

Oil and Gas Development: Land Use Considerations

RMLUI March 12, 2015 Brad.Mueller@greeleygov.com Director, Community Development Department

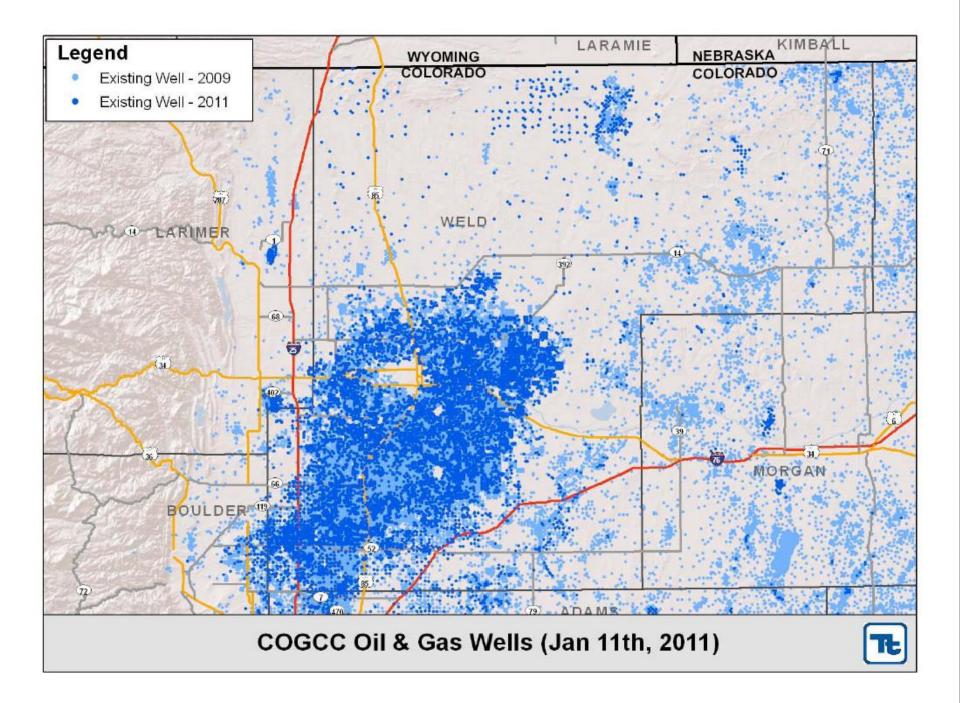
Activity within Greeley city limits

• Working numbers

- 435 active wells (approx.)
 - All require Use by Special Review
 - Equals about 800 ac (1.3 sq miles) surface (2.7%)
- 1,221 within city + Growth Area
- 259 inactive wells

Includes 161 abandoned & 55 plugged/abandoned
 Generally clustered – multiple wells at each site

6 urbanized areas (i.e., not "everywhere")



Greeley Long Range Growth Area

Solution of the second se

34 Bypass

85 B



Typical Equipment







Typical Tanks

Typical Separators

Typical Wellheads

Context

• Land use process

- Trained for all types of land use scenarios
- Regulations start with the general, go to specific
- Zoning, subdivision, site planning

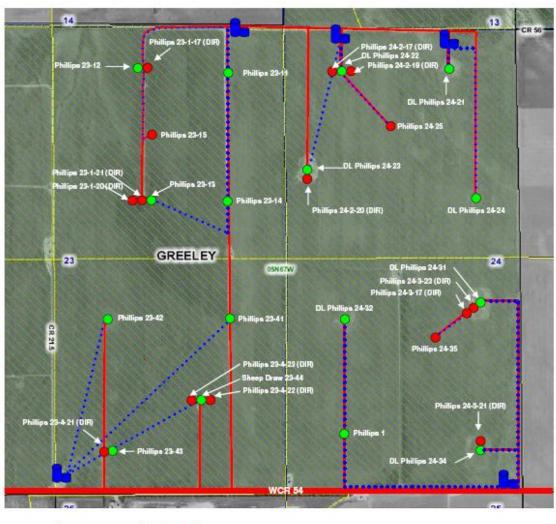
Transparency & public education process

- Oil and gas mineral extraction process
 - Resource page on website
 - www.greeleygov.com/oilandgas

