

BEFORE THE COLORADO OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

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| IN THE MATTER OF THE ESTABLISHMENT) OF SURFACE LOCATIONS FOR OIL AND) GAS OPERATIONS UPON CERTAIN LANDS) IN AND AROUND THE BROOMFIELD) DRINKING WATER RESERVOIR SITE) LOCATED IN THE CITY AND COUNTY OF) BROOMFIELD, COLORADO) | CAUSE NO. 1 DOCKET NO.: 1208-GA-14 |
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AMENDED APPLICATION FOR DESIGNATED SURFACE LOCATIONS

The City and County of Broomfield, a home rule city ("Broomfield") through its Deputy City & County Attorney, Tami Yellico and undersigned counsel, hereby applies to the Colorado Oil and Gas Conservation Commission ("Commission") for an order establishing two designated Oil and Gas Operations Areas ("OGOAs") on lands owned by the City and County of Broomfield in order to enable Broomfield to construct a drinking water reservoir while also allowing compatible surface and oil and gas development. In support of this Amended Application, Broomfield states as follows:

A. PROPERTY SUBJECT TO THIS APPLICATION AND OWNERS

1. Broomfield filed its Application for Designated Surface Locations in this matter on July 20, 2012, which will be heard at the Commission's October 2012 hearing. The primary purpose of this Amended Application is to provide a more definitive description of the OGOAs to further describe Broomfield's home rule powers, and to update the Commission on the status of Broomfield's discussions with the Anadarko Entities and Noble (as defined below). The Anadarko Entities and Noble have filed a Motion to Dismiss and Protest, which Broomfield will address after it receives a scheduling order.

2. The property that is the subject of this Amended Application is as follows:

A parcel of land described as Parcel 1 in Special Warranty Deed between Hoopes Farm, LLC and the City and County of Broomfield, dated May 20, 2005 as recorded at Reception No. 2005006594, on May 20, 2005, City and County of Broomfield, State of Colorado; and Anthem Filing No. 22, Tract EE as recorded at Reception No. 2009003716, on March 31, 2009, City and County of Broomfield, State of Colorado.

("Subject Lands")

3. Included within the Subject Lands are two OGOAs which are referred to herein as the "Livingston Location" and the "North Location" (sometimes referred to collectively as "the Locations"). The Subject Lands and the Locations are depicted on the map attached hereto as Exhibit "1". The metes and bounds description of the Livingston Location and the North Location are set forth in Exhibits "2a" and "2b" hereto respectively.

4. Broomfield is a home rule city and county which provides, among other things, water and sanitation services to its citizens. Broomfield acquired the Subject Lands as a site for the Broomfield Drinking Water Reservoir ("Reservoir"), and for a Public Multi-Use Recreation area. The potential location of the Reservoir, its associated features and the applicable Greater Wattenberg Area (GWA) drilling windows are shown on Exhibit 1. The Reservoir will be surrounded by an approximate 500 to 1000 foot wide Public, Multi-Use Recreation Area, which may include trails, beach areas, an interpretive visitor center, and an access road. The Reservoir dam will be located on the north side of the Reservoir as depicted on Exhibit 1.

5. The Reservoir is a "staging" or "terminal reservoir," which holds water before transfer to a treatment plant. The Reservoir is needed by Broomfield to meet the peak water demands of its citizens. It will have a capacity of approximately 1,000 acre feet, although the size may vary when

final construction is completed. The Reservoir capacity is required to fulfill the build-out of Broomfield's potable water system, which is estimated to demand 42.6 million gallons per day. It will serve as a staging reservoir in Broomfield to store water owned by Broomfield that has been collected and transmitted through the Northern Colorado Water Conservancy District and its Municipal Sub-District prior to the water being processed in the Broomfield Water Treatment Plant. The Reservoir and its environs will also be used for recreational purposes. The estimated total project expenditures for the 1,000 acre-foot Reservoir will be \$57,391,553, which includes expenditures Broomfield has already made for land acquisition and water rights of approximately \$30,200,000. Broomfield has already spent approximately \$4,891,553 for design, engineering, construction, title, feasibility studies, and consulting in anticipation of building the Reservoir. A list of the estimated costs and the expected budget for the Reservoir are set forth in Exhibit "3" hereto.

6. Broomfield owns the surface of the Subject Lands on which the Reservoir will be located. The mineral estate underlying the Subject Lands appears to be owned by Anadarko E & P and Anadarko Land (collectively "Anadarko Entities"). Broomfield is confirming whether there are any other owners. The Anadarko Entities have leased the oil and gas rights to Noble Energy, Inc. ("Noble").

