TOWN BOARD REGULAR MEETING
November 13, 2012 - 7:00 P.M.
Town Board Chambers, 301 Walnut Street, Windsor, CO 80550

The Town of Windsor will make reasonable accommodations for access to Town services, programs, and activities and will make special communication arrangements for persons with disabilities. Please call (970) 674-2400 by noon on the Thursday prior to the meeting to make arrangements.

AGENDA

A. CALL TO ORDER

1. Roll Call

2. Pledge of Allegiance

3. Review of Agenda by the Board and Addition of Items of New Business to the Agenda for Consideration by the Board

4. Board Liaison Reports
   - Town Board Member Baker – Parks, Recreation, and Culture Advisory Board; Cache La Poudre Trail Board Alternate
   - Town Board Member Thompson – Planning Commission; Tree Board; Great Western Trail Authority
   - Mayor Pro-Tem Melendez – Downtown Development Authority; Chamber of Commerce; North Front Range/MPO Alternate
   - Town Board Member Rose – Water & Sewer Board; Windsor Housing Authority, Planning Commission Alternate
   - Town Board Member Bishop-Cotner – Historic Preservation Commission; Clearview Library Board
   - Town Board Member Adams – Cache La Poudre Trail Board; Student Advisory Leadership Team (SALT)
   - Mayor Vazquez – North Front Range/MPO

5. Public Invited to be Heard
   Individuals wishing to participate in Public Invited to be Heard (non-agenda item) are requested to sign up on the form provided in the foyer of the Town Board Chambers. When you are recognized, step to the podium, state your name and address then speak to the Town Board.

   *Individuals wishing to speak during the Public Invited to be Heard or during Public Hearing proceedings are encouraged to be prepared and individuals will be limited to three **(3) minutes**. Written comments are welcome and should be given to the Town Clerk prior to the start of the meeting.*

B. CONSENT CALENDAR

1. Minutes of the October 22, 2012 Regular Town Board Meeting – P. Garcia
2. Liquor License Renewal – Safeway Store #1791, 3.2% Beer Retail License (Off Premises) – P. Garcia
3. Liquor License Renewal – Chimney Park, Inc. dba Chimney Park, Hotel & Restaurant Liquor License – P. Garcia
4. List of Bills – D. Moyer
5. Resolution No. 2012-70 - Authorizing Director of Planning Joseph P. Plummer to Execute all Documents Associated with the Community Development Block Grant for the Windsor Housing Authority Workforce Housing Development within the Windshire Park Subdivision - J. Plummer
6. Resolution No. 2012-71 - Approving a Memorandum of Understanding Between the Town of Windsor and the Colorado Division of Fire Prevention and Control for the Purpose of Coordinated Building Inspection Services – J. Plummer

C. BOARD ACTION

1. Ordinance No. 2012-1438 - An Ordinance Amending Chapter 10 of the Windsor Municipal Code with Respect to Regulations Applicable to the Conduct of Persons within Town-Owned Parks and Open Space Areas

- Second Reading
- Legislative Action
- Staff presentation: Melissa Chew, Director of Parks, Recreation & Culture and John Michaels, Chief of Police

2. Ordinance No. 2012-1439 – An Ordinance Approving the First Amended Intergovernmental Agreement Pertaining to the Development of the Interstate 25/State Highway 392 Interchange, and Authorizing the Mayor to Execute the Same
    - Second Reading
    - Legislative Action
    - Staff presentation: John Frey, Town Attorney

3. Ordinance No. 2012-1440 - An Ordinance Establishing a Special Fee to be Paid by the Owners of Property within Close Proximity to the Reconstructed Interchange at the Intersection of Interstate 25 and State Highway 392
    - Second Reading
    - Legislative Action
    - Staff presentation: John Frey, Town Attorney

4. Public Hearing – Conditional Use Grant for oil and gas well facilities in the Heavy Industrial (I-H) zoning district – Great Western Industrial Park, Fourth Filing, Lot 1, Block 1 – O-I Pad oil and gas wells – Janni Keidel, Great Western Oil and Gas Company, LLC, applicant/Broe Land Acquisitions II, LLC, surface property owner
    - Quasi-judicial action
    - Staff presentation: Brett Walker, Associate Planner

5. Conditional Use Grant for oil and gas well facilities in the Heavy Industrial (I-H) zoning district – Great Western Industrial Park, Fourth Filing, Lot 1, Block 1 – O-I Pad oil and gas wells – Janni Keidel, Great Western Oil and Gas Company, LLC, applicant/Broe Land Acquisitions II, LLC, surface property owner
    - Quasi-judicial action
    - Staff presentation: Brett Walker, Associate Planner

6. Resolution No. 2012-72 - Approving an Intergovernmental Agreement Between the Town of Windsor, Colorado, and Larimer County Law Enforcement Agencies for the Purpose of Coordinated Law Enforcement Services and Authorizing the Mayor to Execute the Same
    - Legislative action
    - Staff presentation: John Michaels, Chief of Police

7. Resolution No. 2012-73 -Approving an Application for Preserve America Designation for the Purposes of Eligibility for Future Funding Opportunities
    - Legislative action
    - Staff presentation: Carrie Knight, Art & Heritage Manager

