

Criteria Review Summary – Kerr-McGee, Niles Miller 37-20HZ Pad, Form 2A doc no 401788638.

This summary explains how COGCC staff conducted its technical review of the Kerr-McGee (KMG), Niles Miller 37-20HZ Pad, Form 2A doc no. 401788638 within the context of SB 19-181 and for the required Objective Criteria. This Oil and Gas Location has been submitted as a new Oil and Gas Location for a proposed 8 wells, 17 separators, 1 Condensate tank, 3 water tanks, and other associated production. This proposed Location will also serve wells on the Sarchet Location (ID 463773) approximately 1,100 feet to the east. This Form 2A permit application met the following Objective Criteria:

1. (Criteria #1) The proposed Location lies within 1,500 feet of a Building Unit or High Occupancy Building, which include Urban Mitigation Area (UMA) and Large UMA Facility (LUMAF) locations. (the closest Building Unit is an estimated 340 feet from the Oil and Gas Location);

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 1: Oil and Gas Locations within 1,500 feet 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 a Building Unit approximately 340 feet west of the planned edge of disturbance, 588 feet from the nearest planned well, and 1,081 feet from the nearest planned production facility. A second Building Unit is approximately 1,100 feet southeast 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: One Building Unit is located within the Buffer Zone as a Designated Setback Location requiring compliance with Rules 305.c. and 604.c.(2) mitigation and notification. KMG has spoken with the Building Unit owner in the Buffer Zone. At this time, the Building Unit owner discussed concerns regarding noise and traffic with KMG. KMG has provided BMPs for traffic and noise and will continue to work with this Building Unit owner. A notification letter was also sent to the second Building Unit owner outside the Buffer Zone. Both Building Unit owners signed a letter of acknowledgement for the Niles Miller and Sarchet Locations. The phone numbers for KMG’s Colorado Response line and after-hours emergency line will be posted at the Locations.

KMG has committed to sound walls along the east, south, and west of the proposed Location. KMG will use an odor neutralizer for the oil based mud (OBM) and closed containers are planned for the cuttings. Because produced fluids and gas are planned to be piped away from the Location, only maintenance tanks are planned. Frac tanks will be used for the initial flowback and high-water production phases. These tanks will be used for six to nine months and will be connected to emission control devices and will be on lined secondary containment. Lighting will be turned downward and shielded.

Determination: During the technical review process, COGCC staff requested additional information and clarification regarding KMGs proposal and BMPs for noise, timing of inspections, leak detection, and community outreach. KMG provided enhancements and clarifications to the proposed BMPs. Given the foregoing, the Director determined Criteria 1 was sufficiently analyzed.