Jurisdictional Considerations

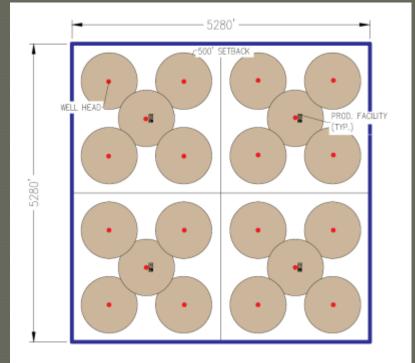
- Mineral extraction is exercising a private property right
- Mineral rights may or may not be severed from the surface property right
- Operations are regulated by the state
- Basic land & surface regulation is relegated to local government
- Handled in context of broader land use controls

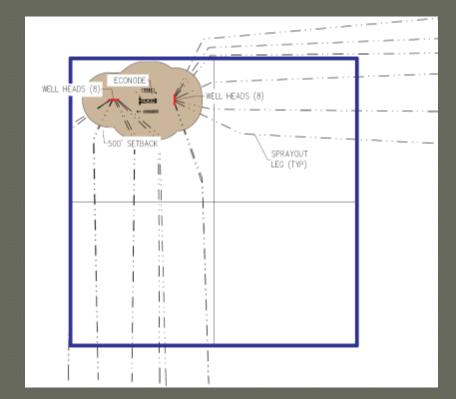
Considerations during the early site planning process



Access Road	-
Flow Line	
Tank Battery	
Existing Well	۲
Proposed Well	•

Vertical vs. directional in a section of land

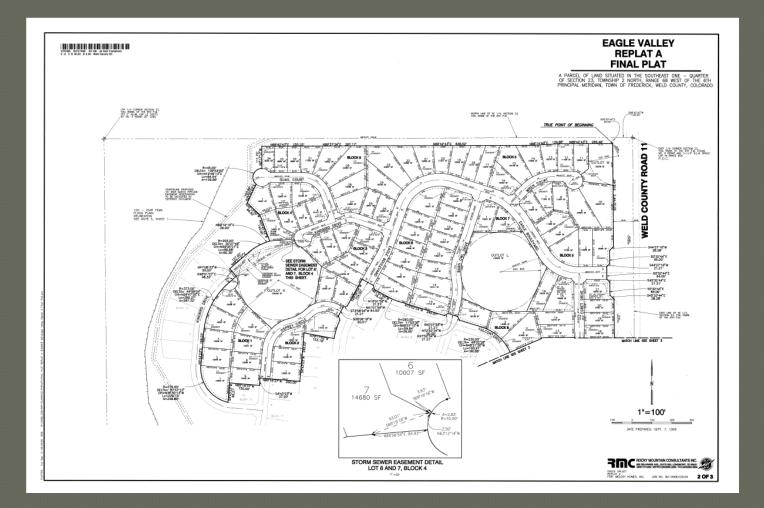






Directional Wells

Example of a subdivision plat designed around oil/gas well locations (example is not in Greeley)



