

ARAPAHOE COUNTY PLANNING COMMISSION
PUBLIC HEARING
June 18, 2024
6:30PM

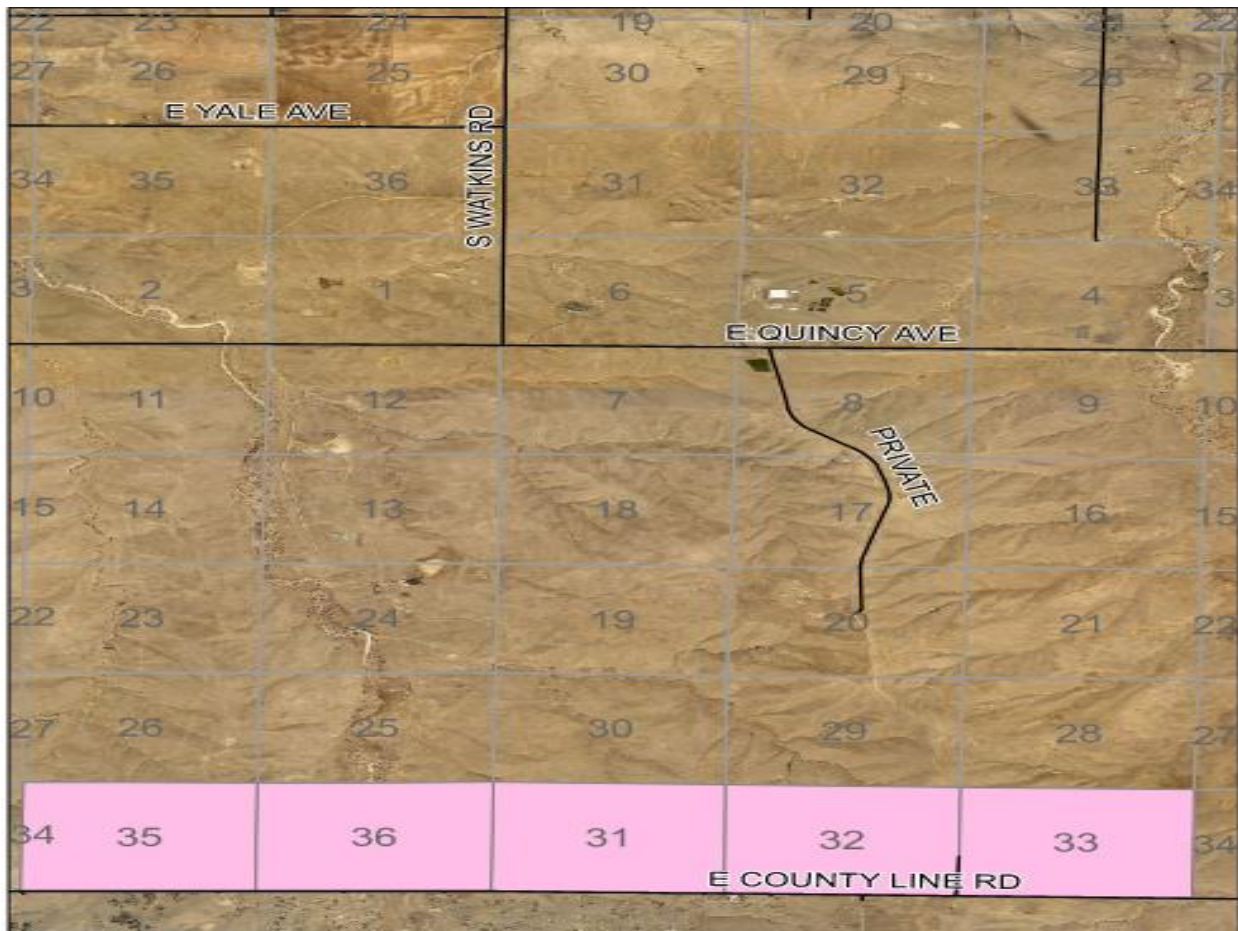
SUBJECT: UASI23-002 SECRET STASH WELL CONNECT (AMENDMENT TO UASI21-002)

