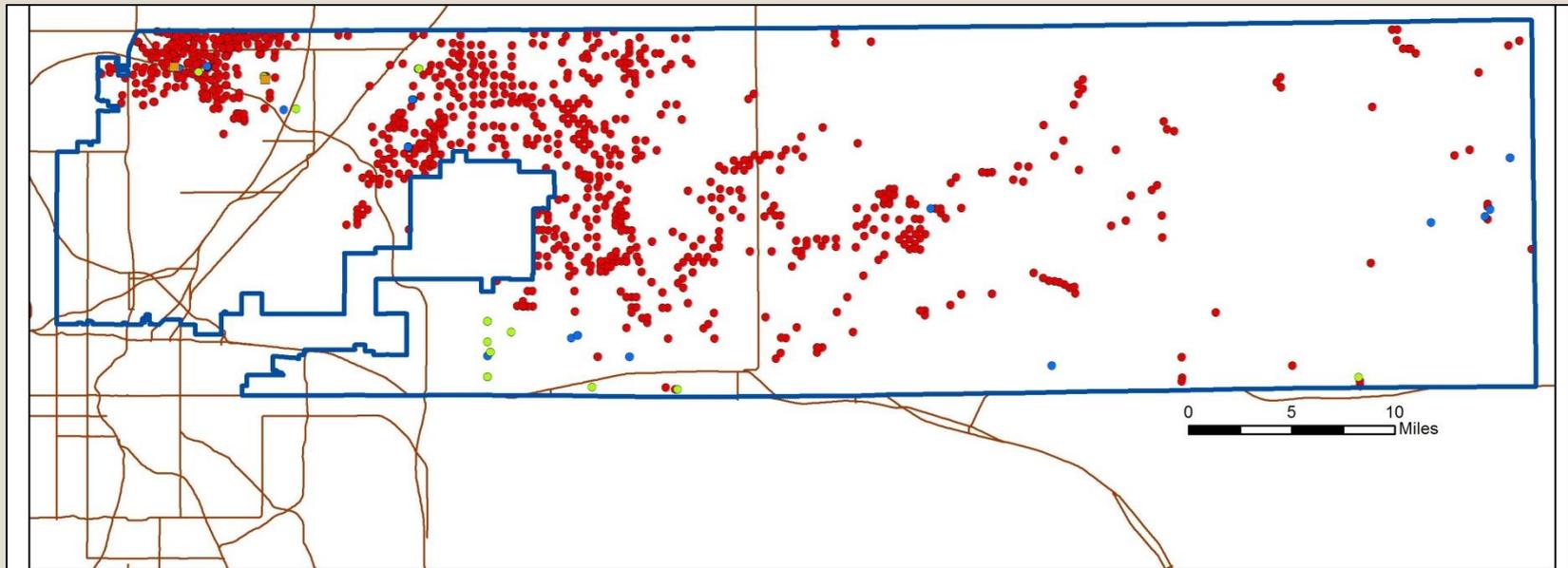


# Oil & Gas Operations in Adams County



**REGULATORY & NON-  
REGULATORY APPROACHES**

# Oil and Gas Wells in Adams County



- Pending Well Permits
- Well Permits
- Producing Wells
- Pending Tank Battery Location Permits
- Adams County Outline
- Highways

## Oil & Gas Activity Adams County Colorado

35 Pending Well Permits  
44 Well Permits  
876 Producing Wells  
2 Pending Tank Battery Location Permits



**COLORADO**  
Oil & Gas Conservation  
Commission  
Department of Natural Resources

# Oil & Gas Well Sites in Adams County

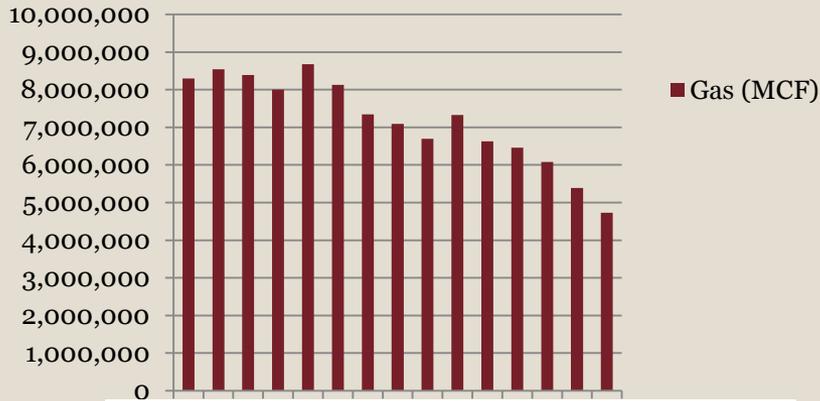


- County tracks location and activities of all well sites:
  - 4,046 well sites in Adams County
    - ✦ 883 active and producing wells
      - 12% are within 1 mile of a school.
      - 23% are within 1 mile of a residential property.
  - The COGCC approved:
    - ✦ 34 permits in 2014,
    - ✦ 40 permits in 2013,
    - ✦ 40 permits in 2012, and
    - ✦ 8 permits in 2011.