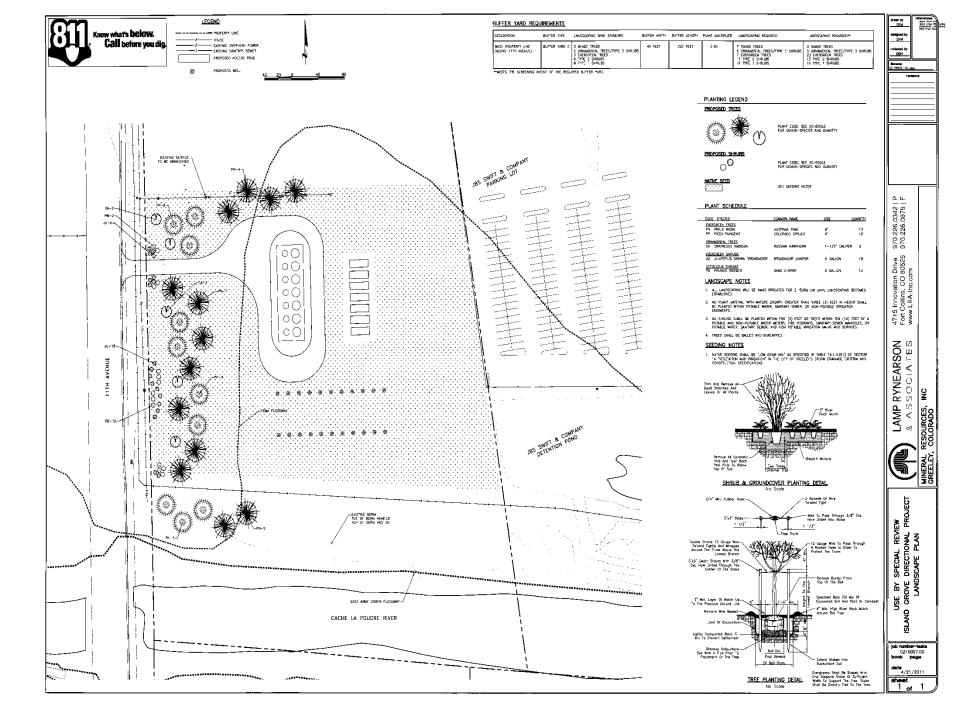


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Before vs. After Other Development

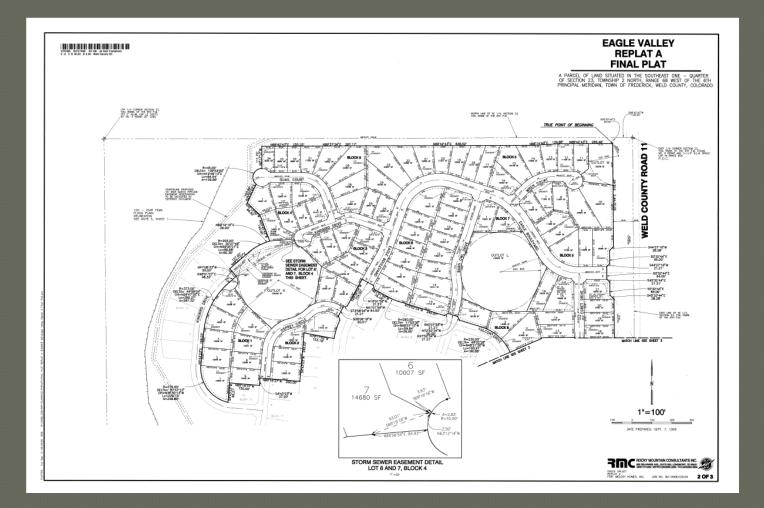
- Colorado law sets rules for downhole spacing of wells
- Surface locations are different if drilling comes before vs. after surface development
- Spacing can change with a mutual Surface Use Agreement
- If drilling (or potential drilling) comes BEFORE development, then
 - Subdivision plats accommodate drilling windows (or Surface Use Agreement)
 - Or, if no objection from mineral owners, plat as desired

Before vs. After Other Development

 Notice must be provided to mineral owners at least 30 days prior to platting/surface development decisions (i.e., zoning, preliminary plan, USR)

 This was a key addition to state law to ensure mineral owners are notified of surface plans

Example of a subdivision plat designed around oil/gas well locations (example is not in Greeley)



Before vs. After Other Development

- If drilling comes AFTER surface development in the area, then
 - Drilling facility must meet 500' setback (set by the State), OR per variance criteria set by State statutes
 - Some other setback might be allowed by local regulations

Before vs. After Other Development

Greeley oil & gas setbacks

- 150' from roads, trails, railroads, and "lowdensity areas"
- 200' from occupied buildings ("high-density")
- 350' from educational, hospital, etc. ("highdensity")
- Option for less (blast wall, etc.)