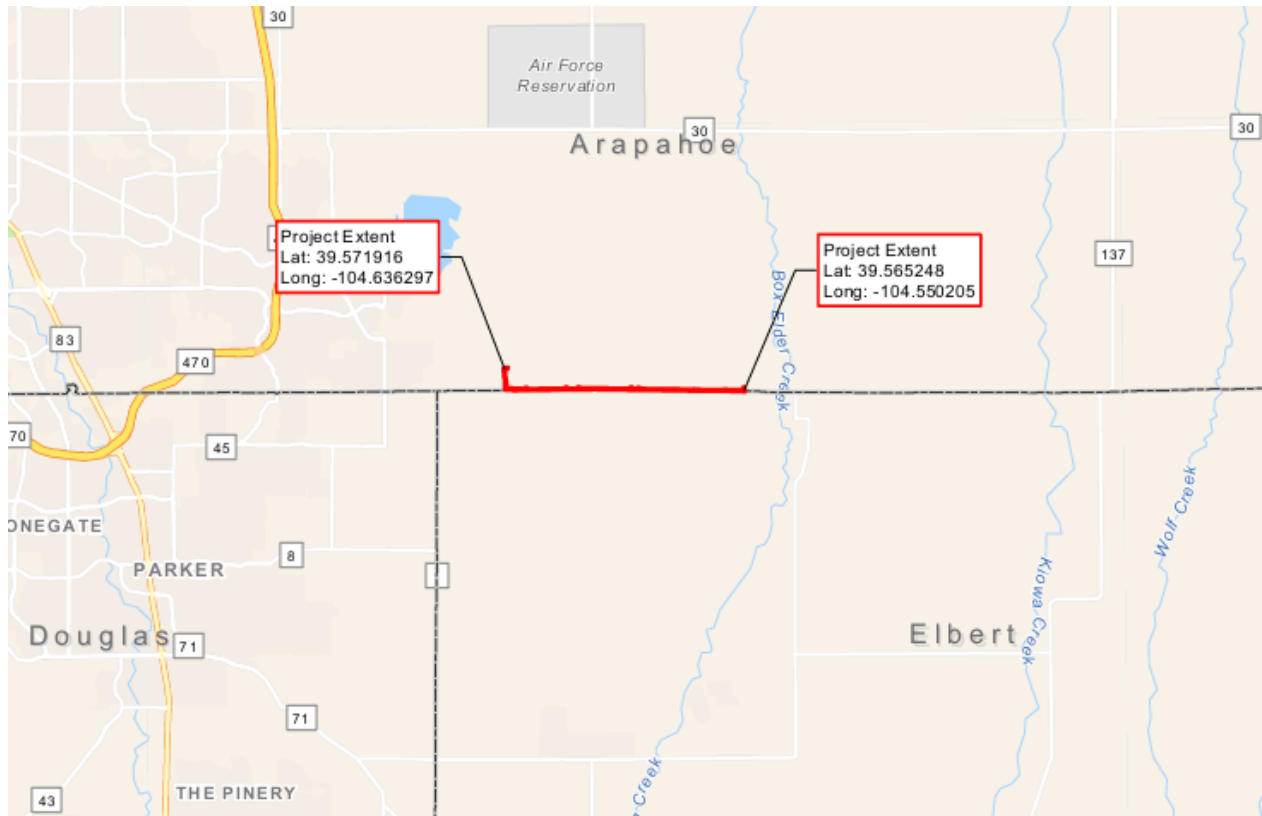
CHRIS LARAMIE, ENERGY SPECIALIST

May 22, 2024

LOCATION:

The proposed Use by Special Review/1041, Regulations Governing Areas and Activities of State Interest, is generally located in Sections 31, 32, and 33 of Township 5 South, Range 64 West, and Sections 35 and 36 of Township 5 South, Range 65 West of the 6th Principal Meridian in the County of Arapahoe, State of Colorado (indicated in pink). This area is adjacent to the southern boundary of Arapahoe County north of E. County Line Road. The subject properties are situated in Commissioner District No. 3 and are zoned Agricultural-1 (A-1).





Proposed Route

ADJACENT SUBDIVISIONS, ZONING, AND LAND USES:

North of County Line Road:

| Sections | Subdivisions | Zoning | Land Uses |
|----------|--------------|--------|--------------|
| 31 | None | A-1 | Agricultural |
| 32 | None | A-1 | Agricultural |
| 33 | None | A-1 | Agricultural |
| 35 | None | A-1 | Agricultural |
| 36 | None | A-1 | Agricultural |

PROPOSAL 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.

and Colorado Revised Statutes. 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, to be operational by Q3 2024.
- 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:

The applicant, Tenderfoot Pipeline Company LLC, is a wholly-owned subsidiary of GMT Exploration Company, which has both planned and existing wells in Elbert and Arapahoe counties. GMT holds a lease with the State Land Board for oil and gas development, and the applicant has secured an easement (ROW Contract No.116219) from the State Land Board, the sole property owner affected by the project. The Tenderfoot Pipeline, approved by the Board of County Commissioners in March 2022, permitted a six-mile pipeline within State Land Board property. The subject application will extend the existing Tenderfoot natural gas pipeline and transport natural gas, oil, and potentially fresh or produced water from the proposed Secret Stash Well Pad to the existing Tenderfoot Pipeline Project (UASI21-001).

The primary land use in this area is agricultural, encompassing livestock grazing and dry-land farming. After the proposed pipeline construction is completed, the temporary workspace and permanent easement area will be reseeded and allowed to revert to pre-construction conditions.

ANALYSIS OF THE USE BY SPECIAL REVIEW WITH 1041 (UASI) APPLICATION:

Staff review of this application included a comparison of the proposal to: 1) Applicable policies and goals outlined in the Comprehensive Plan/Lowry Range Sub-Area Plan; 2) Use by Special Review Regulations; 3) 1041 Regulations Governing Areas and Activities and State Interest; and 4) Analysis of referral comments.

1. The Comprehensive Plan/Lowry Range Sub-Area Plan

The proposed pipeline is to be located on land zoned agricultural and designated for agricultural use in Tier 3 as identified in the Arapahoe County Comprehensive Plan. The entirety of the project is in Tier 3, where the installation of pipelines is encouraged under strategy NCR 7.5a. Also, the entirety of the project would be located within the Conservation Area of the Arapahoe County Lowry Range Sub-Area Plan. “The Conservation Area allows a mix of resource-based and conservation-oriented activities and water resource improvements. Appropriate activities include recreation, water resource development, resource-based commercial activities, and other resource-based activities.” The proposed pipeline is considered a resource-based activity.

Following construction, all temporarily disturbed areas will be returned to preexisting conditions and the land can continue to be conserved in accordance with the Lowry Range Sub-Area Plan. Additionally, there will be no impacts to Coal Creek or the 100-year floodplain, as described in the Floodplain Delineation Study attached to this report. Directional drilling will be used to install the pipeline under Coal Creek and an associated palustrine scrub shrub wetland. One ephemeral waterbody will be crossed via bore, and the open-cut method will be used to install the pipeline across one ephemeral waterbody and one palustrine emergent wetland. All impacts to the features crossed via open cut will be short-term and temporary, and the features will be restored to pre-construction conditions following the completion of the project.

This proposal is in general conformance with the Arapahoe County Comprehensive Plan as follows:

GOAL PFS 12 – Minimize Impacts of Local and Regional Public Facilities and Utility Facilities.

The applicant analyzed two alternative routes as well as a “no action” alternative. The proposed route was chosen because the start and end points of the project are fixed, as the purpose of the project is to transport natural gas and oil (and potentially water in the future) from the proposed Secret Stash Well Pad to the existing Tenderfoot Pipeline Project in Arapahoe County. The proposed route was also chosen to prioritize the avoidance of sensitive environmental features and residences. The project does not require the construction of additional permanent infrastructure such as roads, power lines, municipal water, or telecommunications facilities.

POLICY PFS 12.2 – Consider Utility Needs to Support Growth and Development of the Region.

