

**1041 WOGLA
PRE-APP MEETING**



Meeting Date: **April 21, 2021**

Staff Specialist: **Kelly Holliday**

Location Name: **Kenosha - CDP**

Parcel Number(s): **105308000040, 105317200006, 105321300006**

Operator/Applicant: **PDC Energy, Inc. (PDC)**

Invitees: **PDC - Tammy Waters, Brian DeRose, Mac Neumann, Danielle Barnes, Darin Spitzer, Becky Johnson, Dawn Lang, Paul Row and Venessa Chase; CPW - Brandon Marette and Michael Grooms; COGCC - John Noto**

Legal Description: **SW1/4NE1/4 of Section 8, S1/2NW1/4 of Section 17, and E1/2NE1/4 of Section 21, Township 4 North, Range 64 West of the 6th P.M., Weld County, Colorado**

NOTES

This meeting was held on, Thursday, April 21, 2021 at 2:00PM. In attendance were Tammy Waters (PDC), Brian DeRose (PDC), Danielle Barnes (PDC), Darin Spitzer (PDC), Dawn Lang (PDC), Mac Neumann (PDC), Paul Row (PDC), Vanessa Chase (PDC), Becky Johnson (PDC), Kelly Holliday (OGED Staff), Elisa Kunkel (OGED Staff), Bryant Knigge (OGED Staff), Dwight Mallory (OGED Staff), Amanda Petzold (OGED Staff), Jennifer Teeters (OGED Staff), Michael Hall (Weld County Planning), Natalie DeLaCroix (Weld County Public Works), John Noto (COGCC), Rebecca Treitz (COGCC), Doug Andrews (COGCC), Greg Deranleau (COGCC), Brandon Marette (CPW) .

Hen 4N64W8 1-24 – T4N-R64W, Sec. 8: SWNE

Darin Spitzer is the PDC Landman assigned to the Hen 4N64W8 1-24 (Hen Location), located in the SW1/4NE1/4 of Section 8, Township 4 North, Range 64 West of the 6th P.M., Weld County, Colorado. The Hen Location is proposed as a total disturbance of 23 acres which will be reduced to 11 acres following interim reclamation. Operations are proposed to begin 4th quarter of 2023. The Hen Location will consist of 24 Horizontal Wells, 1.5 mile laterals, drilled from west to east with an associated Production Facility. PDC intends to drill these Wells in a single occupation.

The current land use is dryland pasture. PDC intends to utilize an existing access road, currently used for the Challenger Location located directly to the west, to access the Hen Location. There is a locked gate at the entrance to the access road which will be kept in place for site security purposes. PDC will work with the surface owner regarding fencing around the Hen Location in accordance with the owner's horse operations. CPW requested that PDC consider wildlife friendly fencing including bottom smooth strand. PDC stated that they generally utilize 3-4 strand smooth fencing.

CPW also acknowledged the requirement for a Wildlife Protection Plan, required of all Locations outside of High Priority Habitat under the 1200 series Rules – 1202.a in particular for statewide operating requirements pertaining to the protection of wildlife resources.

Haul Route: PDC intends to utilize CR48 with 75% including the heavy haul traffic heading west to CR49 (paved County highway) and 25% heading east to CR53 (paved Collector status roadway). PDC intends to execute an RMA.

The Hen Location falls within the Near-Urban Planning Area, outside of any floodplain, geologic hazard, airport overlay, and high priority habitat. There is one (1) residential Building Unit (BU) within the 1041WOGLA Zone, located approximately 982' to the east and twelve (12) BUs within 2,000'. PDC sent reach out letters last week. Darin Spitzer has spoken with BUs up to that BU identified as #7. Other PDC Landmen may have spoken with the other BUs.

COGCC identified PDC's options for moving forward being informed consent or Commission Hearing as part of 604 series of Rules. The Hen Location trigger the Alternative Location Analysis (ALA) process, COGCC will work with PDC through this process as it is a lengthy and involved process.

Public Concern: Weld County's Oil and Gas Energy Department was contacted by Ms. Denise Barton who owns the property directly to the north of the proposed Hen Location. She expressed that she is not opposed to Oil & Gas Operations and feels that she has been very tolerant of the existing operations. But she believes that a third large facility in such close proximity to her home is just too much. There is also a recently approved USR covering her parcel for a roping arena. PDC Landman, Darrin, stated that he spoke with Ms. Barton on April 20th, but was unaware of the arena and/or USR. Michael Hall from Weld County's Planning Department spoke to the details of USR20-0033. The arena was originally permitted in 2000, amended in 2014. Ms. Barton purchased the property in 2018 and through some lot line adjustments in error vacated the original USR and lost the right to host events at the roping arena. Ms. Barton was required to go back through the USR process and in March 2021 received conditional approval. The USR allows for summer operations, events every weekend with approximately 150 people allowed on site, not including property owner or staff. Darin indicated that the arena is approximately 1,500' from the edge of disturbance, 1,700'-1,800' from Wells and over 2,000' to the Production Facility. COGCC expressed that it is important to be aware of surrounding property owner concerns and that concerned members of the public may submit comment to the COGCC.

