

Director Criteria Review Summary – Nickel Road Operating’s Elder Pad, Form 2A #401548407

This summary explains how COGCC staff conducted its technical review of the Nickel Road Operating (NRO) Elder Pad location, Form 2A #401548407 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 5.c) The proposed Location lies within a Sensitive Area for water resources (mapped floodplain immediately adjacent to the southeast of the proposed location).
2. (Criteria 8) The proposed location will have storage of hydrocarbons or produced liquids in more than 18 tanks (12 oil tanks and 6 water tanks).

COGCC staff met with the Director 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 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 a mapped floodplain immediately adjacent and to the southeast and a swale within the planned disturbed area.

Site Specific Measures to Address Criteria 5.c: NRO originally submitted the Form 2A with the proposed location extending into the mapped floodplain. NRO included BMPs on the Form 2A that detail how they will comply with COGCC Rule 603.h. – Statewide Floodplain Requirements.

- *603.h.(1)B - The wells located on this pad will be equipped with remote shut-in capabilities prior to commencing production. Remote shut-in capabilities include the ability to shut-in the well from outside the relevant Floodplain via automation controls*
- *603.h.(1)C & 603.h.(2)C - Secondary containment around tanks will be constructed of steel rings with a synthetic or engineered liner and designed to contain 150% of the capacity of the largest tank. All berms will be visually checked periodically to ensure proper working condition. Secondary containment devices shall be sufficiently impervious to contain any spilled or released material.*
- *603.h.(2)B - All oil and produced water tanks and separation equipment will be anchored to the ground. Anchors will be engineered to support the tanks and separation equipment and to resist flotation, collapse, lateral movement, or subsidence.*

Additionally, NRO agreed to a COA requiring them to construct the location with features such

as berms, diversion dikes, site grading, or other comparable measures to protect nearby OWL Creek, which is the surface water feature that includes the mapped floodplain. NRO also obtained a Flood Hazard Development Permit from Weld County.

During the COGCC technical review process, NRO decided to redesign the location to pull back the disturbance area and reduce the facilities count to get it completely out of the mapped floodplain. The location as permitted no longer falls within a mapped floodplain. Due to the proximity of the mapped floodplain, the Rule 603.h. BMPs have been retained on the Form 2A.

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

Criteria 8: Oil and Gas Locations with storage of hydrocarbon or produced liquid in more than 18 tanks or in excess of 5,200 barrels

Site Specific Description of Applicability of Criteria 8: NRO has indicated there will be 12 oil tanks and 6 water tanks.

Site Specific Measures to Address Criteria 8: NRO has indicated they have an approved WOGLA from Weld County which includes a traffic plan, haul route, and Emergency Action Plan from Weld County. NRO also has an approved CDOT Access Permit as this location is accessed directly from Colorado Highway 14.

The nearest Building Unit to the proposed location is approximately 2,500 feet to the southeast. Therefore, the risk to Public Safety from a fire or explosion is deemed to be low.

Determination: The Director determined that Criteria 8 was sufficiently analyzed based on the approved traffic plan, haul route, and Emergency Action Plan from Weld County, and that the nearest Building Unit is approximately 2,500 feet from the proposed location.

Staff met with the Director to discuss Objective Criteria that are met by this Oil and Gas Location. 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.