B. JURISDICTION OF THE COMMISSION

7. The Oil and Gas Conservation Act, C.R.S. §34-60-101, *et seq.* ("Act") states that it is in the public interest to, among other things, foster the responsible production and utilization of oil and gas natural resources consistent with the protection of the public welfare and the environment. The Colorado Legislature has granted the Commission broad powers, authority, and discretion to enter orders and to enforce and adopt rules and regulations which implement the Act. For instance, the Act gives this Commission "jurisdiction over all persons and property, public and private, necessary to enforce the provisions of [the Act], and the power to make and enforce rules, regulations, and orders pursuant to [the Act], and to do whatever may reasonably be necessary to carry out the provisions of this [Act]." The Act also states that any person "may apply for any hearing before the commission . . . upon any question relating to the administration of [the Act]." C.R.S. §34-60-105(1). The Act also gives the Commission the authority to regulate drilling and all other operations for the production of oil or gas, and to prevent and mitigate significant adverse environmental impacts on air, water, and the public health, safety and welfare. *Id.*, §34-60-106. Furthermore, the Commission also has authority to determine the spacing of oil and gas wells. *Id.*

C. PUBLIC HEALTH, SAFETY AND WELFARE CONCERNS OF BROOMFIELD

8. Broomfield has those powers granted to it pursuant to the Home-Rule Amendment, Colorado Constitution, Art. XX, Section 6 and the Broomfield Municipal Charter, including the rights to regulate land uses and to provide water works, water supplies, recreation facilities, and open space. The Local Government Land Use Control Enabling Act, C.R.S. Section 29-20-101 *et seq.* also expressly grants local governments broad authority to plan and regulate the use of land within their respective jurisdictions and allows the regulation of land on the basis of the impact to the community and for the protection of the environment in a manner consistent with constitutional rights. The amendment to the Colorado Constitution that created the City and County of Broomfield specifically states that "The city and county of Broomfield shall have the power within and without its territorial limits to construct, condemn, purchase, acquire, lease, add to, maintain, conduct, and operate water works, water supplies...parks, recreation facilities, open space lands...and everything required therefore for the use of said city and county and the inhabitants thereof..." Colorado Constitution, Article XX, Section 10. Broomfield has broad authority to provide for the health, safety and welfare of its citizen and the public. C.R.S. §31-15-103 and C.R.S. §30-35-301 grants municipalities and home rule counties, respectively, power to adopt ordinances "necessary and proper to provide for the safety, preserve the health, promote the prosperity, and improve the morals, order, comfort, and convenience" of the municipality/county and inhabitants. To date as evidenced in Exhibit 3, Broomfield has spent over \$30,000,000 in public funds to purchase the Reservoir site and procure engineering plans. Providing safe drinking water to its citizens is a primary public health, safety and welfare concern of Broomfield. The Reservoir is one element of an adopted Water Plan for Broomfield that is for the benefit of the public and allows for the storage and distribution of safe drinking water. The designation of OGOAs for the Reservoir site by the Commission is justified by the public health, safety and welfare issues associated with a public drinking water resource. The establishment of the OGOAs will enable Broomfield to proceed in an orderly manner with the development of the Reservoir to provide a necessary water resource for its citizens while protecting the public health, safety, and

welfare, including the financial welfare of the City and County. Without the establishment of the OGOAs, Broomfield will be impeded in its efforts to construct the Reservoir.

C. NEGOTIATIONS WITH NOBLE AND THE ANADARKO ENTITIES

9. Broomfield, the Anadarko Entities, and Noble have conferred off and on since Broomfield acquired the Subject Lands in 2005 regarding the coordination of oil and gas operations at or near the Reservoir site on the Subject Lands. Initially, the discussions focused on a single well that had been drilled, but was never completed, the Livingston No. 43-7 Well. That well was owned by Noble's predecessor and is located on the eastern edge of the Subject Lands at the Livingston Location. As a result of the discussions and negotiations over the past several years, and as a sign of its good faith, Broomfield granted a Use by Special Review Permit to Noble to complete the Livingston No. 43-7 Well on the Livingston Location, which is producing oil and gas on the Subject Lands. The Livingston Location is described by metes and bounds in Exhibit "2a", hereto. Through this Use by Special Review Permit, Broomfield also granted Noble the right to place certain equipment and ancillary facilities at a second location referred to as the "North Location" which is shown on Exhibit "2b", hereto. The North Location includes a portion of the Subject Lands and another Broomfield-owned property, known as Anthem Filing No. 22, Tract EE, which Broomfield has made available to Noble and Anadarko Entities. Exhibit "4" hereto is a diagram of the Locations with the existing improvements shown thereon for the Livingston 43-7 Well. The Livingston 43-7 Well improvements were constructed within the proposed OGOAs that are a part of on-going negotiations between Broomfield, the Anadarko Entities, and Noble.

10. As noted, Broomfield, the Anadarko Entities, and Noble have been in negotiations over the OGOAs, and how they could be used by Noble and the Anadarko Entities to access oil, gas and other minerals underlying the Reservoir site. The OGOAs are in close proximity to the Reservoir site, and evidence will show that the oil and gas resources under the Subject Lands can be explored and developed from the OGOAs. Broomfield has requested that the Anadarko Entities and Noble agree to use best management practices for any operations on the OGOAs. Although Broomfield, the Anadarko Entities, and Noble have not signed a formal surface use agreement ("SUA"), Broomfield believes that Noble and the Anadarko Entities have indicated that they accept the Locations and will be able to access their minerals underlying the Reservoir site and Subject Lands through the Livingston and North Locations. For its part, Broomfield has agreed to allow multiple wells and tank batteries at the North Location, with appropriate safeguards and using best management practices. Noble will need to receive approval of a Use by Special Review Permit for the wells and related facilities at the North Location.