Site selection and alternative siting:

- Hen AL 1 & Hen AL2 are both located on the same surface owner. AL1 is located further from BUs than the proposed Hen Location, but with 1.5 mile laterals it doesn't make a whole lot of sense to be in the center of the Development Area. PDC met with owner, who was concerned with operation in center pivots in prime irrigated farmland impacting his operations. AL 2 is much closer to BUs, the closest being approximately 600' to the north. Not a lot of work went into this location as it is also located in a center pivot and surface owner was not agreeable to oil and gas interrupting his farming operations.
- Hen AL 3 – Based on aerial photos this appears to be an open area, but a center pivot was recently installed on these lands. This location is also much closer to BUs. The two closest BUs being approximately 600' one to the north and one to the south. PDC reached out to owner but he was not interested.

- Hen AL 4 – This location is about the same distance as proposed Hen Location to nearest BU and also has multiple BUs within 2,000’. This area is very wet and has a high-water table which is not ideal for building an Oil and Gas Location. Access to this location would require constructing a new access road and crossing other property owners.
- OGED Staff asked whether PDC had considered utilizing an existing site (WOGLA18-0056 – Challenger Location to the west or WOGLA18-0145 – Jagged Location to the southwest) for these operations. PDC expressed that they do not feel expanding the existing Locations would be a viable option. Both of these locations, have been drilled but not yet completed. The surface owner of the Challenger Location has plans for development to the west of the Location. The Jagged Location would have to be expanded to the west bringing operations in closer proximity to BUs. OGED Staff requested that PDC provide a more fulsome analysis of these two existing location as a potential alternative in the Application.
- COGCC did not have any questions regarding the siting of the Hen Location at this time but expressed that PDC will be required to go thru the ALA process.

A majority of the existing operations in the area are Noble Energy, but PDC does anticipate they will be plugging and abandoning or reclaiming many of those old vertical locations with this new development. Those decisions will be made closer to the time of drilling and completions operations.

The Hen Location will be tied into the existing pipeline infrastructure servicing the Challenger and Jagged Locations for both Oil and Natural Gas. Produced water would be trucked off location in the initial stages. PDC will utilize MLVTs to provide fresh water for completions with temp above ground lines. There will be no off-location flowlines associated with this site.

BMPs: PDC intends to utilize temporary sound walls during the Construction Phase and will be enclosing compressors with permanent sound wall. They have a storm water drainage plan, security cameras, locked gates, automation tower with 24-hour monitoring, and a dust mitigation plan. The Hen Location will be tied into existing electric power in the area, Poudre Valley REA (PVEA). PDC does not foresee any concerns on the ability to comply with the County’s noise standards and possibly being restricted to NL-1 standard of 55 db(A) daytime and 50 db(A) nighttime even during the Construction phase. There is no permanent lighting planned. PDC has no concern with meeting all County setback requirements.

Drake 4N64W17 1-24 – T4N-R64W, Sec. 17: S2NW

Danielle Barns is the PDC Landman assigned to the Drake 4N64W17 1-24 (Drake Location), located in the S1/2NW1/4 of Section 17, Township 4 North, Range 64 West of the 6th P.M., Weld County, Colorado. The Drake Location is proposed as a total disturbance of 27.6 acres which will be reduced to 10.6 acres following interim reclamation. Operations are proposed to begin 4th quarter of 2023 or 1st quarter of 2024. The Drake Location will consist of 24 Horizontal Wells, approximately 2.25 mile laterals, drilled from west to east with an associated Production Facility. PDC intends to drill these Wells in a single occupation.

The current land use is an abandoned turkey farm and a small portion of flood irrigated alfalfa field. PDC intends to utilize the existing access road permitted by Noble Energy located directly to the west on CR51, creating no additional disturbance.

The proposed location falls within the Near-Urban Planning Area, outside of any floodplain, geologic hazard, airport overlay, and high priority habitat. There is one (1) residential BU within the 1041WOGLA Zone located approximately 951' to the west and eleven (11) BUs within 2,000'. PDC has sent reach out letters to all the BU owners and has spoken with all except BU1 located directly to the west.

PDC does not intend to have any fencing or other visual mitigation around the Drake Location. PDC is planning to clean up the land, remove and properly dispose of the remains of the abandoned turkey farm. PDC will not only be cleaning up the area within the disturbance area of the Drake Location, but all remaining buildings and debris on the parcel beyond the bounds of the Drake Location and returning more farmable ground to the surface owner.