The purpose of the project is to transport natural gas, and potentially in the future, liquids (produced water) from GMT Exploration’s Secret Stash Well Pad to the existing Tenderfoot Pipeline. The future Secret Stash wells are intended to produce natural gas and oil for approximately 30 years; therefore, the project design life is 30 years. Additionally, according to the Code of Colorado Regulations, venting and flaring of natural gas that cannot be transported via pipeline is prohibited (CCR, 2021a). Without the proposed project, the applicant would not be able to transport materials from its mineral lease. The applicant has designed the project to accommodate the maximum anticipated volumes of materials (natural gas, crude oil, and produced water) that will be produced by the proposed Secret Stash Well Pad.

While this application contemplates the potential for a produced water line, the need for one has not yet been determined. Currently, produced water from existing wells is being trucked to Weld County for disposal in approved facilities. However, if additional drilling occurs within the vicinity, and sufficient produced water volumes are generated, a produced water line may be justified.

POLICY PFS 12.3 – Require Land Use Compatibility when Siting Local and Regional Utility Facilities.

In addition to the proposed route, the applicant analyzed two alternative routes. The proposed route was developed in close coordination with the State Land Board and is designed to avoid sensitive environmental features. The locations of the start and end of this proposed pipeline were dictated by the need to connect to the existing Tenderfoot Pipeline Project. Alternative one was

dismissed because it would have resulted in greater construction impacts to more landowners than the proposed route. Alternative two was dismissed because it would cross Coal Creek at a wider location. Additionally, alternative two would cross into mule deer severe winter range (designated a High Priority Habitat by Colorado Parks and Wildlife).

POLICY NCR 7.5 – Minimize the Impacts of Oil and Gas Development on the Environment, Surrounding Land Uses and the Roadway Network.

The applicant analyzed two alternative routes to the selected route, largely dictated by the starting point at the future Secret Stash Well Pad and ending point at the existing Tenderfoot Pipeline. The applicant worked closely with the State Land Board to develop a route that minimizes impacts to Coal Creek, surrounding residential areas, mule deer High Priority Habitat, surrounding land uses, and the roadway network.

STRATEGY NCR 7.5 (a) – Encourage the Installation of Pipelines for Transport of Crude Oil and Produced Water.

The Comprehensive Plan encourages the installation of pipelines because they reduce vehicle miles traveled, reduce emissions, and reduce road wear from heavy trucks. The project is proposing to construct a pipeline to transport natural gas, crude oil, and, in the future, produced water. It will originate at the proposed Secret Stash Well Pad and will tie into the existing Tenderfoot Pipeline Project.

STRATEGY NCR 7.6 (c) – Protect Fish and Wildlife Habitat

The applicant collaborated with Colorado Parks and Wildlife (CPW) to determine the pipeline route, avoiding the Coal Creek riparian area using Horizontal Directional Drilling (HDD). The open-cut method will be used for one ephemeral stream and one wetland, ideally during low-flow periods to minimize environmental impact. Sediment control measures will be in place, and disturbed areas will be restored quickly, limiting in-stream construction to 24-48 hours to minimize impact. The project crosses four tributaries in floodplains, necessitating a Floodplain Development Permit. Fuel storage and spill kits will be managed to protect water bodies.

Sensitive wildlife habitats are mapped in the report. The project impacts mule deer and pronghorn winter ranges, with restricted activities during designated periods. Potential habitats for nesting raptors and burrowing owls are considered, though no suitable raptor nesting sites exist. The project area includes potentially suitable habitats for the burrowing owl, requiring surveys and adherence to CPW-recommended buffers and timing restrictions.

Eight federally listed and one state-listed threatened or endangered species have potential presence in the area, but most are not impacted due to the project scope. Burrowing owl and raptor surveys will be required before construction if starting after March 15, and construction must avoid restricted periods for High Priority Habitats (HPH).

Staff is recommending a condition of approval requiring the applicant to conduct a burrowing owl survey prior to the mobilization of construction equipment if construction begins after March 15. Staff are also recommending a condition of approval requiring the applicant to conduct a nesting raptor survey prior to the construction if construction begins during the nesting season, and that construction does not occur within restriction windows associated with HPH as designated by CPW.

This proposal is in general conformance with the Lowry Range Sub-Area Plan as follows:

GOAL LU1: Sustain Lowry Range South of Quincy Avenue as a “keystone” conservation property.

The entirety of the project is located on land within a conservation area, where conservation uses or resource-based improvements, such as recreation, water resource development, and resource-based commercial activities, should occur. This proposal is consistent with this goal.

POLICY NC1.3: Significant Natural Areas Protected to the Extent Possible.

As described above, the applicant will be minimizing impacts to Coal Creek and the associated palustrine scrub shrub wetland, and one ephemeral stream with the use of HDD. This pipeline installation technique will also minimize the impact to wildlife. One ephemeral stream and one palustrine emergent wetland will be open cut, but erosion control measures will be placed prior to construction and any impacts associated with these crossings will be short-term and minor. Construction activities will be limited to 24-48 hours and the features will be restored to pre-construction conditions following completion of the project.

POLICY NC2.3: Compatible Activities for Conservation Area

The Lowry Sub-Area Plan identifies military training, low impact recreation, camping, trails, ranching, and resource-based commercial activities as compatible activities in the conservation area. This proposal is consistent with this policy.

GOAL NC 3: Monitor and Protect Water Quality

Water quality will be maintained during the construction through implementation of control measures described in the Stormwater Management Plan prepared in accordance with Colorado Department of Public Health and Environment (CDPHE) permits, and Arapahoe County Grading, Erosion, Sediment Control (GESCC) Manual. Temporary control measures include straw bale barriers/check dams, temporary water bars, and straw finder rolls/wattles. There are no permanent control measures proposed for this project, as all surface disturbance will be restored.

GOAL PF 1: Ensure that the Lowry Range is safe and cleared of munitions and other pollutants before development, any proposed new use, or recreational uses takes place.

The applicant has developed an Unexploded Ordinance (UXO) Plan for the project. The applicant consulted with the State Land Board and the U.S. Army Corps of Engineers (USACE) throughout development of the plan. The applicant has also indicated the project team has received UXO awareness training for the planning phase of the project and provides the UXO safety training to the construction contractor prior to the start of construction. Additionally, the applicant submitted an Emergency Response Plan, which was reviewed and deemed sufficient by the County's Office of Emergency Management.