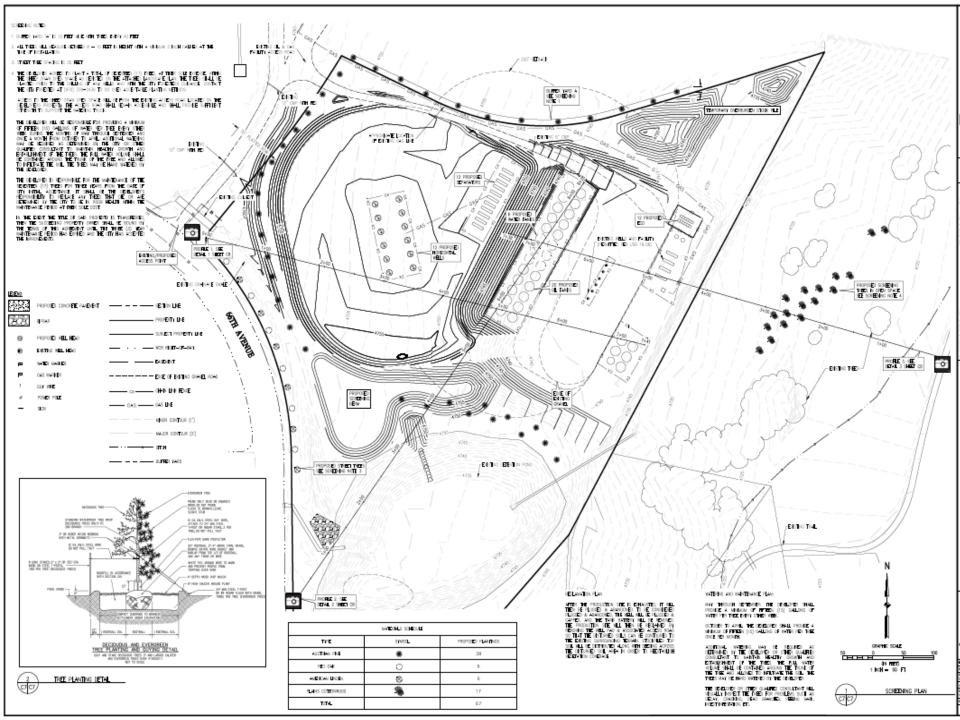
350' Exception Zone



Development Code Criteria

Chapter 18.56, Oil & Gas Operations
USR §18.20.070

- Comp Plan
- Compatible with surrounding land uses
- Site physically suitable
- Traffic flow/parking
- Cumulative effect of USRs in area











Common Questions

- Fracking impact on water quality
- Quantity of water used in fracking
- Disposal of fracking waste water
- Composition/environmental aspects of drilling fluids
- Forced 'pooling' arrangements
- Noise, traffic, air quality for adjacent properties
- Sub-surface degradation/impact on surface uses

State Interests

State setbacks

• Other COGCC considerations:

- Mitigation of impacts
- Downhole monitoring
- Coordination with state/fed (water/air)
- Surface monitoring (drill setup, noise)
- Chemical tracking/records management

City Interests

 Local control on matters that are not state interest

- Colorado Supreme Court ruling in 1992
- Traditional function of local land use control
- Matters of State interest vs. matters of Local
 - Not always easy to discern
 - A matter of administration
 - The Grey Area: "creating operational conflicts"

MOU Clauses

- Working with mutual understanding & trust (through an MOU) creates better outcome
- Commitment to communication & coordination
- Recognize respective authorities
 - Of city: local land use code, including design & development standards
 - "Harmonize" such regulations
 - COGCC will defer to City, where existing plans

