

**Intergovernmental Agreement Between the Court of County Commissioners of
Arapahoe County and the Colorado Energy and Carbon Management Commission**

July 2025

I. Parties

The parties to this Intergovernmental Agreement ("Agreement") are the Board of County Commissioners of Arapahoe County, Colorado ("Arapahoe County" or the "County") and the Colorado Energy and Carbon Management Commission ("ECMC" or the "Commission"), collectively referred to as the "Parties".

II. Introduction and Purpose

The Parties value a protective approach to oil and gas development in Colorado and propose to achieve that by cultivating a robust regulatory landscape that is protective of public health, safety, and welfare, including protection of the environment and wildlife resources. The Parties also endeavor to provide a predictable and consistent regulatory framework for oil and gas operators. To that end, this Agreement represents a partial, non-exclusive assignment of the Commission's oil and gas operations inspection function to Arapahoe County, pursuant to § 34-60-106(15), C.R.S.

III. Selection, Approval, and Training of Inspector

Arapahoe County will employ staff to conduct inspections pursuant to this Agreement. Only persons who have been trained by ECMC (the "Inspector") may conduct the inspections authorized under this Agreement.

A. Qualifications: An Inspector's qualifications shall, at a minimum, meet the qualifications outlined in the ECMC's Compliance Specialist position description.

B. Selection, Supervision, and Control:

- i. Arapahoe County will seek to fill the Inspector role via public advertisements or internal job announcements. Arapahoe County will seek input from ECMC as to the Inspector job description and will promptly provide said description to ECMC after it is created. Arapahoe County will select the Inspector; however, the County will ensure that the selection process will include input from ECMC.
- ii. In the event Arapahoe County already employs an Inspector at the time this Agreement becomes effective, Arapahoe County will submit the Inspector's qualifications to ECMC in writing. ECMC will determine whether the hired Inspector meets the criteria described in Section III.A.

of this Agreement. ECMC will not unreasonably withhold approval of such an Inspector.

- iii. Arapahoe County will supervise the Inspector's routine activities, subject to appropriate communications with, and periodic reporting to, ECMC.
- iv. The Inspector shall be an employee of Arapahoe County, and the County retains sole discretion concerning all Inspector employment considerations, including but not limited to, hiring, performance management, and terminating the Inspector.

C. Training: ECMC will provide training opportunities for the Inspector. The Inspector will attend ECMC's training programs, meetings, and updates in person, when training programs are conducted in-person. When training programs, meetings, and updates are conducted remotely, the Inspector may attend remotely. Arapahoe County shall be responsible for all costs associated with the selection, retention, and training of the Inspector, including travel, lodging, and meals. The Inspector may also be required to attend third-party (i.e., non-ECMC) training events for certain technical topics, which will be at the sole cost and expense of Arapahoe County. Arapahoe County will not be required to reimburse the Commission for participation in any ECMC-provided training programs, meetings, or updates.

- i. The Inspector training will include, but not be limited to: FLIR Camera training, HAZMAT Safety Training, Hydrogen Sulfide Safety Training, and other safety training required by oil and gas operators (e.g., Safeland). To the extent that ECMC offers such trainings or makes third party training available to its staff, ECMC will also offer the trainings to the Inspector.

IV. Inspection Protocol

A. Fees & Costs. Arapahoe County shall be solely responsible for the salary of the Inspector and all materials, supplies, training, and any other costs or expenses associated with the Inspector position. Arapahoe County recognizes and agrees that the salary of the Inspector cannot be contingent on the number or nature of instances of alleged noncompliance with the Energy and Carbon Management Act (§ 34-60-101, et seq., C.R.S.), or of any rule, regulation, or order of the Commission reported by the Inspector to Arapahoe County or referred by Arapahoe County to the Commission. The Parties recognize and agree that Arapahoe County reserves the right to charge a reasonable and nondiscriminatory fee for inspection and monitoring of Arapahoe County land use permit conditions.