11. There have been multiple versions of a proposed SUA exchanged by the parties. Broomfield submitted the most recent draft of the SUA and other associated agreements to the Anadarko Entities and Noble on February 2, 2012. Broomfield asked for a response by February 17, 2012 so that the matter could be discussed with City Council in early March 2012.

12. In late February, 2012, Broomfield was told that it would not receive a response to its February 2nd letter until approximately the end of March. In early May 2012, Broomfield was told that representatives of Noble and the Anadarko Entities would be meeting during the week of May 15th to discuss the SUA and other draft documents, and they would respond to the most current drafts at that time.

13. Broomfield sent its Application to Noble and the Anadarko Entities and left voicemail messages with Noble and the Anadarko Entities attorneys prior to filing its Application. Noble and the Anadarko Entities filed a "Protest and Motion to Dismiss" on August 3, 2012.

14. After Broomfield filed its Application on July 20, 2012, the Anadarko Entities responded to Broomfield's February 2012 draft of the SUA on August 10, 2012. At first glance, it appears that the Anadarko Entities have rejected significant aspects of Broomfield's proposal, including some of the best management practices and health and safety precautions. Broomfield will respond to the August 10 letters in detail. Broomfield's intent is to continue to negotiate in good faith on the specific provisions under review in the negotiation. However, until the OGOAs are designated it will be difficult to proceed with the planning and financing of the Reservoir.

15. Broomfield is not asking the Commission to intervene in the negotiations over a possible SUA; however, Broomfield is requesting that the Commission designate the OGOAs and ultimately issue appropriate orders to safeguard its drinking water supply if necessary.

D. DISCUSSIONS WITH THE COMMISSION

16. Broomfield has communicated with the Commission staff on a number of occasions to discuss the Reservoir and matters related to oil and gas operations near a drinking water supply. The Commission's staff has been helpful in identifying issues that Broomfield should consider, many of which have been incorporated in the latest draft of the Surface Use Agreement. The Commission Staff made a technical presentation concerning oil and gas operations to Broomfield staff in late 2011, and followed up on that meeting with a presentation concerning the safety precautions which the Commission requires on all wells and, in particular, at drilling locations that are located near drinking water supplies.

E. PRECEDENT FOR DESIGNATING SURFACE LOCATIONS

17. There is precedent for the Commission to consider this type of Application and to issue an order establishing OGOAs. The Commission issued an order which established drill site and other surface equipment locations in at least one prior proceeding. See Report of the Commission entered on August 1, 2002 and Amended Order of September 2005 in Cause No. 523, Order No. 523-1. The Commission is considering at least one other similar application for a property that is located in the San Luis Valley and may have recently entered an order concerning that property.

18. The Commission has jurisdiction to enter the order requested by Broomfield and to establish OGOAs to enable development of the oil and gas and other mineral resources under the Reservoir, while at the same time allowing Broomfield to construct a drinking water reservoir and related infrastructure that will meet the current and future needs of its citizens. The requested order will help Broomfield safeguard its drinking water from oil and gas operations, will allow surface and oil and gas development that will be compatible with the City's drinking water needs, and will accomplish the Act's purposes and promote its public policy goals.

19. Additional support for Broomfield's request is found in Colorado's "reasonable accommodation doctrine" (adopted in *Gerrity Oil & Gas v. Magness*, 946 P.2d 913 (Colo. 1997) and codified at C.R.S. §34-60-127), which states that the "mineral estate" and the "surface estate" must exercise their rights in a manner consistent with the other and "each owner must have due regard for the rights of the other." While mineral owners cannot be denied access and have a right to "reasonable surface use", that right "does not include the right to destroy, interfere with or damage the surface owner's correlative rights to the surface." Further, the mineral owner is entitled to access only that portion of the surface that "is reasonably necessary to develop the severed mineral estate." The accommodation doctrine requires the mineral owners "to accommodate surface owners to the fullest extent possible consistent with their right to develop the mineral estate." (emphasis added) When the mineral owner's operations "would preclude or impair uses by the surface owner, and when reasonable alternatives are available to [the mineral owner], the doctrine of reasonable surface use requires [the mineral owner] to adopt an alternative means." *Gerrity*, at 926-27; see also C.R.S. §34-60-127.

20. The order requested by Broomfield would give the Anadarko Entities and Noble reasonable access to the oil and gas mineral estate underlying the Reservoir and the Subject Lands. At the same time, the order would provide Broomfield with the assurance as to where the oil and gas operations in the vicinity of the Reservoir would be located, it would allow Broomfield to move forward with the financing and construction of the Reservoir, and it would mitigate and protect against potential pollution or environmental damage to the Reservoir from oil and gas operations.