D. COMMUNICATIONS

1. Communications from the Town Attorney
2. Communications from Town Staff
3. Communications from the Town Manager
4. Communications from Town Board Members

E. EXECUTIVE SESSION

An executive session pursuant to Section 24-6-402 (4) (e) for the purpose of determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators (water storage opportunities). Kelly Arnold, Dennis Wagner & Ian McCargar

F. ADJOURN

TOWN BOARD REGULAR MEETING
October 22, 2012 - 7:00 P.M.
Town Board Chambers, 301 Walnut Street, Windsor, CO 80550

The Town of Windsor will make reasonable accommodations for access to Town services, programs, and activities and will make special communication arrangements for persons with disabilities. Please call (970) 674-2400 by noon on the Thursday prior to the meeting to make arrangements.

MINUTES

A. CALL TO ORDER

Mayor Vazquez called the regular meeting to order at 7:18 p.m.

1. Roll Call

		Mayor John Vazquez
		Mayor Pro-Tem Kristie Melendez
		Myles Baker
		Don Thompson
		Jeremy Rose
		Ivan Adams
Excused:		Robert Bishop-Cotner
Also present:	Town Manager	Kelly Arnold Town
	Management Assistant	Lindsey Blomberg
	Attorney	Ian McCargar
	Town Clerk	Patti Garcia
	Chief of Police	John Michaels
	Business Development Manager	Stacy Johnson
	Director of Planning	Joe Plummer
	Director of Parks & Recreation	Melissa Chew
	Director of Finance	Dean Moyer
	Director of Human Resources	Mary Robins
	Director of Public Works	Terry Walker
	Director of Engineering	Dennis Wagner

2. Pledge of Allegiance
Town Board Member Adams led the Pledge of Allegiance

3. Review of Agenda by the Board and Addition of Items of New Business to the Agenda for Consideration by the Board
Town Board Member Thompson motioned to approve the Agenda as presented; Town Board Baker seconded the motion. Roll call on the vote resulted as follows:
Yeas – Thompson, Baker, Rose, Melendez, Adams, Vazquez
Nayes – None. Motion carried.

4. Board Liaison Reports
   - Town Board Member Baker – Parks, Recreation and Culture Advisory Board; Cache La Poudre Trail Board Alternate
     Town Board Member Baker reported the next Parks, Recreation and Culture Advisory Board meeting would be held on November 6, 2012.

   - Town Board Member Thompson – Planning Commission; Tree Board; Great Western Trail Authority
     Town Board Member Thompson stated there was no report for the Tree Board. The Great Western Trail Authority started to work on the project details for construction bid documents at their Saturday work session. Mr. Thompson noted that Wade Willis, Manager of Parks & Open Space, would be touring the trail to discuss drainage, materials, cross walk requirements, and other issues to help assist in the preparation of the document due in November. Mr. Thompson brought forward two items of note from the Planning Commission meeting; Weld County referral

DRAFT

for use by special review for storage of recreational vehicles at the northeast intersection of CR 15 and Great Western Railway and they reached a consensus with Severance on the Growth Management Area regarding the overlapping boundaries.

- Mayor Pro-Tem Melendez – Downtown Development Authority; Chamber of Commerce; North Front Range/MPO Alternate
  Mayor Pro-Tem Melendez reported the Chamber of Commerce met on Wednesday, October 10, 2012 at the Great Western offices and received a tour of the industrial park. Ms. Melendez noted the Windsor Wonderland event to be held on December 1 from 2-5 pm; the Chamber is working in conjunction with the Downtown Development Authority on the event. The Downtown Development Authority is working on their budget which had been discussed during the work session prior to the meeting. The MPO is in the process of selecting an Executive Director and Mayor Pro-Tem stated they anticipate having an appointment made by the end of November, 2012.

  Items of note from the last Coffee with the Mayor included looking at the budget in conjunction with Parks & Recreation – specifically park maintenance and community recreation center expansion, along with the good comments regarding the Poudre River Trail.

- Town Board Member Rose – Water & Sewer Board; Windsor Housing Authority, Planning Commission Alternate
  Town Board Member Rose noted the Water & Sewer Board meeting had been cancelled due to lack of agenda items and he was unable to attend the last Windsor Housing Authority meeting.

- Town Board Member Bishop-Cotner – Historic Preservation Commission; Clearview Library Board
  No report.

- Town Board Member Adams – Cache La Poudre Trail Board; Student Advisory Leadership Team (SALT)
  Town Board Member Adams reported on the Cache La Poudre Trail Board and stated they have been interested in the signage at SH257 and the trail and support the effort put forth; their next meeting will be the first Thursday of November. SALT is working on the upcoming Halloween event along with other activities.

- Mayor Vazquez – North Front Range/MPO
  Mayor Vazquez stated the next MPO meeting will be held the first Thursday in November.

5. Public Invited to be Heard
   Individuals wishing to participate in Public Invited to be Heard (non-agenda item) are requested to sign up on the form provided in the foyer of the Town Board Chambers. When you are recognized, step to the podium, state your name and address then speak to the Town Board.

