

Objective Criteria Review Memo – Waulco Resources, LLC, Millican 1-7, Form 2A 401975036

This summary explains how COGCC staff conducted its technical review of the Millican 1-7 Form 2A 401975036 within the context of SB 19-181 and for the required Objective Criteria. This Form 2A permit application met the following Objective Criteria -

1. (Criteria 5.c) The proposed Location lies within a Sensitive Area for water resources (proposed Location lies within proximity to a surface water feature and within a Designated Basin).

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 Millican 1-7 lies within proximity to a drainage and within the Southern High Plains Designated Basin and therefore, is considered a Rule-Based Sensitive Area for water resources. In addition, the Location lies within proximity, approximately 328 feet, from a surface water feature. The estimated depth to groundwater entered on the Form 2A is 63 feet below ground surface (bgs).

Site Specific Measures to Address Criteria 5.c: The Millican 1-7 is a proposed Location consisting of 1 vertical well, 1 drilling pit, 2 oil tanks, 1 buried water vault, 1 separator, 1 electric motor, and 1 ECD. Staff required additional BMPs to protect groundwater: the operator proposed to construct all production facilities within lined secondary containment, install perimeter controls along cross- and down-gradient perimeters of the Location and provided a daily inspection schedule to identify spills at the Location within a timely manner.

Determination: The Director determined that Criteria 5.c was sufficiently analyzed and that the implementation of previously imposed permit conditions and inclusion of additional BMPs that address the protection of ground and surface water resources met the standard for protection of the sensitive environment and water resources.