B. Intergovernmental Agreement

- i. ECMC shall maintain its inspection protocol for unincorporated Arapahoe County. The Inspector shall supplement the ECMC's inspection protocol for unincorporated Arapahoe County. Initially, as the Inspector is trained, the Parties anticipate the Inspector will be involved in training with an ECMC Compliance Specialist and will conduct inspections in tandem with an ECMC Compliance Specialist. Over time, and as the Inspector is fully trained, the Parties anticipate that the Inspector shall undertake more inspections. The Parties agree to coordinate the location and frequency of routine inspections by the Inspector based upon the Commission's risk-based inspection protocol and hierarchy as well as any local inspection protocols developed by Arapahoe County. Such coordination shall include establishing inspection protocols by the Inspector and ECMC Compliance Specialists such that their joint efforts are complimentary.
- ii. In addition to routine inspection duties, the Inspector shall be the primary responder to oil and gas operations-related complaints made to Arapahoe County. For oil and gas operations-related complaints made to Arapahoe County, the Inspector will notify ECMC of such complaints in a timely manner and may coordinate with ECMC on responding to the complaints.
- iii. ECMC shall be the primary responder to oil and gas operations-related complaints made to the Commission. For oil and gas operations-related complaints made to the Commission, ECMC will notify the Inspector of such complaints in a timely manner and may coordinate with the Inspector on responding to the complaints.
- iv. ECMC will continue in the role of the primary responder to complaints involving royalty payments, production questions, ECMC notice letters, ECMC permitting questions, water well issues, and reclamation issues, regardless of which Party receives the complaint. When Arapahoe County receives such a complaint, the Inspector will notify ECMC of the complaint in a timely manner and provide ECMC with a copy of the complaint.
- v. The Inspector shall use the Commission's standard reporting forms and procedures. ECMC shall supply the Inspector with access to ECMC's well inspection database, to the same extent ECMC Compliance Specialists have access, to verify inspections have been properly documented and corrective action(s) have been completed where violations or alleged violations have been noted on inspection forms. ECMC will provide the Inspector with a state email address.

- vi. The contacts listed in Section VI.A. – C. of this Agreement will hold staff coordination meetings to discuss implementation of this Agreement. It is anticipated such meetings will be held at least semi-annually, but will be scheduled more frequently as needed.

C. Conflicts of Interest. The Inspector shall represent and warrant that they will comply with the Department of Natural Resources and Its Divisions Policy for Ethics, Including Accepting Gifts and Donations (“DNR Ethics Policy”). The current DNR Ethics Policy is attached to this Agreement as Attachment A.

V. Assignment of Inspection Authority

The Commission hereby expressly and partially assigns its oil and gas operations inspection function to Arapahoe County pursuant to § 34-60-106(15), C.R.S. for purposes of assessing compliance with the Energy and Carbon Management Act, or any rule, regulation, permit, or order of the Commission, or any permit issued by the Director. Such assignment is limited to oil and gas operations within unincorporated Arapahoe County, Colorado, subject to the terms of this Agreement. Notwithstanding said partial assignment, the Commission retains its oil and gas inspection function to allow it to continue inspections within unincorporated Arapahoe County. The Inspector shall perform inspections pursuant to the Commission's Rules, policies, protocols, and standards.

A. Scope of Inspection Assignment. The Commission and Arapahoe County shall jointly be responsible for inspections in unincorporated Arapahoe County. Notwithstanding any other term or provision of this Agreement, the Commission does not assign, and expressly retains sole and exclusive authority to conduct, the following types of inspections in Arapahoe County: reclamation inspections, mechanical integrity inspections, underground injection well inspections, and inspections undertaken by ECMC Environmental Protection Specialists. ECMC will invite the Inspector to observe these types of inspections when practicable. The Parties acknowledge that, in addition to ECMC and Arapahoe County, other state agencies or governmental entities, including but not limited to the Air Pollution Control Division and the Water Quality Control Division, also have inspection authority on oil and gas locations. ECMC cannot obligate such agencies or entities to any part of this agreement, including this section accommodating Inspector observation of inspections.

B. Right to Access. The Commission hereby partially assigns to Arapahoe County, through its Inspector, non-exclusive Commission authority to enter onto any oil and gas Location, associated private roads, or adjacent lands or

waters, public or private, located in unincorporated Arapahoe County, Colorado as necessary to carry out inspections. Such assignment is only to the same extent ECMC Compliance Specialists have access.

- C. **Arapahoe County Regulatory Inspections.** The Parties acknowledge and agree that the Inspector will also be inspecting oil and gas operations for compliance with Arapahoe County oil and gas regulations and any applicable permit(s) issued by the County.