   Individuals wishing to speak during the Public Invited to be Heard or during Public Hearing proceedings are encouraged to be prepared and individuals will be limited to three ***(3) minutes****. Written comments are welcome and should be given to the Town Clerk prior to the start of the meeting.*

   Mayor Vazquez opened the meeting up for public comment to which there was none.

B. CONSENT CALENDAR

1. Minutes of the October 8, 2012 Regular Town Board Meeting and October 15, 2012 Special Meeting – P. Garcia
2. Liquor License Renewal – Otie's Wine & Spirits, Retail Liquor License – P. Garcia

3. Liquor License Renewal – Ayutla, Inc., dba Guadalajara Family Mexican Restaurant, Hotel & Restaurant Liquor License – P. Garcia
4. A Woman's Place Funding Request – P. Garcia
5. Advisory Board Appointments – P. Garcia

Town Board Member Rose requested to remove a Woman's Place Funding Request and place it as an action item as Item 1.A.; Town Board Member Thompson seconded the motion. Roll call on the vote resulted as follows:

Yeas – Thompson, Baker, Rose, Melendez, Adams, Vazquez
Nayes – None. Motion carried.

Town Board Member Thompson motioned to approve Consent Calendar as amended; Town Board Member Adams seconded the motion. Roll call on the vote resulted as follows:

Yeas – Thompson, Baker, Rose, Melendez, Adams, Vazquez
Nayes – None. Motion carried.

C. BOARD ACTION

1. Outside Agency Funding Request – Windsor Community Choir Request
   - Staff presentation: Melissa Chew, Director of Parks, Recreation & Culture

Director of Parks, Recreation & Culture Chew reported on the agenda item and noted Grover Kelly, representing the Windsor Community Choir, submitted information requesting a one-time contribution of $1,200 and an annual contribution of $400 to their organization in order to purchase music. This would allow them to perform at events and venues locally and in the region. They are a not-for-profit organization but not a 501(c)3.

Grover Kelly, Windsor Community Choir, stated the group performs for free. They do not have any funds other than their own donations; each person donates $30 which is used to purchase music. The group has used public domain music in the past but it is not very popular or usable.

The Town Board reviewed the request and discussed the need to establish criteria for all funding requests. It was determined that no action would be taken at this time and that the topic of an outside agency funding request process would be brought forward at the November 5 work session.

1.a. A Woman's Place Funding Request – P. Garcia

Town Board Member Rose stated that the request should be deferred until the Town Board has the opportunity to discuss the criteria to be met for funding requests.

Mayor Pro-Tem Melendez motioned to defer items 1. and 1.a. indefinitely; Town Board Member Adams seconded the motion. Roll call on the vote resulted as follows:

Yeas – Thompson, Baker, Rose, Melendez, Adams, Vazquez
Nayes – None. Motion carried.

2. Resolution No. 2012-63 - A Resolution Approving a No-Surface-Occupancy Oil and Gas Lease, and Related Terms, between the Town of Windsor, Colorado, and Tekton Windsor, LLC, and Authorizing the Mayor to Execute the Same (Various 9.637 Acres)
   - Legislative Action
   - Staff Presentation: Ian McCargar, Town Attorney
   - Legal Counsel Presentation: Jonathan Batt – Lind & Ottenhoff LLC

Town Clerk Garcia reported the motion made at the October 8, 2012 Town Board meeting was made by Mayor Pro-Tem Melendez and seconded by Town Board Member Bishop-Cotner.

Mayor Pro-Tem Melendez motioned to approve Resolution No. 2012-63; Town Board Member Bishop-Cotner seconded the motion.

Town Attorney McCargar stated he had nothing further to add regarding the agenda item; the Town Board members had indicated at the last meeting that they had all the information that they required.

Mr. McCargar stated it had been tabled at the previous meeting as there was confusion as to the Town's ownership of minerals under a 1.56 acre portion of the 7.427 acres that were subject to the lease that was being presented. The issue has been cleared up and the resolution and lease before the Town Board are correct.

Mayor Pro-Tem Melendez motioned to approve Resolution No. 2012-63; Town Board Member Bishop-Cotner seconded the motion. Roll call on the vote resulted as follows:
Yeas – Thompson, Baker, Melendez, Adams, Vazquez
Nayes –Rose. Motion carried.

3. Resolution No. 2012-68 - A Resolution Adopting the Town of Windsor 2012 Parks and Open Space Regulations with Respect to the Conduct of Persons within Town-Owned Recreational Facilities
   - Legislative Action
   - Staff presentation: Melissa Chew, Director of Parks, Recreation & Culture and John Michaels, Chief of Police

Town Board Member Thompson motioned to approve Resolution No. 2012-63; Town Board Member Adams seconded the motion.

Director of Parks, Recreation & Culture Chew reported on the information that had been provided at the October 1, 2012 work session related to parks and open space regulations. The proposed regulations are in response to issues experienced during the summer by the police department, specifically at Boardwalk Park.