2. Land Development Code – Use by Special Review Regulations

Section 5-3.4 of the Land Development Code provides approval criteria for this type of application. The Board of County Commissioners may approve a Use by Special Review application, if the proposal meets all the following criteria:

- a) Recognize the limitations of existing and planned infrastructure, by thoroughly examining the availability and capability of water, sewer, drainage, and transportation systems to serve present and future uses.*

The proposed project is not expected to negatively impact current or future water, sewer, or drainage systems, as it does not depend on existing systems or require new ones. The buried pipeline will not disrupt natural drainage. The rural, undeveloped project area lacks existing water and sewer systems, and nearby low-density residential areas do not have community water or sewer systems.

The applicant has secured a permanent 50-foot easement from the State Land Board and designed the project to comply with the Arapahoe County Comprehensive Plan and Lowry Range Sub-Area Plan. Temporarily disturbed areas will be restored to their original condition post-construction, allowing the land to continue being conserved as required by property owners.

Construction traffic is anticipated to be 30 to 40 round trips per day for 6 to 8 weeks, with minimal traffic impact on the existing transportation network. Data from the 2020 Arapahoe Transportation Impact Study suggests that the development of a typical pad and single well will generate 3,138 trips during the development. Installing a pipeline will reduce truck traffic throughout the life of the wells connected to the project.

- b) Assure compatibility between the proposed development, surrounding land uses, and the natural environment.*

The proposed pipeline route was developed in coordination with the State Land Board. Construction activities in proximity to residences will be completed as quickly and safely as possible to minimize disturbances to residents. The project will not impact access to the residences during construction.

Following the completion of construction, residential areas will be restored to pre-construction conditions. Agricultural and grazing activities currently practiced within and surrounding the project area, will continue with minimal disruptions.

- c) *Allow for the efficient and adequate provision of public services. Applicable public services include, but are not limited to, police, fire, school, park, and libraries.*

The project will not impact the availability of public services. Construction and operation of the project is not anticipated to impact the demand for local government services or the capability of local governments to provide services.

The project is located within the service area of the Bennett-Watkins Fire District (BWFD). BWFD will respond to calls on the property crossed by the project. The Arapahoe County Sheriff's Office and the Office of Emergency Management did not have any concerns or comments regarding this proposal. Bennett- Watkins Fire Rescue has no specific objections to the proposed pipeline and does not currently require a will-serve letter for pipelines.

- d) *Enhance convenience for the present and future residents of Arapahoe County by ensuring that appropriate supporting activities, such as employment, housing, leisure-time, and retail centers are in close proximity to one another.*

The criterion is not applicable to this proposal of a private utility.

- e) *Ensure that public health and safety is adequately protected against natural and man-made hazards which include, but are not limited to, traffic noise, water pollution, airport hazards, and flooding.*

The project is not anticipated to have an impact on public safety or health. No significant sources of noise, dust, glare, fumes, vibrations, or odors are anticipated to be caused by the project. During construction, dust will be controlled by watering roads and other disturbed areas. Noise and fumes from heavy equipment will be minimized. All construction will occur during daytime hours.

The project is located within agricultural areas. The nearest residence is located 118 feet south of the project workspace. The nearest residence to the HDD crossing of County Line Road is located approximately 3,076 feet southeast of the project workspace. To minimize the impacts of construction noise to nearby residences, the applicant will limit HDD activities to daytime hours.

The applicant will obtain a Floodplain Development Permit, requiring an engineer's Certification of No Impact (Appendix P), for project activities located within County floodplains prior to construction.

- f) *Provide for accessibility within the proposed development, and between the development and existing adjacent uses. Adequate on-site, interior traffic circulation, public transit, pedestrian avenues, parking and thoroughfare connections are all factors to be examined when determining the accessibility of a site.*

The criterion is not applicable to this proposal of a private utility.

- g) *Minimize disruption to existing physiographic features, including vegetation, streams, lakes, soil types and other relevant topographic elements.*

Anticipated impacts on waterbodies will be temporary and short-term and are not anticipated to impact the meandering characteristics and limits of the streambeds. Construction control measures will be implemented as described in the stormwater management plan prepared in accordance with the Colorado Department of Public Health and Environment permits and Arapahoe County GESC Manual. Temporary Control Measures (CMs) include straw bale barriers/check dams, temporary water bars, and straw fiber rolls/wattles. There are no permanent control measures proposed for the project, as all surface disturbance will be restored.

Two ephemeral streams and two wetlands are either crossed or impacted by the project. The HDD method will be utilized to cross beneath Coal Creek, the associated palustrine scrub shrub wetland, and one ephemeral stream. This method allows for construction across a sensitive resource without excavation of a trench, by drilling a hole significantly below conventional pipeline depth, and pulling the pipeline through the pre-drilled hole. The second ephemeral stream and one palustrine emergent wetland will be open-cut.

If possible, construction at the open-cut crossing of the ephemeral stream will be conducted during low-flow periods to minimize sedimentation and turbidity, stream bank disturbances, and limit the time it will take to complete in-stream construction. Control measures will border spoil piles near waterbodies to prevent the spoil from flowing into the waterbody. Excavated material will be immediately replaced after pipeline placement and the stream banks and stream bed will be restored to pre-construction contours to the maximum extent practicable. The duration of instream construction activities will be limited to 24 to 48 hours to minimize impacts. The stream banks will be revegetated with a seed mix approved by the State Land Board. Impacts to surface water quantity and quality will be minor and short-term.

Prior to any construction, erosion controls will be placed as required to minimize impacts on adjacent wetlands. Erosion and sedimentation barriers will be properly installed and maintained throughout construction to prevent disturbed soils and sediment from migrating into adjacent undisturbed wetland areas. Where practicable, topsoil will be segregated over the trench up to 12 inches in depth in wetlands where hydrologic conditions permit this practice. Segregated topsoil will be placed in the trench following subsoil backfilling. The primary means the applicant will use to minimize impacts during the open cut crossing of the palustrine emergent wetland include limiting the amount of equipment and use of ATWS in and adjacent to the wetland; using equipment stabilization such as timber mats within the wetland; restoring wetland contours; and conducting follow-up monitoring to ensure the wetland becomes re-established successfully. Additionally, the Applicant will adhere to all applicable federal, state, and local regulations and permit requirements regarding wetland impacts. Therefore, no permanent impacts to wetlands are anticipated as a result of the project.

