



Board Summary Report

File #: 24-376

Agenda Date: 7/23/2024

Agenda #: 7.b.

To: Board of County Commissioners

Through: Bryan Weimer, Director, Public Works and Development

Prepared By: Chris Laramie, Energy Specialist, Public Works and Development

Presenter: Chris Laramie, Energy Specialist, Public Works and Development

Subject:
Secret Stash Well Connect Use by Special Review/1041 Application

Purpose and Request:

The applicant, Tenderfoot Pipeline Company, LLC, acting on behalf of the property owner, Colorado State Land Board, proposes an amendment to the Tenderfoot Pipeline Project Use by Special Review (USR) Permit Application (Case No. UASI21-002) in accordance with Arapahoe County Land Development Code provisions for a Major Electrical, Natural Gas, and Petroleum-Derivative Facilities of a Private Company. This amendment seeks to add the Secret Stash Well Connect Project to the existing permit without altering previously approved information.

This proposal calls for the following:

- Natural Gas Pipeline: Installation of a 5.10-mile, 8-inch diameter pipeline from the Secret Stash Well Pad to the existing Tenderfoot Pipeline.
- Oil Pipeline: Installation of a 6-inch diameter pipeline along the same route and timeline as the natural gas pipeline.
- Water Pipeline: Seeking approval for an up to 8-inch diameter pipeline for fresh and produced water, to be installed later depending on infrastructure needs. This pipeline will support hydraulic fracturing and water disposal, reducing truck traffic and associated costs.

The proposed project will impact 49.26 acres during construction, with minimal operational impacts and no changes to existing zoning. Measures will be taken to minimize impacts on sensitive wildlife, in consultation with Colorado Parks and Wildlife. Construction is scheduled to begin in Q3 2024 and last six to eight weeks.

Background and Discussion: The Code of Colorado Regulations prohibits venting and flaring of natural gas that cannot be transported via pipeline. Oil and gas production cannot be conducted if a pipeline is not in place. The proposed application would allow the applicant to transport natural gas, crude oil, and in the future fresh and produced water from its mineral leases to market. This proposed pipeline reduces truck traffic, which reduces both emissions and impacts to County roadways.

The proposed route consists of 5.10 miles along property solely owned by the Colorado State Land Board. The parcels crossed by this proposed pipeline and the proposed route are detailed in the attached Planning

Commission staff report. The proposed pipeline route is within an easement on Lowry Ranch property, north of County Line Road, at the Elbert County border, and Engineering Services reviewed the proposed route and did not identify any conflicts with future right-of-way widening on County Line Road. The applicant explored other alternative locations for the pipeline, however, Alternate Route 1 was not chosen because construction would impact more landowners than the proposed route. Alternate Route 2 was not chosen because it crosses Coal Creek at a wider section and would cross into mule deer severe winter range designated a High Priority Habitat by CPW. Ultimately, the proposed route was chosen because it provided the least disturbance to wildlife and to adjacent land owners with construction traffic. The primary land use in this area is agriculture. Following the completion of construction, agricultural and grazing activities currently practiced in the project area will continue.

This request is contingent on approval of the Secret Stash Administrative Energy USR application which is currently under review with PWD. Staff has added a condition of approval that this application approval is contingent on approval of the associated Administrative Energy USR application.

Staff review found that the proposal is consistent with the Comprehensive Plan/ Lowry Range Sub-Area Plan, Section 5-3.4, Use by Special Review Regulations of the Land Development Code; and 1041 Regulations Governing Areas and Activities of State Interest (Part V, Sections A and C, along with Appendix A). For a detailed analysis, please see the attached Planning Commission staff report. Tenderfoot has submitted an Emergency Response Plan and Spill Prevention Response Procedures addressing leaks, and response.

A public hearing before the Planning Commission was held on June 18, 2024. There were no comments from the public, although the applicant was asked to address external referral comments made by BWFD requesting the applicant explore the possibilities of connecting to the proposed 8 inch below grade water line for firefighting purposes and Arapahoe County Open Spaces concerning the potential future acquisition of the Lowry lands. The applicant noted that they are not planning to tap into the freshwater line at this time, only pipe out produced water. The applicant also noted that if Open Spaces acquires a portion of Lowry lands, easements will run with the land which keep restrictions in place. The Planning Commission voted 5-0 to recommend approval of this application.

Fiscal Impact: There is no direct fiscal impact to the County as a result of this application, however, the County does receive tax revenue on oil and gas production, which the proposed pipeline could support.

Alternatives: The Board of County Commissioners has three alternatives:

1. Approve the Application with Conditions of Approval;
2. Continue to a date certain for more information;
3. Deny the Application

Alignment with Strategic Plan:

- Be fiscally sustainable
- Provide essential and mandated service
- Be community focused

Staff Recommendation:

Arapahoe Public Works and Development staff recommends approval of this application. Subject to the following conditions of approval:

1. Prior to signature of the final copy of these plans, the applicant will address all Public Works and Development Staff comments.
2. The applicant shall comply with all applicable Colorado Department of Health and Environment rules and regulations for solid and hazardous waste, water quality and air quality.
3. The applicant shall provide a copy of all required state and federal approved permits to the Planning Division prior to construction.
4. The applicant shall notify the Crosswinds Radio Club prior to HDD activities via mail at least 1 week prior to the commencement of those activities and provide a copy of the notice to the County.
5. The applicant shall notify the nearest residents within a quarter mile at least 1 week prior to the commencement of those activities and provide a copy of the notice to the County.
6. The applicant shall conduct a burrowing owl survey prior to the mobilization of construction equipment if construction begins between late March and August 31 and submit the study to County Planning staff for review.
7. The applicant shall conduct a nesting raptor survey prior to the commencement of construction, if construction begins during the nesting season of December 1 and July 31, and submit the study to County Planning staff for review.
8. The applicant shall construct the project outside of seasonal restriction associated with the High Priority Habitat, as designated by CPW.
9. The applicant shall construct, maintain, and operate the pipelines in compliance with all applicable federal and state agency regulations, including but not limited to: Pipeline and Hazardous Materials Safety Administration (PHMSA), Department of Transportation (DOT), Transportation Security Administration (TSA), and Colorado Public Utility Commission requirements.
10. This approval is contingent on approval of the associated Administrative Energy Use by Special Review application (Case No. AE24-005) for the Secret Stash Administrative Energy Facility.

Concurrence: The Arapahoe County Planning Commission recommended approval of this application on a 5-0 vote at their June 18, 2024, meeting, with an added condition of approval of the associated Administrative Energy Use by Special Review application (Case No. AE24-005) for the Secret Stash Administrative Energy Facility.

Suggestion Motion(s): Attached

Resolution: Attached