Ms. Chew reviewed the new regulations that are proposed to be added to what is currently in force:

1. Alcohol Prohibited
   It shall be unlawful for any person to possess alcoholic beverages unless otherwise authorized by Colorado Law.
2. Portable Grills Prohibited
   It shall be unlawful for any person to bring into the park any gas, electric or charcoal grill. Only grills where provided by the Town of Windsor may be used, unless otherwise authorized by the Town of Windsor for programs or events.
3. Tents Restricted
   It shall be unlawful for any person to erect a portable tent or shade structure between the hours of 6:00 pm and 5:00 am, unless otherwise authorized by the Town of Windsor for programs or events.

The resolution before the Town Board for consideration adopts the rules and regulations; if the resolution passes the last piece is the ordinance that references the rules and regulations. Town Attorney McCargar stated this is the same type of process the Town has used with sewer and street design standards, the end product will be incorporated into the Code and considered a citable offense.

Town Board Member Baker inquired if the additional regulations, the resolution, and the ordinance accomplish the goal set by the police department. Chief of Police Michaels stated it helps attain the goal by making Boardwalk Park a safer environment.

Mayor Pro-Tem Melendez stated that if the resolution passes, she would like to have town-owned grills installed at Boardwalk Park as it would be a nice amenity to have regardless of the concession stand option.

Mayor Vazquez commented that he believes the regulations are missing the point; that they won't stop the undesirables from coming to Windsor. Mr. Vazquez stated it would be the law abiding citizens that would be receiving citations; he will not support it as he does not feel it addresses the problems presented.

Police Chief Michaels stated the regulations are in response to the questions asked of gang members; they have stated that they can do things in our parks that they can't do anywhere else. Chief Michaels added

that this alone won't get rid of gang activity, but it is part of addressing ways to reduce the gang activity in Windsor.

Mayor Pro-Tem Melendez commented that none of the other surrounding municipalities allow these types of activities in their parks; it is no wonder it is coming to Windsor. Ms. Melendez noted that she doesn't think it will completely stop drinking of alcohol in the park, but believes it is the right step. Town Board Member Adams concurred.

Mayor Vazquez stated he does not believe this will deter the gang presence in Windsor and will be curious to see how things look a year from now.

Roll call on the vote resulted as follows:
Yeas – Thompson, Baker, Rose, Melendez, Adams,
Nayes – Vazquez. Motion carried.

4. Ordinance No. 2012-1438 - An Ordinance Amending Chapter 10 of the Windsor Municipal Code with Respect to Regulations Applicable to the Conduct of Persons within Town-Owned Parks and Open Space Areas
   - First Reading
   - Legislative Action
   - Staff presentation: Melissa Chew, Director of Parks, Recreation & Culture and John Michaels, Chief of Police

   Mayor Pro-Tem Melendez motioned to approve Ordinance No. 2012-1438, An Ordinance Amending Chapter 10 of the Windsor Municipal Code with Respect to Regulations Applicable to the Conduct of Persons within Town-Owned Parks and Open Space Areas on first reading; Town Board Member Adams seconded the motion.

   Director of Parks, Recreation & Culture Chew stated the ordinance puts into the Municipal Code the resolution that was approved; it will make the regulations enforceable.

   Town Board Member Rose noted concern with section 10-8-10(b) which states "The Director of Parks, Recreation and Culture shall have the authority to make minor modifications to the 2012 Parks and Open Space Regulations". Town Attorney McCargar stated that it allows staff to customize a regulation without having to run it through the public process; only minor modifications could be made at the staff level. Items of substance would require action by the town board.

   The Town Board discussed the concern and requested the ordinance be amended with the modification of the noted language for second reading.

   Roll call on the vote resulted as follows:
   Yeas – Thompson, Baker, Rose, Melendez, Adams,
   Nayes – Vazquez. Motion carried.

5. Ordinance No. 2012-1439 – An Ordinance Approving the First Amended Intergovernmental Agreement Pertaining to the Development of the Interstate 25/State Highway 392 Interchange, and Authorizing the Mayor to Execute the Same
   - First Reading
   - Legislative Action
   - Staff presentation: John Frey, Town Attorney

   Mayor Pro-Tem Melendez motioned to approve Ordinance No. 2012-1439, An Ordinance Approving the First Amended Intergovernmental Agreement Pertaining to the Development of the Interstate 25/State Highway 392 Interchange, and Authorizing the Mayor to Execute the Same on first reading; Town Board Member Thompson seconded the motion.

Town Attorney Frey addressed the Town Board and reported that the documents being considered had been discussed at the October 1, 2012 work session. The ordinance for consideration is to adopt the first amended Intergovernmental Agreement (IGA); Mr. Frey stated the memorandum in the packet outlined the changes since the adoption of the first IGA. A letter from Lucia Liley, representing three of the property owners within the Corridor Activity Center, was provided to the Town Board which acknowledged their support of the ordinance and agreement.

Town Board Member Rose brought up the special fee versus special assessment issue; he stated it appears the assessment has to do with a benefit and a fee has to do with a service. Mr. Frey indicated that if it was a special assessment then it would have been required to go through the special assessment process rather than what the facts present. The facts present that a service is provided to the property owners by the construction of the interchange.