WHEREFORE, Broomfield respectfully requests that this Commission enter its order to allow for the compatible development of the surface and oil and gas mineral estates underlying the Reservoir on the Subject Lands and for the creation of Broomfield's Reservoir. At a minimum, Broomfield requests that the Commission enter an Order that provides for the following that:

A. Establish the two OGOAs for the Subject Lands that are shown on Exhibits 1, 2a and 2b as the Livingston and North Locations for the exploration, development, and production of oil and gas that enables compatible surface use for the Anadarko Entities and Noble. Those areas would be the only areas on the Subject Lands where wells could be drilled, including wells to all depths, and where related surface equipment, tank batteries and other facilities, roads, utility pipelines, flowlines, and any other easements would be located; and


- B. Require that any surface access for oil and gas operations and related activities on the Subject Lands be limited to the lands within the OGOA's and on access roads and pipeline easements associated therewith; and
- C. Require that any applications for permits to drill or for other permits which affect the Subject Lands and Locations as described herein conform and be restricted to the OGOA's described in Exhibits 2a and 2b, hereto; and
- D. Require that any subsequent order entered by the Commission pursuant to C.R.S. §34-60-116 or its Rules and Regulations that establishes spacing and/or well density for the Subject Lands be deemed to include and incorporate by reference the provisions in these paragraphs A through E; and
- E. Allow for further relief deemed appropriate by Broomfield or the Commission.

Broomfield respectfully requests that a hearing be held and, at its conclusion, an order as set forth above be entered by the Commission.

DATED this 29th day of August, 2012.

Respectfully submitted,

PHILLIP D. BARBER, P.C.

By: 
Phillip D. Barber (#9623)
1675 Larimer Street, Ste. 620
Denver, CO 80202
Telephone: 303-894-0880
phillipbarber@aol.com

BROOMFIELD CITY & COUNTY ATTORNEY'S
OFFICE

By: 
Tami Yellico (#19417) 
Deputy City & County Attorney
One DesCombes Drive
Broomfield, CO 80020
Telephone: 303-464-5806
tyellico@broomfield.org

Attorneys for Applicant

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the **AMENDED APPLICATION FOR DESIGNATED SURFACE LOCATIONS**, has been mailed this 29th day of August, 2012 to the following entities that require notice of such filing and an original and 13 copies has been sent or filed with the COGCC:

Robert Leo, Esq.
Noble Energy, Inc.
1625 Broadway, Ste. 200
Denver, CO 80202

Molly Sommerville Buchanan, Esq.
1580 Lincoln Street, Ste. 700
Denver, CO 80203

Michael J. Wozniak, Esq.
Beatty & Wozniak, P.C.
216 – 16th Street, Ste. 1100
Denver, CO 80202

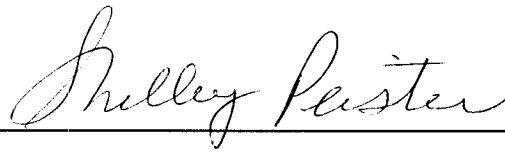
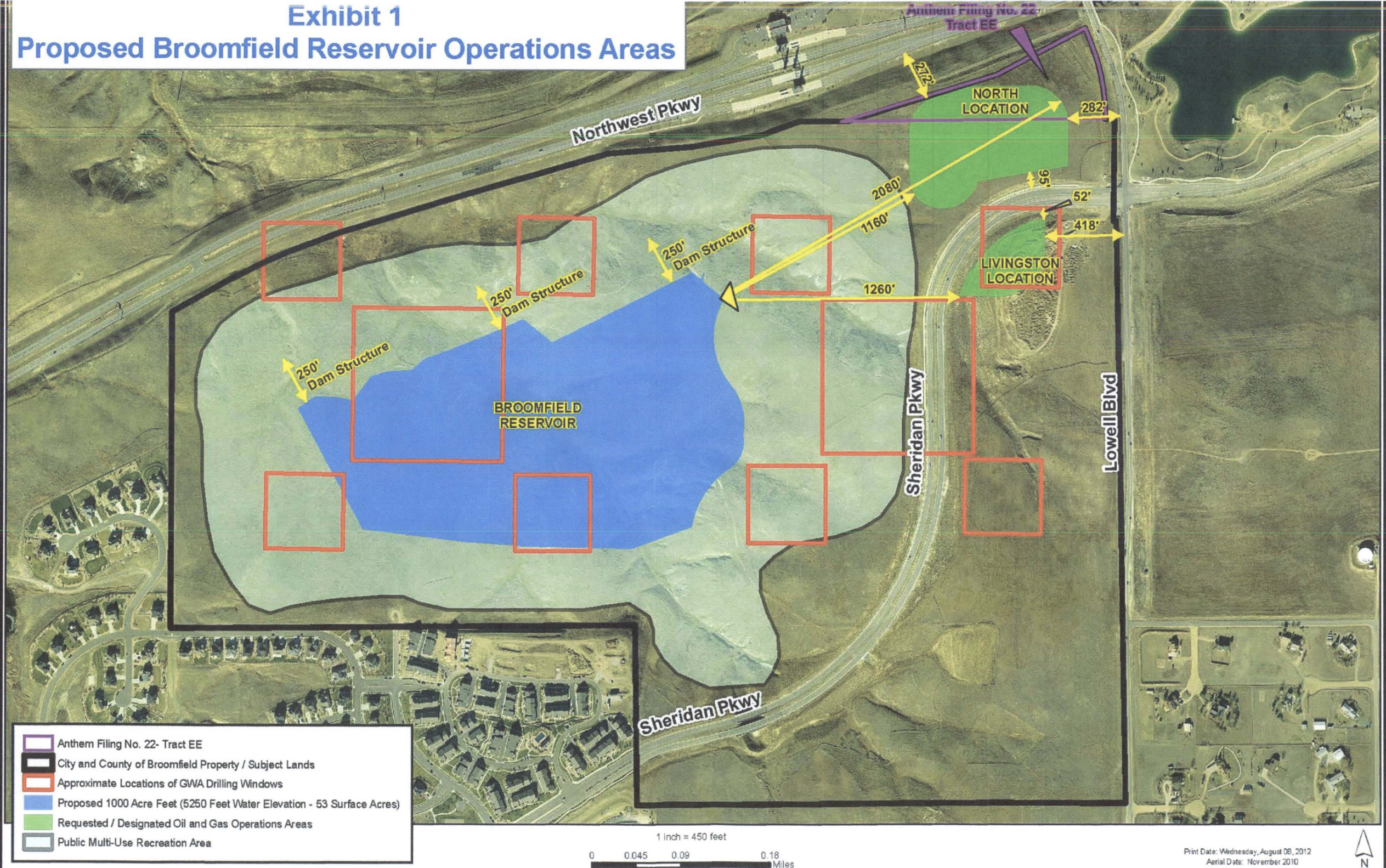


