



TO: John Noto, COGCC Oil and Gas Location Assessment Supervisor
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FR: Chris Cramer, Commerce City Director of Community Development,
Local Government Designee
Matt Sura, Special Counsel for City of Commerce City

DT: 5/31/2018

RE: Comment on Form 2A # 401571868, Petro Operating Company Antelope Pad,
located in the NESE Sec 11, Twp 2S Rng 67W

Dear COGCC,

These comments are submitted on behalf of the City of Commerce City regarding the Petro Operating Company, LLC (“Petro Operating”) Antelope Pad and its 24 associated wells. Commerce City has grave concerns over this location due to its proximity to future multifamily housing that is expected to be constructed within 170 feet of the proposed location. The proposed production facility and wells will be within 500 feet of more than 100 homes. (See Figure 1).

Commerce City staff has begun engaging Petro Operating in discussions about this location. Petro Operating has requested that its application be placed “on hold” and for the COGCC to reopen the comment period after Commerce City and Petro Operating have completed their discussions. Commerce City is sending these preliminary comments with the understanding that it will have the ability to send additional comments once discussions with Petro Operating have concluded.

COMMENTS

1) LOCATION

As can be seen on Figure 1 below, the proposed Antelope Pad is proposed across the street from residentially-zoned land and a proposed residential development called Aberdeen Village. As has been discussed with Petro Operating, there are several alternative locations that are zoned for industrial use that could be used to access the minerals targeted by the Antelope Pad.

Aberdeen Village is an important future residential neighborhood in one of the fastest growing areas of Colorado. Since 2012, Commerce City’s population has increased by 13% from 48,511 to 55,923 (estimated). For the reasons stated below, Commerce City is generally opposed to locating 24 wells and 48 tanks and other related equipment immediately adjacent to a residential area.

2) HEALTH AND SAFETY

Commerce City’s greatest concern about the proposed Antelope location is the health and safety risk it might pose to future Commerce City residents. A recent study by the University of Colorado School of Public Health found that air pollutant concentrations and associated health risks, including neurological, hematological, and developmental health effects and cancer risks, increased with proximity to oil and gas facilities (McKenzie, L.M. et al. (2018). Ambient Nonmethane Hydrocarbon Levels Along Colorado’s Northern Front Range: Acute and Chronic Health Risks. *Environmental Science & Technology*, 52(8), pp. 4514-4525). This peer-reviewed study analyzed air samples collected across Colorado’s Northern Front Range that showed an elevated health risk for residents within 500 feet of oil and gas development. The study found that the lifetime cancer risk for people living within 500 feet of an oil and gas facility is eight times higher than the Environmental Protection Agency’s upper risk threshold (8.3 per 10,000 vs 1 per 10,000 population respectively). It also found that people living within 500 feet of oil and gas locations “are more likely to experience neurological, hematological, and developmental health effects from acute inhalation exposures to benzene and alkanes.” (Study is attached as Exhibit 1).

During the setback rulemaking in 2013, the COGCC stated that it did not have sufficient evidence to determine if the 500 foot setback was protective of public health. In the setback rules “Statement of Basis and Purpose” the COGCC wrote,

“These Setback Rules are not intended to address potential human health impacts associated with air emissions related to oil and gas development. The Commission, after consulting with the Colorado Department of Health and Environment (“CDPHE”), believes that there are numerous data gaps related to oil and gas development’s potential effect on human health and that such data gaps warrant further study.”¹

¹ Colorado Oil and Gas Conservation Commission, Statement of Basis, Specific Statutory Authority, and Purpose, New Rules and Amendments to Current Rules of the Colorado Oil and Gas Conservation Commission, 2 CCR 404-1. Cause no. 1R Docket No. 1211-RM-04, 2013; p 2. Available at: http://cogcc.state.co.us/documents/reg/Rules/2012/setback/Final_SetbackRules-StatementOfBasisAndPurpose.pdf

The University of Colorado study is the first peer-reviewed study to examine the adequacy of the COGCC's 500-foot setback. The study concludes, "Our results indicate that State regulatory setback distances (the minimum distance an O&G wellhead may be located from a home)... may not protect nearby residents from health effects resulting from air pollutants emitted from these facilities."

The risk of injury and death to members of the public from well fires and explosions rises in direct relation to the distance of the oil and gas facilities to homes. A well-pad fire could easily spread to involve several wells – making the impact of the explosion and the fire even greater.

Well fires and explosions in Colorado are discussed in "Is reporting 'significant damage' transparent? Assessing fire and explosion risk at oil and gas operations in the United States" (2017) by the University of Colorado School of Public Health.² The study found that between 2006 and 2015, a total of 116 fires and explosions were self-reported by the industry in Colorado. The Denver Post reports that there have been at least a dozen fires and explosions in the eight months since the Firestone tragedy – a rate of 1.5 fires and explosions per month.³

Commerce City is concerned that the proposed Antelope Pad poses too great a risk to future residents of Commerce City and therefore alternative locations must be considered.

3) TRANSPORTATION

The proposed location is on Peoria Street which will serve as a residential arterial street within Commerce City. Unloading liquids from the proposed 48 tanks poses a risk to air quality but the tanker truck traffic may also pose a safety risk to Commerce City residents.

Petro Operating submitted an Access Road Map (Doc. # 401610926) with its application that proposes an access road off of Peoria Street. Commerce City has not yet been approached for an access permit and will require far more information such as the haul route, the number of

² B Blair, L McKenzie, WB Allshouse, J Adgate. Is reporting "significant damage" transparent? Assessing fire and explosion risk at oil and gas operations in the United States. Energy Research and Social Science 29 (2017) 365-43.

³ Bruce Finley, A dozen fires and explosions at Colorado oil and gas facilities in 8 months since fatal blast in Firestone, Denver Post. December 6, 2017. Available at:
<https://www.denverpost.com/2017/12/06/colorado-oil-gas-explosions-since-firestone-explosion/>

trucks, and the contents of those trucks before it can consider approval of the proposed access road.

SUMMARY

Commerce City is encouraged that Petro Operating has agreed to meet with Commerce City to discuss this location— including the consideration of alternative locations. Petro Operating has requested that the COGCC place its application “on hold” and has asked for the comment period to be reopened for at least ten days, pursuant to COGCC Rule 305.d.(3), once its discussions with Commerce City have concluded. We have not received confirmation from COGCC but expect that the COGCC staff will be agreeable to reopening the comment period since both the relevant local government and applicant have jointly made the request.

Commerce City requests that it be immediately notified of any decision on this application so it may consider a request for a hearing on this application pursuant to COGCC Rule 503.b.(7)C.

Sincerely,



Chris Cramer, Commerce City
Director of Community Development,
Local Government Designee



Matt Sura, Special Counsel





Figure 1. Layout of multi-family units that are expected to be built in the adjacent parcel. Source: Commerce City GIS - <http://maps.c3gov.com/propertyLookup/> Proposed Antelope production facility is in blue. Proposed wells are in red. The red dashed line is the approximate 500 foot setback based on the applicant's "Notification Zone Drawing" Doc # 401610941.