Pursuant to an additional inquiry from Mr. Rose regarding recovery of the Town's contribution, Mr. Frey stated that if it is determined to not proceed to recover any of the Town's contribution that we would probably end up in negotiations with the City of Fort Collins if they chose to go ahead with the IGA. What the Town is trying to recover and the properties that are being assessed the special fee for is more than the property on the Fort Collins side. The contributions at the outset were the same for Windsor and Fort Collins. If the Town would decide not to assess the properties on the Windsor side, the base for assessment on the Fort Collins side won't pay the Fort Collins half back. The original agreement was that both municipalities would end up whole, and if Windsor does not assess the fee, then the assessment would be short as Fort Collins paid more up front.

Mayor Vazquez thanked Town Attorney Frey for his hard work over the years on the project.

Mayor Pro-Tem Melendez stated she was thankful for the receipt of the letter of support from the property owners.

Roll call on the vote resulted as follows:
Yeas – Thompson, Baker, Rose, Melendez, Adams, Vazquez
Nayes – None. Motion carried.

6. <u>Ordinance No. 2012-1440 - An Ordinance Establishing a Special Fee to be Paid by the Owners of Property within Close Proximity to the Reconstructed Interchange at the Intersection of Interstate 25 and State Highway 392</u>
   - First Reading
   - Legislative Action
   - Staff presentation: John Frey, Town Attorney

Town Board Member Thompson motioned to approve Ordinance No. 2012-1440, An Ordinance Establishing a Special Fee to be Paid by the Owners of Property within Close Proximity to the Reconstructed Interchange at the Intersection of Interstate 25 and State Highway 392; Mayor Pro-Tem Melendez seconded the motion.

Town Attorney Frey stated that the ordinance for consideration is directed as result of the first amended IGA. It recovers the 50% of what our contribution is, identifies how it will be collected, has the trip generation component which is explained in the staff memorandum, and provides that in lieu of the ordinance taking effect as to individual properties, the properties owners can enter into an agreement with the Town which allows them to defer those payments to development or redevelopment of those properties. It also has a two-year, free interest window.

Town Board Member Baker inquired what constitutes redevelopment; Mr. Frey stated it would be anything that requires approval by the Town for redevelopment. The first step to determine redevelopment would be something that would require a building permit or amended plat. The second item under the agreement is that it would have to generate 35% more traffic than what now exists on the developed property.

Roll call on the vote resulted as follows:
Yeas – Thompson, Baker, Rose, Melendez, Adams, Vazquez
Nayes – None. Motion carried.

7. Resolution No. 2012-69 – A Resolution Approving an Infrastructure Improvements Agreement between the Town of Windsor and Eagle Crossing Windsor, LLC, for the Installation of Public Improvements and Reimbursement for the Cost Thereof, the Purpose of Which is to Encourage Retail Activity within the Vicinity of Crossroads Boulevard and Fairgrounds Avenue
   - Legislative Action
   - Staff presentation: Ian McCargar, Town Attorney & Stacy Johnson, Business Development Manager

   Town Board Member Adams motioned to approve Resolution No. 2012-69; Town Board Member Thompson seconded the motion.

   Business Development Manager Johnson reviewed the location that the infrastructure improvement agreement references; the northeast corner of Crossroads Boulevard and Fairgrounds Avenue. Ms. Johnson noted the other three corners are owned by the City of Loveland. The location would hold a family entertainment center and a 7-Eleven convenience store. It allows for five lots to be developed; two would be used with the current request. Business Development Manager Johnson noted the public improvement infrastructure incentive request of $642,341.82; the annual projected revenue is $236,165 which indicates the payback would take less than three years.

   Patrick McMeekin, representing Eagle Crossing Windsor, stated the incentive package was well crafted. Town Attorney McCargar noted the agreement has the Town paying the contractor; it would be a competitive bidding process and feel like a Town infrastructure project. The storm water facility will not be dedicated to the Town; the Developer will retain the detention pond and responsibility for its maintenance. There is a priority lien on the entire subdivision in the event the infrastructure is completed and the Developer backs out of the agreement; the entire $642,341.82 will come back to the Town.

   Roll call on the vote resulted as follows:
   Yeas – Thompson, Baker, Rose, Melendez, Adams, Vazquez
   Nayes – None. Motion carried.

8. Financial Report
   - Staff presentation: Dean Moyer, Director of Finance

   Director of Finance Moyer stated that revenues are stronger than expected and expenditures are where they should be. Sales tax collections are up 8.71% over September 2011. The Town has also currently issued 350 single family home permits, two industrial permits and use tax is up over 77% from 2011. Mr. Moyer believes the Town may come in between $5.5M - $5.7M in sales tax collections for 2012. A review of the operations and capital expenditures was provided along with a breakdown of the general fund expenditures.

D. COMMUNICATIONS

1. Communications from the Town Attorney
   Town Attorney McCargar brought up the need to appoint the municipal judge as the two year appointment would expire in January, 2013. The Town Board advised that they preferred to go through the Request for Qualifications process and directed staff to start the process. Mr. McCargar also noted a vacancy on the Library Board; the Library Board bylaws require two Town Board members serve on the interview committee.

