

Public Comments

The following comments were provided by members of the public and were considered during the technical review of this application.

<u>No.</u>	<u>Comment</u>	<u>Comment Date</u>
1	<p data-bbox="115 239 293 266">COMMENT BY</p> <p data-bbox="115 296 618 323">WILDGRASS OIL AND GAS COMMITTEE</p> <p data-bbox="115 352 1203 443">Pursuant to Commission Rule 510, the Wildgrass Oil and Gas Committee ("WOGc") files this comment to the drilling applications submitted by Extraction Oil & Gas, LLC ("Applicant" or "Extraction") for the Interchange A and B pads.</p> <p data-bbox="115 472 1312 653">1.We are writing to you on behalf of the Wildgrass Oil and Gas Committee ("WOGc"). WOGc represents certain mineral owners in the Wildgrass subdivision whose mineral interests are located in the Lowell South Spacing Unit, which is part of the multi-pad, large-scale operation proposed by Extraction to be located in our Broomfield residential area (the "Project"). We would appreciate that our comments in this email be formally submitted as part of the record for the Broomfield applications, including: Docket Nos. 401550237, 401475431, 401475419, 401475347.</p> <p data-bbox="115 682 1289 800">2.We are requesting a hearing on all applications submitted by Extraction and/or Crestone Peak Resources Operating LLC, for drilling in Broomfield (the "Applications") so that the Commission may consider the cumulative impact of the proposed locations and wells on the surrounding community and property owners.</p> <p data-bbox="115 829 1289 890">3.WOGc members own considerable surface rights and mineral interests on, within and under lands adjacent to the Application Lands.</p> <p data-bbox="115 919 1312 1100">4.WOGc states: (a) that the public issues raised by the Applications reasonably relate to potential significant adverse impacts to public welfare, including economically profitable access to resources, that are within the Commission's jurisdiction to remedy; (b) that potential impacts are not adequately addressed by the Applications; and (c) that the potential impacts are not adequately addressed by the Rules and Regulations of the Commission. These impacts include potential adverse impacts to public health, private and public mineral rights, waste, and the drilling of unnecessary and uneconomic wells.</p> <p data-bbox="115 1150 1214 1211">5.The Commission has authority under C.R.S. §34-60-116 to prevent waste and the drilling of unnecessary wells, and to protect correlative rights.</p> <p data-bbox="115 1241 1297 1331">6.The Spacing Application relative to these Applications sought authority to drill only wells necessary to provide drainage of the Cadell and Niobrara Formations underlying the Application Lands, and not the J-Sand or the Dakota Formations.</p> <p data-bbox="115 1360 1297 1451">7.Because the horizontal wells proposed by Extraction will produce only from either the Cadell or the Niobrara Formation, the correlative rights of the owners of the Cadell, Niobrara or J- Sand Formation which is not produced by the proposed well will not be protected, and waste will occur.</p> <p data-bbox="115 1480 1248 1570">8.Applicant has not provided geologic or engineering support for the Applications. It appears that Extraction filed the Applications so that it can hold leases by production, to the detriment of the mineral owners.</p> <p data-bbox="115 1600 1297 1690">9.Applicant is in the process of trying to obtain leases for the mineral interests in the Application Lands. The majority of lease interests have not been secured. Upon information, Applicant owns few or no mineral interests or leasehold interests in the Application Lands.</p> <p data-bbox="115 1719 1289 1900">10.The Colorado Revised Statutes defines "waste" § 34-60-103, C.R.S. (12) "Waste", as applied to oil, includes underground waste; inefficient, excessive, or improper use or dissipation of reservoir energy, including gas energy and water drive surface waste; open-pit storage; and waste incident to the production of oil in excess of the producer's aboveground storage facilities and lease and contractual requirements, but excluding storage, other than open-pit storage, reasonably necessary for building up or maintaining crude stocks and products thereof for consumption, use, and sale.</p> <p data-bbox="115 1929 1297 2003">11.With a glut in the oil market, and oil currently below \$67 /barrel, this is not the time to be targeting neighborhoods for oil and gas development. The mineral owners believe this Project will yield low if any returns, and would result in a waste of their mineral resources if they were extracted at this time.</p>	10/25/2018

12.WOGc objects because granting the Applications will cause waste, will not protect correlative rights, and will endanger the health, safety and welfare on the many residents who live in the area or within the drilling and spacing unit, at least because:

a.Granted the Application will cause waste and the drilling of unnecessary wells.

b.WOGc has concerns about the general economic stability of the Applicant and its financial ability to provide an oil pipeline and other mitigation measures necessary to safely drill in within the proposed spacing unit.

c.Upon information, the leases Applicant has offered are well below market value and contained terms that were unreasonable.

d.Applicant has estimated that its entire costs on the six well pads, including the required pipeline, in Broomfield will be over \$1 Billion. With low trading value of oil and gas at this time, WOGc is concerned that this project will not be economical.

e.There are a myriad of health studies describing the dangers of living in close proximity to oil and gas operations. See e.g. Compendium of Scientific, Medical, and Media Findings Demonstrating Risks and Harms of Fracking (the Compendium). Applicant has proposed 72 wells on six pads in close proximity to Broomfield residents and two drinking water resources.

f.The Application does not provide for sufficient bond for the Project, and, given Applicant's financial status, these new wells could be added to the over 250 orphaned wells in Colorado. Further, given the proximity to thousands of residents the bond does not provide sufficient cover in case of a catastrophic incident.

13.At the October 2017 Commission hearing the Commission voted to approve a motion that required all of Applicant's drilling permits in Broomfield to comport with the Operator Agreement agreed to by Extraction and the City and County of Broomfield (the "Operating Agreement"). Yet, the Applications do not comport with the Operating Agreement in material and dangerous ways. See e.g. attached Gap Analysis by Broomfield.

14.WOGc has filed an action against COGCC in Denver District Court, Case No. 2018CV32513, alleging, among other things, that the drilling permits granted to Applicant for the Project thus far should be retracted and requesting a hearing on all drilling permits in the Project as a whole. WOGc objects to continuing with permitting while this case is pending.

15.WOGc reserves all other objections which it has the right to present, as well as its right to amend this Protest with additional factual information and/or legal arguments and to request additional relief, and requests that the Commission:

a.Deny the Applications until proper discovery is completed on the issues of profitability, viability, efficiency, rights to access minerals and health and safety.

b.Grant simultaneous hearings on all of the Project applications, including the Livingston Pad, to ensure that this enormous residential project is viewed and considered in a holistic manner, and the issues of profitability, viability, efficiency, and health and safety are reviewed for the entire Project.

c.Require that Extraction post a bond to guarantee that the existing and future Project wells will be properly plugged and abandoned.

d.Require that Extraction provide a complete risk assessment for the Project and that Extraction be required to post a bond to guarantee that risks are properly covered.

e.Require that the Applications comport with the Operating Agreement.

We would appreciate hearing your thoughts on this matter and would be glad to provide any further information that you might require. Thank you for your consideration.

Signed,

/s Elizabeth Lario

Elizabeth Lario

Chair Wildgrass Oil and Gas Committee elizabethlario@comcast.net	
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Total: 1 comment(s)