# Oil & Gas Production Trends in Adams County



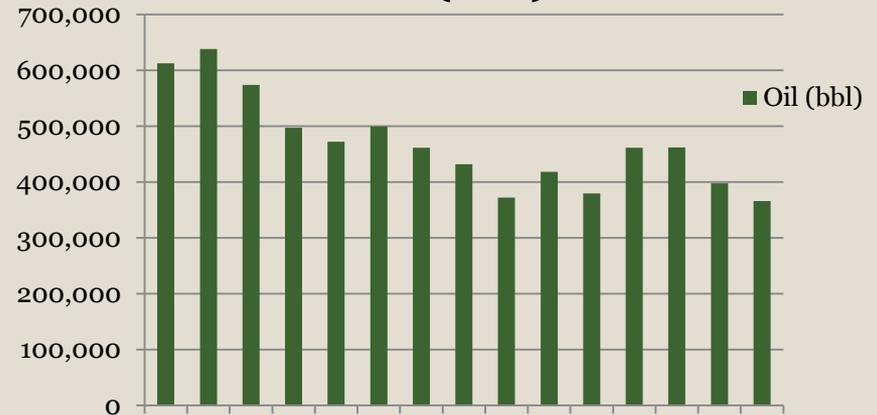
## Gas (MCF)



1999  
mcf gas

**107,731,437**  
2013

## Oil (bbl)



1999  
bbl oil

**7,045,166**  
2013

# Air Quality Control Commission



- Adams County, along with other members of the “Local Government Coalition”, contributed to new air quality regulations recently approved by the Air Quality Control Commission (AQCC).
- The purpose of the AQCC is to adopt a cost-effective and efficient air quality management program that promotes clean and healthy air for Colorado’s citizens and visitors, and protects Colorado’s scenic and natural resources.
- The AQCC develops air pollution control policy, regulates pollution sources and conducts hearings involving violations of the state’s air pollution laws.

# How Local Regulatory (& Non-Regulatory) Changes Came To Be



- Late 2013: Adams County approached by COGA to explore possibility of signing MOUs with the County.
  - Elected Officials lobbied by COGA.
- Staff began to study regulatory and non-regulatory approaches to oil & gas development.
  - Staff outreach with COGCC, COGA, and the public.
  - Staff drafted new regulations and MOU template.
- New Oil & Gas Regulations Adopted by the Board of County Commissioners on January 6, 2015.
  - This represents the first time that the County's oil and gas regulations have been amended since 1980.
    - ✦ Old regulations were a bit outdated & some provisions were pre-empted by the State.
  - New regulations include MOU option.

# New Oil & Gas Regulations: Benefits



## The County's new regulations:

1. Are Consistent with State Authority
2. Increase Information Sharing / Safety
3. Clarify the Local Permitting Process;
4. Protect the health, safety, and welfare of residents and first responders;
5. Make industry responsible for neighbor notification;
6. Provide for sound environmental practices through the control of oil and gas operations; and
7. Prevent damage to County roads and bridges.

# Relationship to Comprehensive Plan



- *Imagine Adams County Comprehensive Plan (2012)*
  - Recognizes that extraction of natural resources contributes to the local economy; and that
  - Sensitive extraction and reclamation practices are essential.
- **Policy: Establish Regulations for Resource Extraction**
  - *Provide for the extraction of subsurface resources in accordance with State law, but require mitigation of undesirable impacts to the natural environment and community as well as plans for viable potential reuse of the land.*

# Purpose of Memorandum of Understanding (MOU)



The intent of the MOU is to provide the conditions under which the Operator will develop and operate oil and gas facilities.

The provisions of the MOU are intended to supplement and add to the COGCC's rules and regulations (*not to replace them*).

1. Industry agrees to certain pre-determined standards in MOU
2. Some standards more restrictive than COGCC rules
3. MOU offers an incentive for industry:
  - If MOU is executed: Administrative permit process
  - If no MOU: Special Use Permit is required
    - ✦ Special Use Permit is a 6-8 week process with a public hearing before the Adams County Board of Adjustment.

