

Director Criteria Review Summary – SRC Energy, Bernhardt 4-18 pad, Form 2A 401762724

This summary explains how COGCC staff conducted its technical review of the SRC Energy, Bernhardt 4-18 pad, Form 2A doc no. 401762724 within the context of SB 19-181 and for the required Director's Objective Criteria. This Form 2A permit application met the following Director's Objective Criteria:

1. (Criteria #1) The proposed Location lies within 1,500 feet of a Building Unit (the closest Building Unit is 890 feet from planned production facilities and two building units greater than 1,000 feet; a total of three Building units within 1500 feet of the location);
2. (Criteria #2) The Proposed Oil and Gas Location is within a municipality (Town of Milliken); and
3. (Criteria #5.c) The proposed Location lies within a Sensitive Area for water resources (adjacent to a surface water and within an area of potential shallow groundwater).

COGCC staff met with the Director on 6/6/2019 to discuss whether the Objective Criteria were sufficiently addressed and whether the Form 2A could be approved with the proposed Best Management Practices (BMPs) and applied Conditions of Approval (COAs). The following sections provide details regarding the evaluation of each criterion.

Criteria 1: Oil and Gas Locations within 1,500' of a Building Unit or High Occupancy Building, which include Urban Mitigation Area ("UMA") and Large UMA Facility ("LUMAF") locations.

Site Specific Description of Applicability of Criteria 1: Based on the technical review and desktop evaluation, staff identified one building unit located approximately 890 feet to the east of the production equipment and 713 feet from the Oil and Gas Location. A second Building unit is approximately 1,070 feet from a well and 693 feet to the northeast of the Oil and Gas Location, and a third Building Unit is 1,070 feet to the west of the Oil and Gas Location. In total there are three building units within 1,500 feet of the proposed Location. There are no high density residential neighborhoods within 1,500 feet of the proposed location.

Site Specific Measures to Address Criteria 1: Because 1 proximate building unit is located within 1,000 feet of the proposed production facilities, this location is a COGCC defined Buffer Zone location and is subject to all BMPs and mitigation measures specified in Rule 604.c.(2). These protections for nuisance impacts will also serve to protect residents in the other proximate buildings, despite their location outside the buffer zone setback. BMPs for the location include: Lighting directed downward and shielded, noise and lights behind sound walls surrounding the location, dust mitigation with gravity fed sand boxes for dust control, watering of dirt roads, and odor control with low VOC based OBM, placing generators further from the Building Units, and combustors during production.

Determination: During the technical review process, COGCC staff requested additional information and clarification regarding the applicant's proposal and BMPs and the information received has been added to the application materials. The applicant provided

enhancements and clarifications to the proposed BMPs. Given the foregoing, the Director determined Criteria 1 was sufficiently analyzed.

Criteria 2: The Proposed Oil and Gas Location is within a municipality:

Site Specific Description of Applicability of Criteria 2: The proposed Location lies within the City of Milliken.

Site Specific Measures to Address Criteria 2: The Operator has a Special Review permit with the City of Milliken signed August 2, 2017. Milliken does have siting authority and did not have any comments on the Form 2A. COGCC staff contacted the Local Government Designee (LGD) via email on 1/23/2019 and 5/15/2019. The LGD did not respond with comments regarding the location.

Determination: The Director determined that Criteria 2 was sufficiently analyzed because there was sufficient communication and coordination between the operator and the relevant local government and local jurisdiction.

Criteria 5.c: Oil and Gas Locations within a Sensitive Area for water resources.

Site Specific Description of Applicability of Criteria 5.c: The proposed location is in a sensitive area due to its proximity to the surface water and shallow groundwater. A man-made pond is located along the south edge of the well area and west side of the Oil and Gas Location.

Site Specific Measures to Address Criteria 5.c: Staff worked with the operator to place BMPs on the form that address protection of the sensitive environment including: stormwater and erosion engineering controls which may include, but not limited to, grading, a ditch and berm system, sediment traps, erosion blanks or rip rap; 150 percent containment of the tank storage area with a steel berm and lining production facilities with an impermeable liner, and a daily inspection program for leak detection.

Determination: The Director determined that Criteria 5.c was sufficiently analyzed based on the application of additional BMPs that address the protection of ground and surface water resources were sufficient to meet the standard for protection of the sensitive environment and water resources.

Staff met with the Director again to discuss the updated BMPs and the COAs that were applied to the Form 2A by COGCC staff. The Director determined that following the application of the additional analysis from the Objective Criteria, the permit application meets the standard for protection of public health, safety, welfare, the environment and wildlife resources set by SB 19-181.