

Criteria Review Summary – Highpoint Operating Corporation, Helton 5-63-27, Form 2A 401942941

This summary explains how COGCC staff conducted its technical review of the Helton 5-63-27, Form 2A 401919890 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 1) The proposed Location lies within 1,500 feet of a Building Unit (the closest Building Unit is 1258 feet from the planned production facilities).
2. (Criteria 5.c) The proposed Location lies within a Sensitive Area for water resources (the amended Location lies within proximity to a drainage and in an area of potential shallow groundwater).

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' 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 of this amended Form 2A, staff identified one Building Unit approximately 480 feet to the south of the edge of the Location, 771 feet from the nearest planned well, and 635 feet from the nearest planned production facility. Additional Building Units were not identified within 1,500 feet of the edge of the Location. This amended Location was previously approved in 2013 and, therefore, is being amended under the Designated Setback Location Exception Rules 604.b.(1)A and 604.b.(2). The Location is being amended to add two wells to the Location as well as remove 10 oil tanks from the permitted facilities list and produce to a Remote Related Location outside of the Designated Setback.

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. Highpoint has notified and spoken with the Building Unit owner in the Buffer Zone. At this time, the Building Unit owner did not express concerns with the amended Location.

To mitigate the potential for impacts to the Building Unit occupants, Highpoint has committed to the use of sound/visual walls along the southeastern and southwestern edges of the pad, the use of water suppression and speed controls to eliminate dust nuisance, directional placement and/or shielding of lighting to eliminate potential impacts from lights and sealed tanks with pressure relief valves and emission controls will be utilized during flowback and production to eliminate odor nuisance. This amended

Location is also producing to a Remote Related Location outside of the designated setback and will be reducing the number of oil tanks from 12 permitted oil tanks to two oil tanks, further eliminating potential odor nuisance. Six of the permitted 12 oil tanks are currently in use at the Location.

Determination: During the technical review process, COGCC staff requested additional information and clarification regarding the applicant's proposal and BMPs and the information received has been added to the application materials. The applicant provided enhancements and clarifications to the proposed BMPs. Given the foregoing, the Director determined Criteria 1 was sufficiently analyzed.

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 the potential for shallow groundwater and its proximity to the surface water, located approximately 93 feet from the amended Location. Based on the review of water wells within the vicinity of the amended Location, groundwater is reported at 6 feet below ground surface.

Site Specific Measures to Address Criteria 5.c: During the technical review of the Form 2A, Staff identified the presence of a drainage approximately 93 feet from the edge of the disturbance as shown on the USGS Topographic Map and the 2017 aerial photograph on the COGIS map. Highpoint provided BMPs on the Form that address protection of the drainage including engineering controls/BMPs designed and implemented in accordance with good engineering practices to prevent offsite migration of contaminants or sediments, steel berm secondary containment around production facilities and daily site inspections to identify spill or releases in a timely manner. To address protection of the shallow groundwater resources, Highpoint has committed to the use of a portable or temporary liner placed beneath equipment during drilling activities, installation of a leak detection catchment basins beneath pigging stations, lined secondary containment and biannual pressure testing of flowlines. Highpoint has also committed to lining all temporary and frac tanks.

In addition, Highpoint has committed to installing three 1-inch diameter PVC monitoring wells along the southwestern perimeter of the amended Location to conduct bi-annual monitoring of potential spills or releases into the underlying groundwater.

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