Exhibit 1

Proposed Broomfield Reservoir Operations Areas



PROPERTY DESCRIPTION

LIVINGSTON LOCATION

A PARCEL OF LAND FOR BEING LOCATED IN SECTION 7, TOWNSHIP 1 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY AND COUNTY OF BROOMFIELD, STATE OF COLORADO.

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 7, AS MONUMENTED BY A 3-1/4" ALUMINUM CAP SET ON A #6 REBAR, PLS 24942, AND CONSIDERING THE NORTH LINE OF THE SOUTHEAST QUARTER OF SECTION 7, AS MONUMENTED AT THE CENTER QUARTER CORNER OF SAID SECTION 7 BY A 3-1/4" ALUMINUM CAP ON A #6 REBAR, PLS 35597, AS BEARING SOUTH 88°21'11" WEST, BEING A GRID BEARING OF THE COLORADO STATE PLANE COORDINATE SYSTEM, NORTH AMERICAN DATUM 1983/92, A DISTANCE OF 2628.30 FEET WITH ALL OTHER BEARINGS CONTAINED HEREIN RELATIVE THERETO;

THENCE S 37°28'12" W A DISTANCE OF 659.02 FEET TO THE POINT OF BEGINNING;

THENCE S 00°20'58" W A DISTANCE OF 161.95 FEET TO A POINT OF A CURVE TANGENT TO THIS COURSE;

THENCE ALONG THE ARC OF A CURVE CONCAVE TO THE RIGHT A DISTANCE OF 392.53 FEET, SAID CURVE HAS A RADIUS OF 250.00 FEET, A DELTA OF 89°57'42" AND IS SUBTENDED BY A CHORD BEARING S 45°19'49" W A DISTANCE OF 353.43 FEET TO A POINT OF TANGENCY;

THENCE N 89°41'20" W A DISTANCE OF 216.64 FEET TO POINT OF A CURVE NON-TANGENT TO THIS COURSE;

THENCE ALONG THE ARC OF A CURVE CONCAVE TO THE RIGHT A DISTANCE OF 650.50 FEET, SAID CURVE HAS A RADIUS OF 635 FEET, A DELTA OF 58°41'41" AND IS SUBTENDED BY A CHORD BEARING N 48°53'28" E A DISTANCE OF 622.43 FEET TO A POINT OF TANGENCY AND THE POINT OF BEGINNING;

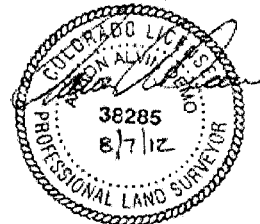
SAID DESCRIBED PARCEL OF LAND CONTAINS 116,925 SQ. FT. OR 2.68 ACRES, MORE OR LESS.

