

Objective Criteria Review Memo - PDC Energy Inc.

Ridgway 1N -- Form 2 Application for Permit to Drill (APD) Doc# 401927585

Ridgway 3N66W1 1-6 -- Form 4 Sundry to update Location BMPs and mud program Doc# 402095166

Approved Form 2A Oil & Gas Location Assessment (Doc# 401559965, approved 9/21/2018)

Location ID# 457498

This memo summarizes COGCC's technical review of the subject well within the context of SB 19-181 and the required Objective Criteria. Prior to the implementation of SB 19-181, the Form 2A and APDs for 5 of the 6 wells proposed for this Oil & Gas Location were submitted and approved. PDC has since submitted this subject APD for a horizontal boundary well on this approved Oil & Gas Location.

For Oil & Gas Locations approved prior to SB 19-181, the Objective Criteria apply to any wells proposed on those approved or existing Oil & Gas Locations. The subject well APD meets the following Criteria:

1. **Criteria #1** - The Oil and Gas Location is within 1500' of a Building Unit (BU).

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 (BU).

Site Specific Description of Applicability of Criteria 1: There are two BUs within 1,500 feet of the Location; the BUs are approximately 722 and 937 feet northeast of the Location and approximately 1,240 and 1,450 feet northeast of the subject well. The approved 2A indicates the nearest BU is 839 feet northeast of planned production facilities permitted on the Location, establishing the Location in a Buffer Zone.

Site Specific Measures to Address Criteria 1: Per Rule 305.c, PDC provided notice to all BU owners within the Buffer Zone. The BU owners requested consultation. PDC met with local residents on January 14, 2018; parties discussed truck traffic, landscaping, air quality, noise, weed control, and trespassing concerns, as described in the Rule 306.e Certification letter (Doc# 2316345). The Form 2A was submitted on April 3, 2018 and passed completeness on April 12, 2018. Per the request of the Weld County LGD, the public comment period was extended an additional 10 days. Seven public comments were received on the Form 2A; all comments were from local neighborhood residents. PDC met with local residents again May 3, 2018; parties discussed visual mitigation, sound mitigation, traffic, security, topsoil, weed control, and water well testing, as described in the Rule 306.e Certification letter (Doc# 2316345).

These consultations and public comment follow-up resulted in PDC agreeing to the following: cooperation with individual BU owners on specifics of landscaping details (trees for visual screening), the use of 32' sound walls on the north and east sides of the location, limiting truck

traffic in front of homes, dust mitigation, pipelines to reduce truck traffic, a security guard shack on site, and ensuring surveyors receive permission from landowners prior to entering property.

Per the request of COGCC staff, the operator submitted a Sundry (Doc# 402095166) to update BMPs for this Location. Updated and enhanced BMPs include the following:

- Access road built and maintained to accommodate local emergency vehicle access; operator has a traffic plan, haul route, and emergency action plan approved by Weld County;
- Control of fugitive dust with speed restrictions, regular road maintenance, restriction of construction activity during high-wind days, silica dust controls, road watering, and application of magnesium chloride as coordinated with Weld County and surface owner;
- LACT automation on wells and tanks to minimize truck traffic, manual gauging, and emissions;
- Gas and oil pipelines will be constructed and ready for service prior to production;
- Lights turned downward and away from BUs;
- Green completions;
- 32' sound walls installed on the north and east sides of the Location; additional hay bales installed if requested by BU owners once operations have commenced;
- Oil-based mud will include an odor neutralizer, and cuttings will be hauled offsite regularly.

Determination: The Director determined that Criteria 1 was sufficiently analyzed because the operator has engaged in regular communication with the local neighbors, resulting in collaborative agreement on mitigation practices for multiple potential nuisance and safety issues.

Additional Information:

- The subject APD includes a request for this horizontal boundary well to be completed in a wellbore spacing unit (WSU) as designated per Rule 318A.a.(4).D. Per Rule 318A.e.(5), the operator notified all mineral owners within the proposed WSU at least 30 days prior to submitting the Form 2 APD. No valid objections were received, or, any valid objections received have been resolved and are no longer ongoing. The APD does not require a hearing for the approval of the spacing unit; a WSU is approved administratively with the approval of the Form 2 APD.
- No public comments were received on this APD during the public comment period.

Final Determination:

COGCC staff met with the Director to discuss whether the Objective Criteria were sufficiently addressed and whether the subject Sundry Notice and subject APD could be approved with the updated Best Management Practices (BMPs) and applied Conditions of Approval (COAs). The Director determined that following the application of the additional analysis from the Objective Criteria, both the Sundry and the permit application meet the standard for protection of public health, safety, welfare, the environment and wildlife resources set by SB 19-181.