PDC has no wildlife or environmental concerns at the Drake Location. Per CPW's direction the Drake Location will require a Wildlife Protection Plan.

Haul Route: PDC intends to utilize CR51, 75% including the heavy haul traffic will head south to CR 44 (paved Collector status roadway) and 25% heading north to CR 46 (gravel local status roadway). PDC intends to execute an RMA. There several BUs along the Haul Route, but PDC is committed to communicating with those owners and mitigating any potential traffic and dust concerns.

Site selection and alternative siting:

- Drake AL 1 – Directly south of proposed site. Property owned by the City of Broomfield who has plans for bio-solids on the property and is not open to any surface location. It would also impact the existing pivot. There are 2-3 BUs to the west within 1,000' of this location.
- Drake AL 2 – Very close to BUs, 2 within 500', 3-4 within 1,000'. There is also an existing USR on this property for a high pressure pipeline.
- Drake AL 3 - East side of proposed Drake Location, 2 BUs within 500', minimal access to this location. Landowner had concerns with operations impacting his alfalfa fields and pivot irrigation system. This area also has a high water table, only 4-5' deep, which would cause construction concerns.
- Drake AL 4 - East of AL3 would bring 1-2 BUs within 500' and 4 within 1000'. There is also a wetland area here and very high water table. The landowner was not open to a surface location.
- Drake AL 5 – PDC has an existing facility here, the Collins Horizontal pad. Concerns with the addition of 24 Wells to this pad. It would completely take out the alfalfa fields, as well as impact the pivot irrigation. There is also a high-water table 2-3 ft deep. Too close to 1 BU within 500' and 2 within 1,000'. Also concerned that current technology might make the northern most wells a challenge with 2-mile laterals.
- Drake AL 6 – Located on Noble Energy property. Existing pipeline would lead the location to be pushed further north and closer to BUs. One BU within 700' and an additional 4-5 within 1000'. There is also a USR on this property that Noble intends to expand.
- The COGCC did not have any questions regarding the siting of the Drake Location at this time but did indicate that PDC would be required to go through the ALA process.

A majority of existing facilities in the area are operated by Noble Energy, but PDC does anticipate they will be plugging and abandoning or reclaiming many of these locations in conjunction with this new development. The hope would be to move oil and gas operations further from BUs than what is currently existing.

The Drake Location will be tied into the existing pipeline infrastructure servicing the Challenger and Jagged Locations for both Oil (Black Diamond/Noble Midstream) and Natural Gas (DCP). Produced water will be trucked until the time PDC is able to secure the ability to pipe produced water. PDC will utilize MLVTs with temporary lay flat lines for fresh water for completions operations. There will be no off-location flowlines associated with this site as the product is transferred on location at the LACT unit.

BMPs: PDC plans to have security cameras and automation tower with 24-hour monitoring. The Drake Location will be tied into existing electric power in the area, PVEA. PDC does not foresee any concerns on the ability to comply with the County's noise standards and possibly being restricted to NL-1 standard of 55 db(A) daytime and 50 db(A) nighttime even during the Construction phase. There is no permanent lighting planned. PDC has no concern with meeting all County setback requirements.

George 4N64W21 1-24 – T4N-R64W, Sec. 21: E2NE

Mac Neumann is the PDC Landman assigned to the George 4N64W21 1-24 (George Location), located in the E1/2NE1/4 of Section 21, Township 4 North, Range 64 West of the 6th P.M., Weld County, Colorado. The George Location is proposed as a total disturbance of 21 acres which will be reduced to 5.6 acres following interim reclamation. Operations are proposed to begin 4th quarter of 2023 or 1st quarter of 2024. The George Location will consist of 24 Horizontal Wells, 2-mile laterals, drilled from east to west with an associated Production Facility. PDC intends to drill these Wells in a single occupation.

The current land use is agriculture. PDC intends to utilize the existing access road for the Noble Energy tank battery to the south. The existing access was not previously permitted and PDC will need to permit that access.

The proposed location falls within the Near-Urban Planning Area, outside of any floodplain, geologic hazard, airport overlay, and high priority habitat. There are no residential BUs within the 1041WOGLA Zone and six (6) BUs within 2,000'. All six (6) of these BUs are well over 1,500' away. PDC has sent reach out letters and has spoken with all except BU5 identified as Farmers Reservoir.

Due to the close proximity of the Gilmore Ditch PDC has been in contact with the ditch company and has started drafting a preliminary drainage report. Natalie DeLaCroix with Weld County Department of Public Works cautioned PDC that if drainage from the George Location flows toward the ditch PDC will either need to utilize a retention pond or provide documentation from the ditch company that PDC has permission to discharge into the ditch.

