

Frequently Asked Questions

Draft Regional Operator Agreement with Extraction Oil & Gas

Q: What is the Regional Operator Agreement (ROA)?

A: The ROA between Commerce City and Extraction Oil & Gas, LLC would set regulations for drilling sites currently proposed by Extraction within the city. The ROA would establish application requirements for city oil and gas permits, a list of Best Management Practices (BMPs, contained in Exhibit B), enforcement provisions, emergency response equipment and training, insurance requirements, and indicates which anticipated drilling sites these regulations would apply to (Exhibit A). If the ROA is signed, any changes to the BMPs or modifications to the proposed locations (other than what is specified in the minor changes, sec 15.5) would require an amendment to the agreement.

Q: What is the purpose of the ROA?

A: The ROA is intended to ensure a number of significant health, safety and general welfare protections that are not currently required under city regulations. These requirements are outlined in the Best Management Practices (BMPs, contained in Exhibit B). Approval of the ROA with the proposed BMPs would constitute a significant increase in protections that the city could not otherwise require under existing regulations.

Q: What sort of protections and regulations are included in the Best Management Practices (BMPs)?

A: Exhibit B provides a number of BMPs that would apply to all sites under the agreement. Generally, there are 12 categories regulated in the Best Management Practices, including:

- Air quality protection
- Water quality protection
- Safety
- Visual mitigation
- Noise mitigation
- Community outreach
- Reclamation
- Risk Management
- Use of Pipelines
- Emergency Response
- Inspections
- Transportation and Circulation

Some examples of protections include requiring electric drilling rigs to reduce emissions, decibel limits for drilling sites to reduce noise, visual mitigation requirements such as temporary walls around well sites, and prohibition of specific chemicals with known health risks during the hydraulic fracturing process. [This linked document](#) provides an additional summary of protections in the BMPs (pages 7-12).

Q: Does the ROA give Extraction approval to start drilling?

A: No, the ROA is not an approval for drilling. A series of other processes must occur before any new activity could begin. City regulations require operators to apply for an Oil and Gas Permit for each proposed well site. Staff expects approval of each permit could take up to six months from the application date. The ROA requires the use pipelines for all well sites to reduce truck traffic, emissions, and dust, and eliminate the need for large storage tanks. A pipeline would require the approval of a Conditional Use Permit (CUP) by City Council. Pipelines would need to be in place prior to drilling commencing on any site. The “Pelican” and “Heron” pads have additional zoning provisions that also require approval of a CUP by City Council, which will extend the review processes for these sites longer than the six-month timeline. The applicant will also be required to re-zone several of the well pad sites, which requires additional approval by council. In addition to all city approvals, Extraction needs to have state permits issued by the Colorado Oil and Gas Conservation Commission (COGCC) prior to drilling.

Q: When is drilling expected to begin?

A: Exhibit F in the agreement shows an expected schedule of operations, with the first drilling rig estimated to begin operating around January 2021. This timeline is only an estimate and subject to change. Drilling would likely not occur simultaneously at all sites, but would occur individually, with the final well scheduling for drilling in the third quarter of 2024.

Q: How do I submit comments?

A: The city is accepting comments through an online form linked at www.c3gov.com/OilGas. Written comments can also be submitted in person to the Community Development Department at the Commerce City Civic Center, 7887 E 60th Ave. Hard copies of the ROA and all exhibits can be reviewed in person at the Community Development Department, Bison Ridge Recreation Center, and Eagle Pointe Recreation Center.

Q: What will the city do with comments received during the public comment period?

A: Following the 21-day comment period, city staff will review all public feedback received, evaluate the comments and determine what steps to take. The city may approve the current draft ROA, extend the comment period, resume negotiations to modify the ROA, or choose not to approve the ROA.

Q: Why do some of the well sites in exhibit A differ from the permit applications Extraction has submitted to the COGCC?

A: Extraction Oil & Gas is proposing a total of eight well sites in the city, adding two sites to the six that have already been submitted to the state. The exact location of certain well sites has been altered from the original applications as reflected on the maps in Exhibit A of the ROA, which details which sites the provisions of the ROA would apply to. Staff expects that Extraction will need to re-submit or apply for new state permits prior to final approval of any individual city permits.

Q: How does recently passed state legislation about oil and gas (Senate Bill 181) fit into the equation?

A: The city intends to be an active participant in future COGCC rulemaking that arises from the passage of SB19-181. The city does not anticipate that the proposed well sites included in the ROA would be exempt from the requirements of future rulemaking, as Extraction would need to obtain state permits in addition to all city approvals.

Updated July 9, 2019