VI. Reporting Requirements

- A. **Primary Point of Contact for Commission.** The Commission's primary point of contact for the purposes of this Agreement shall be the Commission's Compliance Unit Manager.
- B. **Primary Point of Contact for Arapahoe County.** Arapahoe County's primary point of contact for purposes of this Agreement shall be Arapahoe County's Senior Environmental Analyst.
- C. **Contact Information for the Inspector.** Arapahoe County shall provide the Commission contact information for the Inspector.
- D. **Field Inspection Reports for Alleged Violations.** In the event the Inspector has reasonable cause to believe that a violation of the Energy and Carbon Management Act, or of any rule, regulation, permit, or order of the Commission, or of any permit issued by the Director, has occurred, the Inspector shall take appropriate measures to document the operator's alleged noncompliance. Such measures will include the Inspector completing a Field Inspection Report, including photographs, reports, and statements, consistent with ECMC training and standard practices. The Inspector will comport with ECMC standards for documenting and reporting alleged violations. The Inspector will be available to consult with the Commission concerning the alleged facts, evidence, and circumstances supporting the Inspector's assertions.
- E. **Corrective Actions.** Should the Inspector's Field Inspection Report include Corrective Actions, the Inspector will notify the Commission Compliance Unit Manager in writing by copying the Compliance Unit Manager on the Field Inspection Report. Unless otherwise agreed to by the Parties, the Inspector will conduct any necessary follow-up inspections.
- F. **Consideration of Alleged Violations.** The Commission shall promptly consider the Inspector's notification and, in its discretion, take any action permitted by the Energy and Carbon Management Act or the Commission Rules. The Commission shall respond to each notification by the Inspector as

if the notification were made by ECMC staff. The Inspector shall be available as a witness in any required hearing or enforcement proceeding.

VII. Reservation of Enforcement Authority

The Commission retains all enforcement authority, including authority to enforce alleged violations of the Energy and Carbon Management Act, or of any rule, regulation, permit, or order of the Commission, or of any permit issued by the Director.

VIII. Term and Termination of Agreement

This Agreement takes effect upon the signature of both Parties. This Agreement shall remain in effect until terminated upon 30 days written notice by either party.

IX. Miscellaneous Provisions

- A. Information Disclosure.** Any information furnished pursuant to this Agreement will be subject to disclosure to the extent allowed under the Freedom of Information Act (5 U.S.C. 552), the Privacy Act (5 U.S.C. S 552a), and/or the Colorado Open Records Act (C.R.S. 24-72-200.1 et seq.).
- B. Similar Activities.** This Agreement in no way restricts the Parties from participating in similar activities with other public or private agencies, organizations, or individuals.
- C. Separate Activities and Resources.** Each of the Parties will conduct its own activities and utilize its own resources, including expenditure of its own funds in implementing this Agreement. Each Party will carry out its own separate activities as expeditiously as possible in a coordinated and mutually beneficial manner.
- D. Obligation of Funds.** Nothing in this Agreement shall commit either Party to obligate or transfer any funds. Specific work projects or activities that involve the transfer of funds, services, or property between the Parties will require separate agreements and be contingent upon the availability of appropriated funds.
- E. Choice of Law and Severability.** This Agreement shall be interpreted in accordance with Colorado law. Any provision included or incorporated herein by reference that conflicts with those laws, rules, and regulations shall be null and void. Should any provision of this Agreement be held or made invalid by a court decision, statute, or rule, the remainder of this Agreement shall remain in effect to the greatest extent allowed by law.

- F. Governmental Immunity.** Neither the making of this Agreement nor any term or condition of this Agreement shall be construed or interpreted as a waiver, express or implied, of either Party's sovereign immunity including, without limitation, any of the immunities, rights, benefits, protections, or other provisions of the Colorado Governmental Immunity Act, § 24-10-101 et seq., C.R.S., or the Federal Tort Claims Act, 28 U.S.C. §§1346(b) and 2671 et seq., or other applicable law, as applicable now or hereafter amended.

FOR ARAPAHOE COUNTY
BOARD OF COUNTY
COMMISSIONERS:

FOR THE COLORADO ENERGY AND
CARBON MANAGEMENT
COMMISSION:

CHAIR

JEFFREY ROBBINS, CHAIR

JULIE MURPHY, DIRECTOR