PDC expressed that there are not any additional concerns that need to be considered for the nearby dairy operations. PDC does not have any plans for fencing at this Location. PDC does not have any wildlife or environmental concerns. Per CPW's direction the George Location will also require a Wildlife Protection Plan.

Haul Route: All traffic will exit the private access road heading west on CR42 to CR53 (paved collector status roadway). PDC expects that the majority of the traffic will go north on CR53 to CR44 with a 50/50 split east and west on CR44. PDC intends to execute a RMA covering this Haul Route.

Site selection and alternative siting:

- George AL 1 – JJ Oster Farms is the landowner, 3 BUs with 2,000', 2 of which would be within 1,000'. This is a flood irrigated field. There is already a Noble location on the NW corner of the

parcel and falls with the Noble Energy Mustang CDP. Ultimately the surface owner was not interested in another location on the property

- George AL 2 – The property is owned by the City of Broomfield, who has plans for bio-solids and was not willing to have a surface location here. It would also cause impacts to the center pivot. There are 4 BUs within 2,000' of this location.
- George AL 3 – Was recently sold to a new owner. A portion of the property is flood irrigated. This location also has a very high-water table. There are designated wetlands to the north and east. Owner to the west has quarter horse ranch operations.
- George AL 4 – Eastside of ditch, south of 44, highwater table, dryland cattle grazing. Owner recently added a modular home to the property and did not want a site in such close proximity to the home. The high-water table would lead to construction problems.
- George AL 5 – This option is directly to the south of the preferred site. Same surface owner as the preferred site, but this would cause much greater impact to farming operations and the surface owner, Paul Sater was not agreeable. Also has 5 BUs within 2,000'
- George AL 6 – This is to the east of the development area. There are 6 BUs within 2,000', of those 2 within 1,000'. This site is very close to wetland area and Box Elder creek. The owner has already signed an SUA within the Noble Mustang CDP, which they are planning to drill 2024.
- George AL 7 – This is the preferred site. There are no BUs within 1,000', 6 BUs within 2000'. This George Location was chosen in conjunction with the surface owner and is least impactful to existing agricultural operations. Ditch road will not be used, will use separate access road.
- George AL 8 – This site was originally planned with utilizing 2 locations to drill the 24 Wells (12 Wells on each pad). PDC chose to eliminate this location and combine with #7. This option would have pulled in additional BUs.
- George AL 9 – This is the same location as the Drake AL5 but kicks would be even greater by over 1 mile to reach the southernmost Wells.
- John Noto, with the COGCC did not have any questions regarding the siting of the George Location at this time but did indicate that PDC would be required to go through the ALA process. And there would be a more thorough analysis completed at that time. He also indicated the requirement of informed consent or commission hearing, as well as the need to have best management practices in place to address nearby water feature.

A majority of the existing operations in the area are operated by Noble Energy. PDC anticipates that a number of these old vertical locations will be plugged and abandoned and reclaimed in conjunction with this new development. There is potential for 49 Wells being plugged and 15 tank batteries being removed along with 25 acres of access road and pad surface, resulting in 40 acres to be returned to landowners.

The George Location will be connected to Pipeline at the time of first production for both oil and natural gas take away. John Noto expressed that it's viewed as a real advantage to have oil take away via pipeline. Produced water Will be stored in temp water tanks and trucked off Location. PDC will utilize a MLVT and temp water lines for fresh water for completion operations. There will be no off-location flowlines associated with this site.

BMPs: Based on the findings of the drainage plan PDC will implement all necessary BMPs to protect water resources and the nearby irrigation ditch. PDC plans to have security cameras, automation tower with 24-

hour monitoring. The George Location will be tied into existing electric power in the area, PVEA. Temp sound walls will be utilized on east and southeast side possibly wrapping the entire Location for noise mitigation. PDC does not foresee any concerns on the ability to comply with the County's noise standards and possibly being restricted to NL-1 standard of 55 db(A) daytime and 50 db(A) nighttime even during the Construction phase. There is no permanent lighting planned on the George Location. PDC has no concern with meeting all County setback requirements.

CONCLUSION

PDC does not currently have any questions regarding Weld County Code requirement.

John Noto, with the COGCC stated that based on the information that was presented he does not see anything that would prevent PDC from submitting these applications and does not see anything that would prohibit this development. There would be further analysis completed on these locations through the COGCCs process.

PDC stated that they have not yet submitted applications for pooling and spacing or a location assessment with the COGCC. PDC is intending to run the local and state permitting process simultaneously.

PDC is free to submit a 1041WOGLA Notice to Weld County at any time following this pre-application meeting.