2. Communications from Town Staff
   No communications.

3. Communications from the Town Manager
   Town Manager Arnold reminded the Town Board that there would be no meeting next Monday.

4. Communications from Town Board Members

Mayor Pro-Tem Melendez stated that she and Town Board Member Adams had been conducting the advisory board interviews and stated that it would be a good idea for other Town Board members to participate; particularly the liaison for the advisory board that is being interviewed for.

E. ADJOURN

Town Board Member Adams motioned to adjourn the regular meeting at 9:49 p.m.; Town Board Member Thompson seconded the motion. Roll call on the vote resulted as follows:

Yeas – Thompson, Baker, Rose, Melendez, Adams, Vazquez

Nayes – None. Motion carried.

_____

Town Clerk, Patti Garcia

M E M O R A N D U M

Date: November 13, 2012
To: Mayor and Town Board
Via: Kelly Arnold, Town Manager
From: Patti Garcia, Town Clerk
Re: Liquor License Renewal – Safeway Store #1791, 3.2% Beer Retail License (Off Premises)
Item #: B.2.

Background / Discussion:

Safeway Store #1791, located at 1535 Main Street, Windsor, submitted an application for renewal of their Retail Liquor Store License. The Town Clerk's office has reviewed the application for completeness and the respective license fees have been submitted.

The application was turned over to the Windsor Police Department for investigation. The Department's records reflect a violation which occurred on July 7, 2011; Police Chief John Michaels has submitted the attached memorandum addressing the suspension and fine imposed by the State of Colorado.

The application was also provided to the Finance Department. The Department's review did not present any unfavorable information which would affect the status of the license.

Financial Impact:
None.

Relationship to Strategic Plan (optional):
None.

Recommendation:

- Approve the renewal on the consent calendar as presented, or
- Make the following motion, "I move to approve the consent calendar as presented, with the exception of Item B.2. I would further move that respect to Item B.2., the Clerk be directed to schedule and issue notice for a public hearing pursuant to § 12-47-302 (1), C.R.S., as quickly as administratively possible, and during the interim the liquor license in question shall be deemed extended".

Attachments:
Memorandum – Windsor Police Department

TOWN OF WINDSOR
COLORADO

MEMORANDUM

Date: September 18, 2012
To: Town Board
Via: Kelly Arnold, Town Manager
From: John E. Michaels
Re: Liquor License Renewal for Safeway Store #1791

Item #:

Background / Discussion:

Safeway Store #1791 located at 1535 Main Street has applied for a renewal of their liquor license. A review of their file shows one liquor violation on July 7, 2011, sale to a minor, during a liquor compliance check conducted by State of Colorado. This violation was not reviewed during last year's renewal process because the violation was still pending disposition at that time.

Safeway agreed to a stipulated agreement with the State of Colorado in November of 2011. Their license was suspended for 15 days, five days actively served from November 24th to the 28th and ten days held in abeyance for a period of one year. A fine was also paid.

There have been no liquor violations at the store in the last year. An inspection of the store was conducted on September 18, 2012 and their submitted diagram accurately reflects the license premise.

Financial Impact: None

	Budget	Proposed	Note
Revenue	$0	$	
Expense	$0	$	
Net		$	

Relationship to Strategic Plan (optional): N/A

Recommendation: Approval for renewal.

Attachments:

M E M O R A N D U M

Date: November 13, 2012
To: Mayor and Town Board
Via: Kelly Arnold, Town Manager
From: Patti Garcia, Town Clerk
Re: Liquor License Renewal – Chimney Park, Inc., Hotel & Restaurant
Item #: B.3.

Background / Discussion:

Chimney Park, located at 406 Main Street, Windsor, CO has applied for a renewal of their Hotel & Restaurant Liquor License. The current license has an expiration date of January 1, 2013 and the application was received by the Town of Windsor prior to it expiring. The application has been reviewed by the Town Clerk's office and the respective license fees have been submitted.

The application was turned over to the Windsor Police Department for investigation. The Department's review did not find any issues that would affect the consideration of the renewal.

The application was also provided to the Finance Department. The Department's review did not present any unfavorable information which would affect the status of the license.

Financial Impact:
None

Relationship to Strategic Plan (optional):
Develop, grow, and strengthen the local retail and industrial economy.

Recommendation:
Staff recommends approval of the liquor license renewal.

Attachments:
None.

TOWN OF WINDSOR

REPORT OF BILLS

October, 2012

At the regular meeting of the Town Board of the Town of Windsor, Colorado, held in the Town Hall Board Room on November 12, 2012 the following claims were presented, examined, and approved by the Windsor Town Board.