During construction of the project, a 25-foot-wide temporary right-of-way will be required, with additional temporary workspace needed in certain areas. Following construction, a 50-foot-wide permanent easement will be retained and periodically mowed, as needed. Installation and construction of the project will require clearing and grading. In standard conditions the pipe will be installed approximately 6 feet deep, to ensure a minimum of 5 feet of cover over the pipe. Beneath

roadways, the pipe will be installed at a depth of 10 feet, which exceeds the requirements of 49 CFR Part 192 (Pipeline and Hazardous Materials Safety Administration). Typically, the bottom of the trench will be cut at least 12 inches wider than the width of the pipe. All areas disturbed by construction will be restored to pre-construction contours. Control measures will be implemented during construction and restoration activities to stabilize the area until vegetation is re-established.

- h) Ensure that the amenities provided adequately enhance the quality of life in the area, by creating a comfortable and aesthetically enjoyable environment through conventions such as, the preservation of mountain views, the creation of landscaped open areas, and the establishment of recreational activities.*

This project will not degrade recreational opportunities or experiences. The Crosswinds Radio Control (RC) Club, located 0.14 mile north of the project at milepost 1.8, will have its access road crossed via HDD, ensuring uninterrupted access during construction. Club activities are unlikely to extend into construction areas, so impacts will be limited to dust and noise. No significant noise, dust, glare, fumes, vibration, or odors are anticipated. Dust will be controlled by watering roads and disturbed areas. Noise and fumes from heavy equipment will be minimized, complying with federal and EPA emission regulations. Mitigation measures include an anti-idling policy and using ultra-low sulfur fuel where available. Construction noise will be temporary and mostly during daytime hours. The applicant will address any landowner concerns during construction.

Due to the short-term nature of Project activities and the proposed mitigation measures discussed above, any effects of these nuisances will be minimal. The Applicant will notify the club prior to the commencement of construction.

Views will not be impacted once construction is complete. The provision of amenities is not applicable to this project.

- i) Enhance the useable open spaces in Arapahoe County and provide sufficient unobstructed open space and recreational area to accommodate a project's residents and employees.*

As discussed above, this project will not degrade the quantity of quality of recreational opportunities or experiences.

3. 1041 Regulations Governing Areas and Activities of State Interest

As required under LDC Section 5-3.4.B.3, the 1041 Permit approval criteria for a Major Electrical, Natural Gas and Petroleum Derivative Facilities of a Private Company shall comply with the criteria set forth in the 1041 Regulations, Part V, Sections A and C, along with Appendix A. Section V of the 1041 Regulations allows approval of a permit if the proposed activity complies with the following general criteria:

Part V, Section A. General Approval Criteria:

- 1. Documentation that prior to site disturbance associated with the Proposed Project, the applicant can and will obtain all necessary property rights, permits and approvals. The Board may, at its*

discretion, defer making a final decision on the application until outstanding property rights, permits and approvals are obtained.

The applicant can and will obtain all necessary property rights, permits and approvals prior to construction. The applicant has secured an easement from the State Land Board, the sole property owner crossed by the project.

The applicant is not subject to the Mineral Right Notification requirement per CRS 24-65.5-102. The applicant has indicated they are in the process of receiving all necessary federal, state and county permits to construct the pipeline and staff has included this as a condition of approval.

2. The Proposed Project considers the relevant provisions of the regional water quality plans.

The applicant is located within the South Platte River Basin and is subject to the South Platte Basin Implementation Plan. The project is also subject to the State Designated Basin Rules; however, the project is not within a Designated Basin. The project will follow the regional water quality management plan, see the Grading, Erosion, and Sediment Control (GESC) Plan (Appendix F).

3. The applicant has the necessary expertise and financial capability to develop and operate the Proposed Project consistent with all requirements and conditions.

The applicant has provided the Planning Division with some general information that shows that the applicant (who is a wholly owned subsidiary of GMT) has the expertise and the financial capability to develop the proposed project. The project will be financed using funds that are available in the applicant's or GMT Exploration's accounts. The applicant possesses the technical capabilities to oversee the construction and operation of the project and is fully responsible for the project. Only contractors with experience and expertise to construct this project will be pre-qualified to bid on this project.

4. The Proposed Project is technically feasible.

The applicant has provided general information that indicates that the proposed project is technically and financially feasible. See above.

5. The Proposed Project is not subject to significant risk from natural hazards.

Based upon a review of available sources, including Colorado Geological Survey and U.S. Geological Survey (USGS) data on karst formations, peak ground accelerations, faults, landslides, and Federal Emergency Management Agency (FEMA) floodplain maps, the applicant has determined that there are no significant risks from natural hazards associated with this project (Colorado Geological Survey, 2024; USGS, 2015, 2004, 2023 a, 1982; FEMA, 2023), as further described in Section 3.12.8 of the Application Narrative.

The Colorado Geological Survey has no objection to the approval of the of the Secret Stash well connect project (UASI23-002

6. *The Proposed Project is in general conformity with the applicable comprehensive plans.*

The proposed project is in general conformity with the Arapahoe County Comprehensive Plan and Lowry Sub-Area plan, as stated above.

7. *The Proposed Project will not have a significant adverse effect on the capability of local government to provide services or exceed the capacity of service delivery systems.*

This proposed project is anticipated to have minimal impacts on provision of services from Arapahoe County and other special districts. Construction and operation of the project is not anticipated to impact the demand for local government services or the capability of local governments to provide services.

8. *The Proposed Project will not create an undue financial burden on existing or future residents of the County.*

The applicant has provided information indicating this project will not create an undue financial burden on existing or future residents of Arapahoe County.

9. *The Proposed Project will not significantly degrade any substantial sector of the local economy.*

The applicant has provided information indicating this project will not significantly degrade any substantial section of the local economy.

10. *The Proposed Project will not unduly degrade the quality or quantity of recreational opportunities and experience.*

Limited hunting is allowed within the Former Lowry Bombing and Gunnery Range; however, given the localized extent of the project relative to the property in the short duration of construction, no impact on hunting is anticipated. Therefore, the project will have no impact on recreational opportunities in Arapahoe County.