# MOU / Special Use Permit



- Memorandum of Understanding
  - Contains certain pre-determined standards that enhance COGCC rules
  - Such standards include, but are not limited to:
    - ✦ pit practices,
    - ✦ water supply/baseline testing,
    - ✦ berms,
    - ✦ weed control,
    - ✦ spill and release management,
    - ✦ aesthetics (fencing, colors, and lighting),
    - ✦ noise mitigation,
    - ✦ record keeping,
    - ✦ cultural/historical protection, and
    - ✦ record keeping.
- Special Use Permit required if no MOU

# MOU: Includes Well Connects



- The provisions of the MOU include **Well Connects**
  - For the purposes of the Adams County MOU, well-connects are defined as a pipeline, 10” or less in diameter and 2 miles or less in length, laid running from the custody transfer point or production facility for a new well(s) to an existing gathering line connection point.
  - For well-connects, the oil and gas Operator shall provide the County with information regarding operating pressure and pipeline construction materials/methods.
    - ✦ Operator will be responsible for obtaining any other required permit for the well-connect, such as Access Permit, ROW Permit, etc.
  - **Note: Pipelines require a Conditional Use Permit from the County *and are not included in the MOU.***

# MOU: Spill & Release Management



- For all spills and releases reportable to the COGCC, operators shall notify the County's Local Government Designee, Local Emergency Planning Committee, Office of Emergency Management, the Planning Department, Sheriff's Office, and the local fire district within 24 hours after discovery.
- This includes spills/release:
  - 1) of any size that impacts or threatens to impact any waters of the state, a residence or occupied structure, livestock, or public byway;
  - 2) in which one or more barrel of Exploration and Production Waste or produced fluids is spilled or released outside of berms or other secondary confinement; and
  - 3) of five barrels or more regardless of whether the spill/release is completely contained within berms or other secondary confinement.
- In addition, the operator shall notify the surface owner or the surface owner's tenant of spills and releases in conformance with COGCC rules.

# MOU: Emergency Response Plan Required



- Prior to any operations, the Operator will provide the County (and others) with an **Emergency Response Plan** to address all potential emergencies that may be associated with an oil and gas facility.
  - The Operator will provide a copy of such plan to all emergency service providers, including, but not limited to, the fire district that would respond to such emergencies.
- A “*will-serve*” letter must be obtained from the appropriate emergency provider(s).

# MOU: Notification to Land Owners Required



- Prior to commencement of any new drilling or completion operations, the Operator will provide notification to landowners and municipalities within 1/2-mile of the proposed well site(s).

# Amending the MOU



- Any change to the MOU from that approved by the BOCC requires either a Full Amendment or a Technical Review Amendment.
  - Full Amendments (substantial changes) need authorization from the BOCC.
  - Technical Review Amendments (minor changes of limited scope) can be approved administratively by the County Manager or his/her designee.

# After the MOU: Permitting Process in Adams County



- COGCC issues state permit to the Operator.
- Operator either **1)** signs MOU with the County; or **2)** applies for (& obtains) a Special Use Permit (*public hearing*).
- Once the MOU has been executed by both parties, or once a Special Use Permit has been issued:
  1. Plans can be submitted for well site development.
  2. Floodplain Use Permit (if applicable)
  3. Access / Culvert Permit (if applicable)
  4. Oversize Load Permit
  5. Move-in & Move-out Permits
  6. Production Permit
  7. Oversize Load Permit (for well maintenance)

# Lessons Learned



- Understand that the industry is composed of various parent companies and many related subsidiaries – make sure you know with whom you are negotiating.
  - The Industry is composed of many actors, and they may all not be on the same page, and may try to circumvent the process.
- Make sure the industry negotiator has the support of his/her upper management (decision-makers).
- By the same token, keep your elected officials and city/county managers informed of new developments in industry negotiations.
- Speak honestly about what it is you want, and why – this is important for understanding the position of your negotiating partner.
  - Invest in positive relationships with the other negotiators.

# Outcomes (so far...)



- Three oil and gas companies have signed MOUs with the County since January 2015.
- Two additional companies are in the process of signing MOUs.
- Clearer expectations on the part of the Industry and the County.

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COLORADO

Home > Government > Planning & Development > Oil and Gas Information

## Oil and Gas Information

### Contacts

Comments and questions concerning oil and gas permits and rules should be sent to:

[Nancy K. Prince](#), Local Government Liaison

Colorado Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801

Denver, CO 80203

303.894.2100 (ext. 5103)

### Pending Permits

To view pending permits please visit <http://cogcc.state.co.us/>

Click on the "PERMITS" link on the navigation bar. Choose ADAMS in the "All Pending Applications for" drop down and click "Go!"

To view notifications sent by Adams County, please go [here](#).

To view additional resources, please go [here](#).