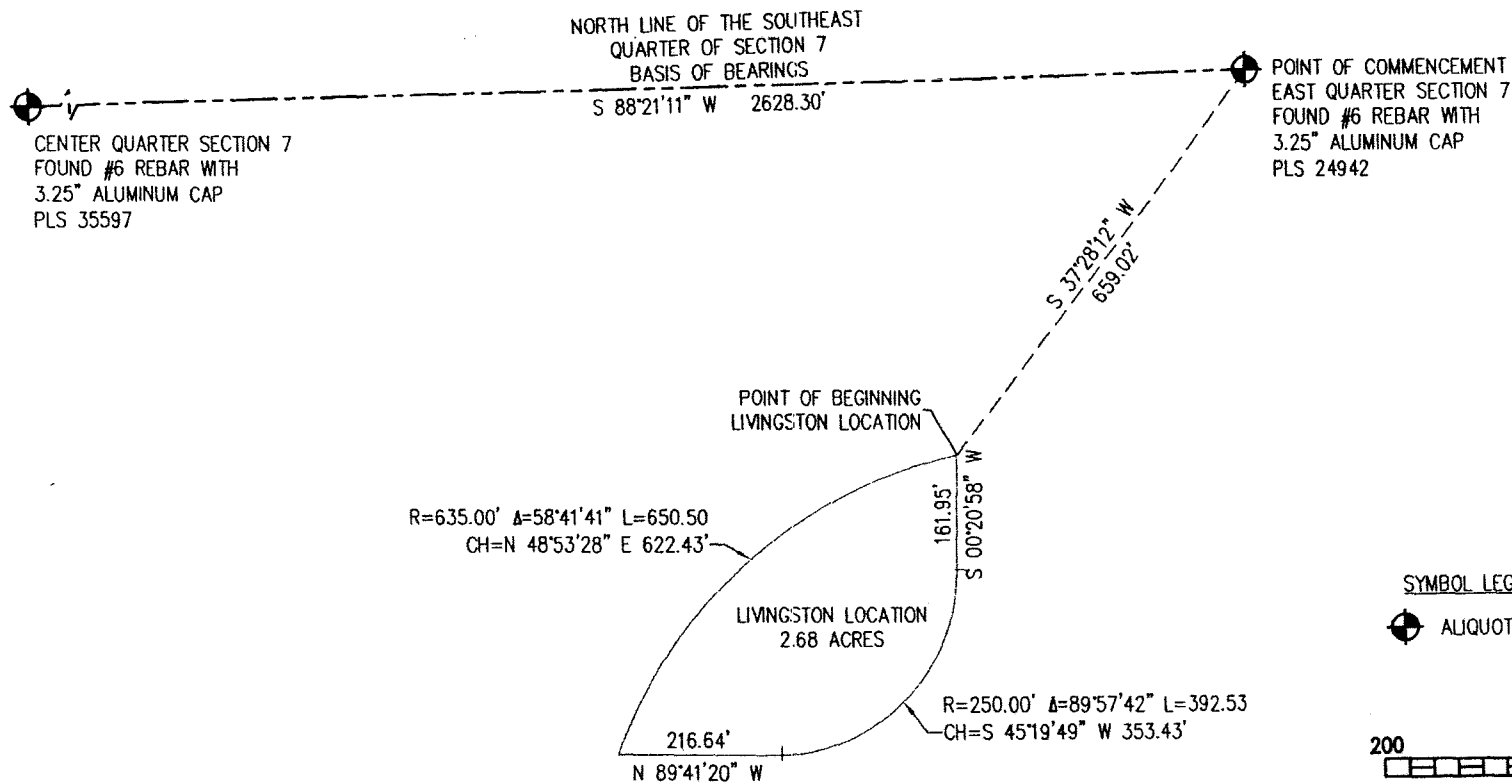
SURVEYOR'S STATEMENT

I, AARON A. DEMO, A PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO DO HEREBY STATE THAT THIS PROPERTY DESCRIPTION WAS PREPARED UNDER MY PERSONAL SUPERVISION AND CHECKING, AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, BELIEF, AND IN MY PROFESSIONAL OPINION.

AARON A. DEMO - ON BEHALF OF BASELINE ENGINEERING CORP.
COLORADO REGISTERED PROFESSIONAL
LAND SURVEYOR #38285

BASELINE ENGINEERING CORP.
710 11TH AVENUE, SUITE 105
GREELEY, COLORADO 80631
(970) 353-7600





SYMBOL LEGEND



ALIQUOT CORNER AS DESCRIBED

GRAPHIC SCALE



(IN FEET)

1 INCH = 200 FT



BASELINE 710 11TH AVENUE, SUITE 105
GREELEY, CO. 80631
engineering corporation PH (970) 353-7600 FAX (970) 353-7601

NOTES:

1. THIS DOCUMENT IS NOT A LAND SURVEY PLAT OR IMPROVEMENT SURVEY PLAT. IT IS NOT TO BE RELIED UPON FOR THE ESTABLISHMENT OF ANY LAND BOUNDARY, EASEMENT, FENCE, BUILDING, OR OTHER FUTURE IMPROVEMENT LINES.
2. BASIS OF BEARINGS—THE NORTH LINE OF THE SOUTHEAST QUARTER OF SECTION 7, TOWNSHIP 1 SOUTH, RANGE 68 WEST, IS ASSUMED TO BEAR S 88°21'11" W BETWEEN THE MONUMENTS AS SHOWN ABOVE.
3. ACCORDING TO COLORADO LAW YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT IN NO EVENT MAY ANY ACTION BASED UPON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS FROM THE DATE OF THE CERTIFICATION HEREON.
4. THIS EXHIBIT WAS PREPARED BY AARON A. DEMO, PLS. # 38285, FOR AND ON BEHALF OF BASELINE ENGINEERING CORPORATION, 710 11TH AVENUE, SUITE 105, GREELEY, COLORADO 80631.