The access road to the Crosswinds Radio Control Club, located 0.14 miles north of the project, will be crossed by the project via HDD. Access to the facility will not be impacted during construction. No impacts on the business and their clientele are likely to be encountered aside from potential construction dust and noise. Dust will be controlled by watering roads and other disturbed areas to minimize this impact. The applicant will notify the club prior to construction to identify potential conflicts and mitigation measures.

11. *The planning, design and operation of the Proposed Project will reflect principles of resource conservation, energy efficiency and recycling or reuse.*

The project will allow the transport of natural gas and oil from the proposed Secret Stash Well Pad to the existing Tenderfoot Pipeline Project. If the natural gas and oil pipelines are not constructed,

there would be no means of capturing and transporting the natural gas produced by the well. Natural gas is cleaner burning than many traditional fuel sources such as coal and is considered a “bridge” fuel between coal and renewable energy sources (e.g., wind and solar resources) that are currently unable to meet demand without supplementing other energy sources. Further, the project will promote resource conservation by reducing the amount of gasoline or diesel used in transporting oil and water via truck (as compared to the use if the pipeline system is not built).

The Colorado Oil and Gas Conservation Commission Rule 903.e.1.A. requires an operator to commit to connecting to a gathering system by the commencement of production operations or submit a gas capture plan as an attachment to their Form2A.

The use of reused or recycled materials is not currently anticipated for construction of the project; however, the project has been designed to minimize scrap materials to the maximum extent possible and any scrap materials remaining following construction will be recycled or reused where possible.

12. *The Proposed Project will not significantly degrade the environment. Appendix “A” includes the considerations that will be used to determine whether there will be a significant degradation of the environment. For purposes of this section, the term environment shall include:*
- a. *Air quality.*
 - b. *Visual quality.*
 - c. *Surface water quality.*
 - d. *Groundwater quality.*
 - e. *Wetlands, flood plains, streambed meander limits, recharge areas, and riparian areas.*
 - f. *Terrestrial and aquatic animal life.*
 - g. *Terrestrial and aquatic plant life.*
 - h. *Soils and geologic conditions.*

The project will not significantly degrade the environment. Following construction, disturbed areas will be restored to pre-construction contours as closely as practicable. Construction debris and organic refuse unsuitable for distribution over the ROW will be disposed of at appropriate facilities in compliance with applicable regulations. Erosion and sediment control measures will be installed as appropriate, and the project area will be revegetated using a seed mix approved by the State Land Board. Further, the applicant will employ the use of control measures throughout construction and restoration to minimize impacts to the environment.

13. *The Proposed Project will not cause a nuisance.*

The project will cause limited nuisances, such as increased traffic, dust, and noise, during construction. No significant sources of noise, dust, glare, fumes, vibration, or odors are anticipated to be caused by the project. During construction, dust will be controlled by watering roads and other disturbed areas. Although certain heavy equipment is required, noise and fumes will be minimized to the extent possible. All construction, including conventional bore and HDD activities, will occur during daytime hours.

There is a rural low-density residential development located in the vicinity of the project, with the nearest residence located 118 feet south of the project workspace. The State Land Board and abutting landowners will be notified prior to the commencement of Project activities. Residents of the Elkhorn Ranch Owners Association, located within 1 mile of the Project from MP 1.64 – 3.18 in Elbert County, will be notified via mail prior to construction of the Project. The nearest residence to the HDD crossing of County Line Road is located approximately 3,076 feet southeast of the project workspace. To minimize the impacts of construction noise to nearby residences, the applicant will limit HDD activities to daytime hours.

The Project's construction emissions will be localized, temporary, and of limited duration, and are not anticipated to significantly increase ambient air pollutant concentrations. Further, potential impacts associated with exhaust emissions from diesel- and gasoline-fueled construction equipment and vehicle engines will be minimized by federal design standards imposed at the time of manufacture of the vehicles and will comply with Environmental Protection Agency (EPA) mobile and non-road emission regulations (40 CFR Parts 85, 86, and 89). Emissions will also be controlled by purchasing commercial gasoline and diesel fuel products, specifications of which are controlled by federal and state air pollution control regulations applicable to fuel suppliers and distributors.

14. The Proposed Project will not significantly degrade areas of paleontological, historic, or archaeological importance.

There are no areas of paleontological, historic, or archaeological importance that will be impacted by the project. Cultural resource surveys conducted in May 2023 resulted in the documentation of 11 cultural resources, including six newly recorded sites and five isolated finds. These sites consist of lithic scatters and five are not recommended eligible for listing under the National Historic Preservation Act (NHPA). One potentially eligible site was documented within the project workspace; however, this site will be avoided via HDD and will not be impacted by the project. A copy of the Class III Cultural Resources Report and associated mapping depicting the locations of the cultural resources are included in Appendix G. A copy of concurrence with the findings of the Class III Cultural Resources Report from the Colorado Office of Archaeology and Historic Preservation is provided in Appendix K. The applicant will implement their Plan for the Unanticipated Discovery of Historic Properties and Human Remains during Construction in the event that historic properties and/or human remains are encountered during construction. A copy of the UDP is provided in Appendix G.

15. The Proposed Project will not result in unreasonable risk of releases of hazardous materials. In making this determination as to such risk, the Board's consideration shall include:

a. Plans for compliance with Federal and State handling, storage, disposal and transportation requirements.

The applicant will comply with Federal and State hazardous materials regulations (see section 1.1.1 of the Application Narrative).

b. Use of waste minimization techniques.

The applicant will use waste minimization techniques. Excavated material or other construction materials will not be stockpiled or deposited near or on stream banks or other watercourse perimeters.

c. Adequacy of spill prevention and response plans.

The applicant intends to comply with all local, state, and federal laws and regulations related to hazardous materials, including spill prevention and response plans. The applicant will implement its Spill Prevention Response and Procedures (SPRP) plan during construction to minimize the potential for releases of hazardous materials (i.e., fuel) (Appendix H). All fuel will be stored within secondary containment at least 100 feet from any waterbody or floodplain. Refueling will not occur within 100 feet of a waterbody or floodplain and spill kits will be available if needed for a response and clean-up.

16. The benefits accruing to the County and its citizens from the proposed activity outweigh the losses of any resources within the County, or the losses of opportunities to develop such resources.