VENDOR	DESCRIPTION	FUND	AMOUNT
1st Bank Of Northern Colorado	Employee Payroll Deductions	GF	8,742.72
1st Bank Of Northern Colorado	Payroll Deductions	GF	8,826.99
A-1 Chipseal Co	Repair/Services	CIF	15,812.59
Abso	Employee Background Screenings	GF	896.50
Accufund, Inc	Maintenance Contract	ITF	1,947.50
Agland, Inc	Emission Testing	FMF	75.00
Agland, Inc	Fuel	FMF	15,808.02
Agricultural Consutants	Lab Testing	SF	58.00
Agricultural Consutants	Lab Testing	SF	237.00
All Four Seasons Towing	Event Towing Service	GF	90.00
Am Conservation Group	Water Audit Kits	WF	16,950.00
American Planning Association	Dues	GF	600.00
Apex Legal Service	Contract Service	GF	207.00
Arapahoe Rental	Equipment Rental	GF	176.84
Arapahoe Rental	Equipment Rental	SF	371.85
Arapahoe Rental	Rental Supplies	GF	691.14
Arnold, Kelly	Conference Per Diem	GF	230.00
At&T Corp	Phone Service	SF	35.57
At&T Mobility	Cellular Phone Service	GF	75.65
Ballstadt, Scott	Mileage Reimbursement	GF	296.39
Barefoot Farms	Sprinklers	DDA	350.00
Big R Of Greeley	Uniforms	GF	48.74
Bk Service	Garage Repair	GF	285.00
Blackbaud, Inc	Software Maintenance Contract	ITF	5,049.56
Blomberg, Lindsey	Conference Per Diem	GF	205.00
Bomgaars Supply	Uniforms	SF	9.79
Bomgaars Supply	Uniforms	GF	147.97
Bunting Disposal	Trash Service	SF	28.75
Bunting Disposal	Trash Service	CRCF	92.00
Bunting Disposal	Trash Service	GF	666.60
Cantten Vending Services	Kitchen Supplies	GF	334.00
Caroline I Elliott	Uniforms	SF	358.00
Carrier Corp	Air Conditioning Service	FS	509.12
Cartegraph Systems, Inc	Software Licenses	ITF	3,500.00
Cash-Wa Distributing Co	Concession Supplies	CRDF	245.05
Cash-Wa Distributing Co	Supplies	GF	171.10
Cem Sales & Service	Repair	GF	60.00

VENDOR	DESCRIPTION	FUND	AMOUNT
Central, Inc	Repair Kit	GF	390.14
Century Link	Telephone Service	SF	103.51
Century Link	Telephone Service	GF	368.85
Century Link	Telephone Service	GF	490.06
Century Link	Telephone Service	SF	520.86
Century Link	Telephone Service	CRCF	1,091.47
Chematox	Drug Screen	GF	225.00
Chematox	Drug Screen	GF	300.00
Chematox	Kits/Tests	GF	507.74
Church At Ellerslie	Rental Refund	GF	75.00
Cirsa	Claims/Workmans Comp	GF	2,243.68
City Of Greeley	3Rd Qtr 2012 Sales Tax Iga	GF	8,747.53
City Of Greeley	Water Purchased	WF	520.52
City Of Greeley	Water Purchased	WF	67,195.68
Clear Water Solutions	Non-Pot Water Services	KERN	52.40
Clear Water Solutions	Non-Pot Water Services	KERN	5,510.19
Colo Municipal Judges Assoc	Dues	GF	40.00
Colorado Coach Transportation	Travel Services	GF	250.00
Colorado Dept Of Public Health	Permits Sept 2012	PIF	735.00
Colorado Dept Of Transportation	Interchange Reconstruction	CIF	115,196.63
Colorado Dept Of Transportation	Resurfacing	CIF	90,000.00
Colorado Equipment	Supplies	FMF	11.90
Colorado Festivals/Events Assoc	2013 Membership	GF	175.00
Colorado Law Enforcement	Forensic Interviewing	GF	125.00
Coloradoan Media Group	Advertising/Public Notice	GF	84.80
Comcast Holdings	Internet	ITF	196.95
Concentra	Drug Screen	GF	210.00
Coren Printing	Printing	FMF	2.56
Coren Printing	Printing	SDF	2.56
Coren Printing	Printing	SF	5.12
Coren Printing	Printing	FS	7.68
Coren Printing	Printing	ITF	12.80
Coren Printing	Printing	DDA	122.00
Coren Printing	Printing	WF	169.24
Coren Printing	Annual Business/Sales Tax License Forms & Supplies	GF	2,649.04
Coulson Excavating	Paving	CIF	19,951.53
Country Johns	Portable Toilets	GF	176.00
Country Johns	Portable Toilets	GF	510.00
Cox, David	Mileage Reimbursement	GF	307.47
Dana Kepner Co	Risers	WF	653.92
Dash Medical Gloves, Inc	Supplies	GF	59.90
Data West Corp	System Care/Billmaster	ITF	1,800.00
Dataprint	Billing Process	WF	332.76
Dataprint	Billing Process/Utilities	SDF	1,358.41
Dataprint	Billing Process/Utilities	SF	1,358.41
Dataprint	Billing Process/Utilities	WF	1,358.41
Dataprint	Monthly Utility Statement Process/Postage/Envelopes	SDF	1,423.45
Dataprint	Monthly Utility Statement Process/Postage/Envelopes	SF	1,423.46