| | | | |
|--|---------------|-----------------------------------|-------------|
| DWG SCALE: 1" = 200' | DRAWN BY: AAD | | |
| DETAIL SCALE: | DATE: 8/7/12 | | |
| SUA - LIVINGSTON LOCATION (PAGE 2 OF 2) | | | |
| CITY AND COUNTY OF BROOMFIELD SECTION 7 T1S R68W 6TH PM | | SUA BOUNDARY BROOMFIELD COUNTY | BEC: 207-PL |

PROPERTY DESCRIPTION

NORTH LOCATION

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THENCE S 47°27'13" W A DISTANCE OF 376.84 FEET TO THE **POINT OF BEGINNING**;

THENCE S 80°52'51" W A DISTANCE OF 491.77 FEET TO A POINT OF A CURVE NON-TANGENT TO THIS COURSE;

THENCE ALONG THE ARC OF A CURVE CONCAVE TO THE RIGHT A DISTANCE OF 391.28 FEET, SAID CURVE HAS A RADIUS OF 200.00 FEET, A DELTA OF 112°05'32" AND IS SUBTENDED BY A CHORD BEARING S 74°11'32" W A DISTANCE OF 331.79 FEET TO A POINT OF A CURVE NON-TANGENT TO THIS COURSE;

THENCE ALONG THE ARC OF A CURVE CONCAVE TO THE RIGHT A DISTANCE OF 138.48 FEET, SAID CURVE HAS A RADIUS OF 200.00 FEET, A DELTA OF 39°40'16" AND IS SUBTENDED BY A CHORD BEARING N 21°32'16" W A DISTANCE OF 135.73 FEET TO A POINT OF TANGENCY;

THENCE N 00°31'19" E A DISTANCE OF 227.81 FEET TO POINT OF A CURVE TANGENT TO THIS COURSE;

THENCE ALONG THE ARC OF A CURVE CONCAVE TO THE RIGHT A DISTANCE OF 254.70 FEET, SAID CURVE HAS A RADIUS OF 200.00 FEET, A DELTA OF 72°58'02" AND IS SUBTENDED BY A CHORD BEARING N 37°00'20" E A DISTANCE OF 237.84 FEET TO A POINT OF TANGENCY;

THENCE N 73°29'21" E A DISTANCE OF 156.36 FEET TO POINT OF A CURVE TANGENT TO THIS COURSE;

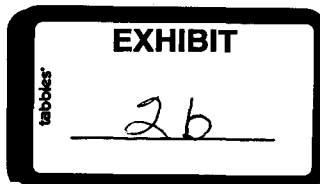
THENCE ALONG THE ARC OF A CURVE CONCAVE TO THE RIGHT A DISTANCE OF 59.55 FEET, SAID CURVE HAS A RADIUS OF 200.00 FEET, A DELTA OF 17°03'33" AND IS SUBTENDED BY A CHORD BEARING N 82°01'07" E A DISTANCE OF 59.33 FEET TO A POINT OF TANGENCY;

THENCE S 89°27'07" E A DISTANCE OF 304.86 FEET TO POINT OF A CURVE TANGENT TO THIS COURSE;

THENCE ALONG THE ARC OF A CURVE CONCAVE TO THE RIGHT A DISTANCE OF 314.20 FEET, SAID CURVE HAS A RADIUS OF 200.00 FEET, A DELTA OF 90°00'40" AND IS SUBTENDED BY A CHORD BEARING S 44°26'47" E A DISTANCE OF 282.87 FEET TO A POINT OF TANGENCY;

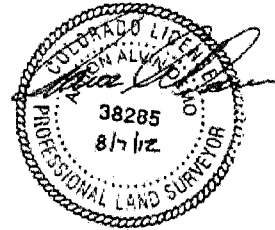
THENCE S 00°33'33" W A DISTANCE OF 223.49 FEET TO THE **POINT OF BEGINNING**;

SAID DESCRIBED PARCEL OF LAND CONTAINS 422,065 SQ. FT. OR 9.69 ACRES, MORE OR LESS.