The applicant has provided information indicating this project will not negatively impact Arapahoe County and its citizens. The project will allow for the safe and efficient transport of natural gas to the marketplace, and for the transport of crude oil and disposal of produced water in the future, if needed. The project will have no significant negative or long term impact on resources within Arapahoe County and it will help generate directly or indirectly employment opportunities, ad valorem taxes, and sales taxes and facilitate to development of oil and gas resources.

While this application contemplates the potential for a water line, the need for one has not yet been determined. Produced water from the well pad would be transported to Weld County for disposal at approved facilities. If sufficient water volumes are generated, a produced water line may be justified.

17. The Proposed Project is the best alternative available based on consideration of need, existing technology, cost, impact and these regulations.

The design and installation of the project have been analyzed, reviewed and approved by the applicant and represents the use and application of best technology and industry standards for pipelines. Transportation of produced and/or fresh water via pipeline, if needed, as an alternative to trucking will have fewer impacts on traffic and air quality within the county, as impacts on air quality from the project will be limited to construction emissions. A detailed analysis of project alternatives is presented in Section 3.3.4 of the application narrative.

The Tenderfoot Pipeline system has been constructed to support development within the Niobrara formation within Arapahoe and Elbert Counties by GMT. However, Tenderfoot has the capability to gather production from other operators in the vicinity of the project, which would reduce the need for additional pipeline construction in the future.

18. The Proposed Project will not unduly degrade the quality or quantity of agricultural activities.

The project will be constructed entirely within an area zoned for agriculture. Following the completion of construction, the temporary workspace and permanent easement will be reseeded and allowed to revert to pre-construction conditions. The pipeline ROW will be periodically mowed to prevent the establishment of woody vegetation and allow for access to the ROW for periodic inspection. Pipeline operations are monitored daily. Pipeline inspections will occur periodically, as required by all applicable federal and state regulations, and in accordance with Tenderfoot Pipeline Company policies and procedures.

No impacts on agricultural activities will occur as a result of the project and the project will not unduly degrade agricultural activities.

19. The Proposed Project will not significantly interfere with the preservation of cultural resources, including historical structures and sites, agricultural resources, the rural lifestyle and the opportunity for solitude in the natural environment.

No cultural or historical resources will be impacted by the project, see Appendix G. As discussed above, there will be no impacts on agriculture. Further, the project will only interfere with the rural lifestyle or the opportunity for solitude in the natural environment during the temporary (6-8 week) construction phase.

20. The Proposed Project will not cause significant degradation of land-use patterns in the area around the Proposed Project.

The project construction will be temporary, and the majority of the infrastructure will be buried by means of open trenching or by boring. The land will be returned to pre-construction uses and the applicant has provided evidence that the project will not cause significant degradation of land use patterns.

21. The applicant has complied with all applicable provisions of these regulations and has paid all applicable fees.

The applicant has sought to comply with all applicable 1041 Permit regulations and has paid all applicable fees.

Part V, Section C. Additional Criteria for Major Electric, Natural Gas, and Petroleum Derivative Facility of a Private Company:

1. Areas around major facilities of a public utility shall be administered so as to minimize disruption of the service provided by the public utility.

There will not be any disruptions of activities currently provided by the applicant.

2. *Areas around major facilities of a public utility shall be administered so as to preserve desirable existing community and rural patterns.*

As explained earlier in this report, the project will be constructed in a manner so as to be non-intrusive and will not impact existing community patterns, including access to the Crosswinds Radio Control Club.

3. *Where feasible, major facilities of a public utility shall be located so as to avoid direct conflict with adopted local comprehensive, State and regional mater plans.*

The project is not in conflict with any adopted local, state, or regional master plans.

4. *Where feasible, major facilities of a public utility shall be located so as to minimize dedication of new right-of-way and construction of additional infrastructure.*

It is not possible to locate the project without new pipeline easements, as the purpose of the project is to construct pipelines to transport natural gas, crude oil, and potentially water in the future. While the route was chosen to minimize the dedication of new ROW to the maximum extent possible, the preferred route was ultimately chosen based on the State Land Board’s preference for placement on their property. The project does not require the construction of additional permanent infrastructure such as roads, power lines, municipal water, or telecommunications facilities.

Appendix A, General Considerations

Appendix A of the 1041 Regulations are attached to this report. This appendix provides examples of the types of concerns that the Board of County Commissioners may take into consideration in determining whether an application for a permit has complied with the approval criteria contained in Section V of the 1041 Regulations.

4. Referral Comments:

Comments received during the referral process are as follows:

| Referral Entity | Referral Comment | Staff Comment |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| Division of Water Resources | DWR has reviewed the referral for UASI23-002 for the Secret Stash Well Connect Project. It appears that water will be required for testing, dust control, or other commercial/industrial purposes. According to the proposal, water will be trucked to the site. This office has no concerns with the proposal so long as the water is obtained from a legal | |

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| | source permitted or decreed for such uses. | |
| Colorado Geological Survey | The Colorado Geological Survey has no objection to approval of the Secret Stash well connect project (UASI23-002), a 5.1 mile set of O&G and future water supply/produced water pipelines generally along County Line Road from about 1-1/3 miles east of Monaghan Road to about half a mile west of Box Elder Creek (the project does not cross Box Elder Creek.) | |
| Elbert County Planning Department | Elbert County Road and Bridge comment: We have no issues with this proposal until they cross county line then a R.O.W. permit and plan review will be required along with a preconstruction meeting. If the work is beyond the R.O.W. on the north or south side of county line, then we have no issues as far as road and bridge are concerned. Elbert County Public Health comment: ECPH doesn't have any issues. Elbert County Planning Department: We have no issues with this proposal. | |
| CORE Electric Cooperative | We have received the above-referenced referral request. We have reviewed our records and find that this property is not in our service territory. | |
| Xcel Energy | Public Service Company of Colorado's (PSCo) Right of Way & Permits Referral Desk has reviewed the plans for Secret Stash well connect project. Please be aware that PSCo has existing natural gas distribution facilities south of County Road | |