Land Use Considerations

- Effects & opportunities from directional / horizontal
- "Leap-frog" concerns
 - Doubling setbacks (4.5 ac \rightarrow 18 ac)
 - Conceptually, if no development within 500' of existing wells, 1/3 of future would be unbuildable



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350' Exception Zone



500' Zone



1,000' Zone



Theoretical land use impacts

500' radius (1000' diameter) = 18 acres 2000' radius (4000' diameter) = 288 acres

DATA SPECIFICS

Buffer Impact Area for active** well locations within the Greeley City limits

Buffer Distance	Acres	Sq. Mi.	% of City (47.25 sq. mi.)
Existing City (200')	828	1.3	2.7%
Proposed COGCC (500')	4,738	7.4	15.7%
Proposed COGCC (1000')	11,668	18.2	38.6%

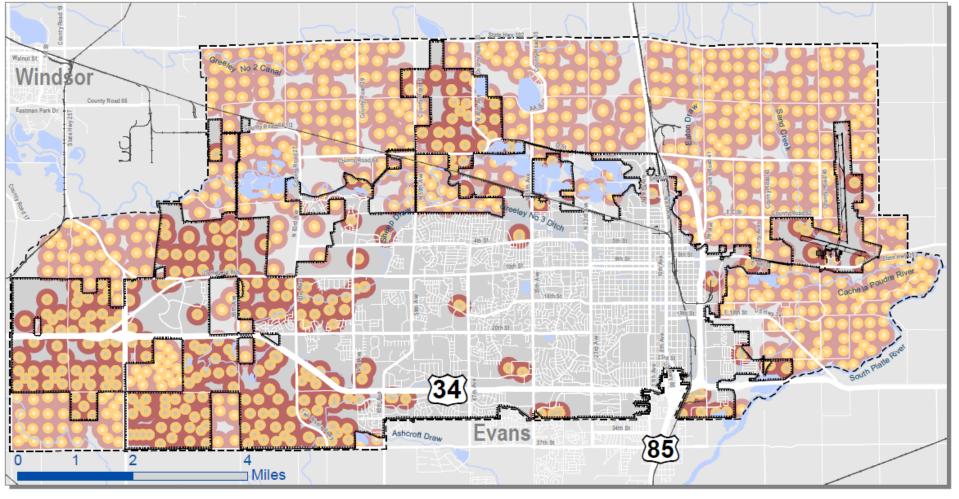
* Active wells are those with status codes for permitted, drilling, shut-in, and producing

** See attached map for visual representation

 Buffer Impact Area for active** well locations within the Greeley Future Growth Area – i.e., the Long Range Expected Growth Area (includes existing built City limits)

Buffer Distance	Acres	Sq. Mi.	% of LREGA (91.1 sq. mi.)
Existing City (200')	2,540	4.0	4.4%
Proposed COGCC (500')	14,923	23.3	25.6%
Proposed COGCC (1000')	36,157	56.5	62.0%

** Active wells are those with status codes for permitted, drilling, injecting, shut-in, and producing

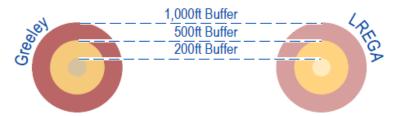




Legend

Created: 1/7/2013 By: Planning, GIS

OIL & GAS BUFFER IMPACT



City City

All planimetric data was digitized from aerial photographs dated 1987, 1992, 1995, 2000, 2005, and 2008. Updates are continual and data representations will change over time. This product is not necessarily accurate to engineering or surveying standards but does meet National Mapping Accuracy Standards (MMAS). The information contained within this document is not intended to be used for the preparation of construction documents.

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Notes: Buffer areas are shown for every active well within the Long Range Expected Growth Area adopted by the City of Greeley. Active wells are those with COGCC status codes for permitted, drilling, shut-in, injecting, and producing. Brad Mueller Director, Community Development Dept. City of Greeley brad.mueller@greeleygov.com 970-350-9786

Questions?