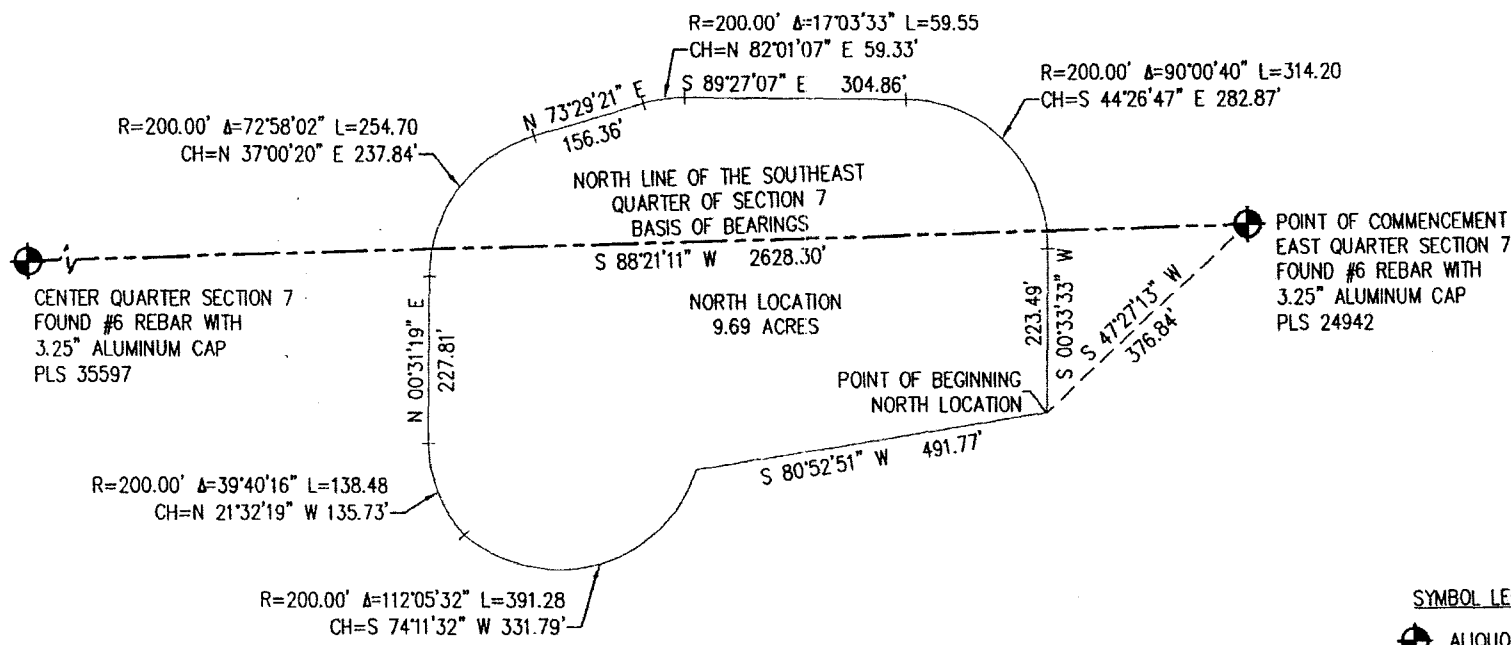
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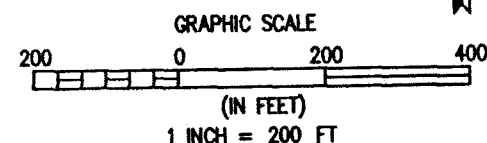
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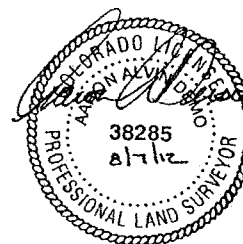


SYMBOL LEGEND

ALLOT CORNER AS DESCRIBED



BASELINE 710 11TH AVENUE, SUITE 105
GREELEY, CO. 80631
engineering corporation PH (970) 353-7600 FAX (970) 353-7601



NOTES:

1. THIS DOCUMENT IS NOT A LAND SURVEY PLAT OR IMPROVEMENT SURVEY PLAT. IT IS NOT TO BE RELIED UPON FOR THE ESTABLISHMENT OF ANY LAND BOUNDARY, EASEMENT, FENCE, BUILDING, OR OTHER FUTURE IMPROVEMENT LINES.
2. BASIS OF BEARINGS—THE NORTH LINE OF THE SOUTHEAST QUARTER OF SECTION 7, TOWNSHIP 1 SOUTH, RANGE 68 WEST, IS ASSUMED TO BEAR S 88°21'11" W BETWEEN THE MONUMENTS AS SHOWN ABOVE.
3. ACCORDING TO COLORADO LAW YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT IN NO EVENT MAY ANY ACTION BASED UPON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS FROM THE DATE OF THE CERTIFICATION HEREON.
4. THIS EXHIBIT WAS PREPARED BY AARON A. DEMO, PLS. # 38285, FOR AND ON BEHALF OF BASELINE ENGINEERING CORPORATION, 710 11TH AVENUE, SUITE 105, GREELEY, COLORADO 80631.

| | | | |
|--|---|--|--|
| DWG SCALE: 1" = 200' | DRAWN BY: AAD | | |
| DETAIL SCALE: | DATE: 8/7/12 | | |
| SUA - NORTH LOCATION (PAGE 3 OF 3) | | | |
| CITY AND COUNTY OF BROOMFIELD SECTION 7 T1S R68W 6TH PM | SUA BOUNDARY BROOMFIELD COUNTY REC: 207-PL | | |

Current and Projected Reservoir Expenditures

| | |
|--|----------------------|
| Total Projected Funds Available (Reserves, License Fees, Bond Proceeds) | \$ 58,500,000 |
| Expenditures to date | |
| Preliminary Engineering, Legal and Support Services | \$ 288,757 |
| Construction (utilities and Sheridan Crossing) | 2,482,650 |
| Design (MWVH contract) | 2,120,146 |
| Water rights and Land Acquisition | 30,200,000 |
| Total Expended to date | \$ 35,091,553 |
| Projected Expenditures | |
| Reservoir Construction | \$ 21,000,000 |
| Other | \$ 1,300,000 |
| Total projected costs | \$ 22,300,000 |
| Total Project Expenditures | \$ 57,391,553 |