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| | <p>194 and the line is stubbed out going north on the east side of Coal Creek Street.</p> <p>As a safety precaution, PSCo would like to remind the developer to call the Utility Notification Center by dialing 811 for utility locates prior to construction.</p> | |
| Jack Bell, East Arapahoe County Advisory Planning Commission | I have NO comments to make on the case as submitted. | |
| Erich Schmidt, True Oil | I have NO comments to make on the case as submitted. | |
| Renegade Oil & Gas Company | Renegade Oil & Gas Company, LLC supports this project. | |
| Office of Emergency Management | I have NO comments to make on the case as submitted. | |
| Arapahoe County Road & Bridge | No concerns or comments from Road and Bridge | |
| Arapahoe County Open Spaces | <p>Thank you for the opportunity to comment. Arapahoe County Open Spaces and State Land Board are currently in negotiations and have executed a Letter of Intent regarding the potential future acquisition of part of the Lowry lands. For future OS acquisition and public access for recreation, a pipe line easement like the one here for the Secret Stash well could cause an issue for crossing it with a trail or access road, unless easement language allows.</p> <p>We agree with the preferred alternative shown on Appendix L: Alternatives Map, the Red route would be least impactful to wildlife, habitat and any future County ownership.</p> <p>Creation of public access like: trails or access roads would be less likely to cross the preferred alternative. Preferred</p> | |

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| | <p>alternative also follows an existing roadway that already caused habitat impact. The north Blue line alternative seems to cross more undisturbed habitat and would be more impactful to the land and wildlife.</p> | |
| <p>Bennett-Watkins Fire Rescue</p> | <p>In regard to the submission for UASI23-002, SECRET STASH WELL CONNECT, Bennett-Watkins Fire Rescue (BWFR) has the following comments and considerations:</p> <ul style="list-style-type: none"> • BWFR has no specific objections to the proposed pipeline. • BWFR does not currently require a will-serve letter for pipelines. Will-serve letters do apply to all other forms of oil and gas development outside the scope of underground pipelines. • BWFR is requesting that the applicant confer and explore possibilities of connecting to the proposed 8 inch below grade water line for firefighting purposes. The area in which this pipeline is being installed is considered to be “Water-poor” for firefighting purposes and we would like to discuss the addition of fire hydrants along this line or other access methods to utilize water for firefighting purposes, especially during oil and gas site emergencies/incidents. | <p>Referral comments received June 17th, 2024</p> |

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| | <ul style="list-style-type: none"> • The developer shall confer with Bennett Fire Protection District and ensure that the proposed development conforms to adopted (IFC) fire code standards. | |
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STAFF FINDINGS:

Staff reviewed the plans, supporting documentation, and referral comments in response to this application. Based on the review of applicable policies and goals, as set forth in the Comprehensive Plan, review of the Use by Special Review and applicable 1041 regulations and analysis of referral comments, our findings include:

1. The proposed Use by Special Review/1041 application is in general conformance with the overall goals and intent of the Arapahoe County Comprehensive Plan and the Lowry Range Subarea Plan.
2. The proposed application complies with the review and approval criteria of the Use by Special Review regulations, Section 5.3.4 of the Land Development Code.
3. The proposed application complies with the applicable review and approval criteria of The Regulations Governing Areas and Activities of State Interest in Arapahoe County (1041 Regulations).

STAFF RECOMMENDATION:

Considering the findings and other information provided herein, staff recommends approval of Case No. UASI23-002, Secret Stash Well Connect Project Use by Special Review/1041, with the following conditions of approval:

1. Prior to signature of the final copy of these plans, the applicant will address all Public Works' comments.
2. The applicant shall comply with all applicable Colorado Department of Public 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 Control Club prior to HDD activities via mail at least 2weeks 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.
7. The applicant shall conduct a nesting raptor survey prior to the commencement of construction if construction begins between December 1 and July 31.
8. The applicant shall construct the project outside of seasonal restrictions associated with High Priority Habitat, as designated by CPW.
9. The applicant shall construct, maintain, and operate the pipeline in compliance with all applicable federal and state laws and regulations, including but not limited to: Pipeline and Hazardous Materials Safety Administration, Department of Transportation, Transportation Security Administration, and Colorado Public Utility Commission.

The Planning Commission has alternative that include the following:

1. Recommend approval of the proposed USR/1041.
2. Continue to date certain for more information.
3. Recommend denial of the proposed USR/1041.

CONCURRENCE:

The Public Works and Development Planning and Engineering Services Divisions have reviewed the application, and the Arapahoe County Public Works and Development Department is recommending approval of this case.

PLANNING COMMISSION DRAFT MOTIONS - UASI23-002, SECRET STASH WELL CONNECT PROJECT:

Conditional Recommendation to Approve

In the case of UASI23-002, Secret Stash Well Connect Project Use by Special Review/1041, I have reviewed the staff report, including all exhibits and attachments, and have listened to the applicant's presentation and any public comment as presented at the hearing and hereby move to recommend approval of this application based on the following conditions:

1. Prior to signature of the final copy of these plans, the applicant will address all Public Works' comments.
2. The applicant shall comply with all applicable Colorado Department of Public 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 Control 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.
7. The applicant shall conduct a nesting raptor survey prior to the commencement of construction if construction begins between December 1 and July 31.
8. The applicant shall construct the project outside of seasonal restrictions associated with High Priority Habitat, as designated by CPW.
9. The applicant shall construct, maintain, and operate the pipeline in compliance with all applicable federal and state laws and regulations, including but not limited to: Pipeline and Hazardous Materials Safety Administration, Department of Transportation, Transportation Security Administration, and Colorado Public Utility Commission.

Staff provides the following Draft Motions listed below as general guidance in preparing an alternative motion if the Planning Commission reaches a different determination:

Recommendation to Deny:

In the case of UASI23-002, Secret Stash Well Connect Project Use by Special Review/1041, I have reviewed the staff report, including all exhibits and attachments, and have listened to the applicant's presentation and any public comment as presented at the hearing and hereby move to recommend denial of this application based on the following findings:

1. *State new findings in support of denial as part of the motion.*

Continue to Date Certain:

In the case of UASI23-002, Secret Stash Well Connect Project Use by Special Review/1041, I move to continue the hearing to *[date certain]*, *[time]*, to obtain additional information and to further consider the information presented.

Attachments:

Application Narrative
Appendices
1041 Regulations Appendix A
Referral Responses
Engineering Staff Report