VENDOR	DESCRIPTION	FUND	AMOUNT
Dataprint	Monthly Utility Statement Process/Postage/Envelopes	WF	2,107.63
Dhm Design Corp	Design Services	PIF	125.00
D-Lawn Service	Weed cutting Service	GF	175.00
Don Kehn Construction	Supplies	GF	741.00
Dxp Enterprises	Supplies	FMF	234.18
Earth Engineering Consultants	Testing	SF	690.00
Egbert, Stephanie	Contract Service	GF	30.00
Ennovate Corp	Monitoring Fee	GF	375.00
Environmicro Inc	Lab Testing	SF	800.00
Farnsworth Group	Construction Admin - Headworks Project	SF	26,143.18
Fastenal Co	Hardware	FS	28.42
Fastenal Co	Parts/Supplies	GF	18.70
Fastenal Co	Supplies	FMF	7.40
Fastenal Co	Tool	FS	21.30
Faultless Laundry	Linens Service	CRCF	317.50
Fehr & Peers	Parking Consultants	DDA	510.00
Ferguson-Jenkins & Assoc	It Services	ITF	100.00
Fields, Elizabeth	Mileage Reimbursement	GF	292.49
Freedom Pump Controls & Svc	Pump Station Maintenance & Repair	GF	1,208.66
Frelund, Terry	Apa Conf Mileage Reimbursement	GF	275.28
French, David	Reimbursement	GF	40.00
Frey Mccargar Plock & Root	Project Management	GF	3,000.00
Frey Mccargar Plock & Root	Legal Services	GF	24,000.00
Ft Collins Loveland Water Dist	Water Purchased	GF	5.74
Ft Collins Loveland Water Dist	Water Purchased	WF	29,039.82
G R Marolt & Assoc	New Benches & Trash Cans for Downtown	DDA	17,405.00
Galeton	Supplies	GF	390.98
Gallegos Sanitation	Service Call	GF	177.79
Galls, Llc	PD Supplies	GF	125.37
Galls, Llc	PD Supplies	GF	181.32
Garden Valley Vet Hospital	Animal Control	GF	120.00
Garretsons	Supplies	FS	20.97
Garretsons	Supplies	GF	70.00
General Air Service & Supply	Supplies	GF	54.80
Golf & Sport Solutins	Fields	GF	56.85
Great Panes Glassworks	Brick	GF	43.75
Greeley Lock & Key	Keys	FS	34.34
Greeley Lock & Key	Eastman Park Concessions Vandalism Repairs	GF	372.90
Greeley Lock & Key	Door Repair & Exit Device Replace at CRC Main Entry	FS	1,216.50
Greeley Monument Works	Columbarium Lettering	GF	180.00
Greeley Monument Works	Columbarium Lettering	GF	180.00
Greenlawn Sod Co	10 Sq Ft roll of Bluegrass	GF	416.80
Grogan, Sean	Umpire Fees	GF	2,406.00
Harmony Gardens	Trees	DDA	1,950.00
Hensley Battery	Batteries	FMF	228.41
Highland Park Recreation	Adaptive Program	GF	112.00
Highland Park Recreation	Adaptive Program	GF	190.40
Hillside Commercial Group	Park Reimbursement	PIF	30,000.00

VENDOR	DESCRIPTION	FUND	AMOUNT
Hillyard, Inc	Building Maintenance Supplies	FS	3,629.80
Hines Inc	Construction Services	PIF	212.50
Hireright Solutions Inc	Drug Screen	GF	288.05
Home Depot	Planks	DDA	63.59
Home Depot	Supplies	FS	144.82
Home Depot	Digital Laser Level, Paint & Lumber for Caboose	GF	336.40
Int'L Institute Of County Clerks	Annual Dues	GF	85.00
Jax, Inc	WWTP Supplies	SF	95.88
Jcg Technologies, Inc	Maintenance Plan Renewal	ITF	890.00
John Brunner & Co	Plumbing Service	FS	264.16
K&W Printing	Fabricating & Retrofitting Development Signs	GF	610.00
Kidz Explore	Sept 2012 Contract Service`	GF	210.00
Kimball Midwest	Penetrating Oil	GF	242.53
King Soopers	Supplies	GF	52.94
King Soopers	Supplies	GF	58.21
King Soopers	Patio Picnic Supplies, Senior Coffee Club, Kids Club Snacks	GF	512.46
King Surveyors, Inc	Services	CTF	407.00
King Surveyors, Inc	Services	CIF	743.50
Kinsco	Police Equipment	GF	135.25
Kinsco	Uniforms	GF	254.95
Landtech Contractors, Inc	Weekly Park Maintenance at Aberdour Circle & Highlands	GF	1,240.00
Lange Containment Systems	Liner Repair	SF	1,850.00
Larimer Cty Clerk & Recorder	Recording Fees	GF	26.00
Larimer Cty Sales Tax	Permits Sept 2012	GF	5,456.91
Larimer Cty Solid Waste	Dumping Fee	GF	165.90
Law Enforcement Systems	Supplies	GF	89.00
Lawrence Jones Custer Grasmick	Legal Services	GF	1,710.00
Lawrence Jones Custer Grasmick	Legal Services	GF	2,312.50
Liley, Rogers & Martell	Legal Services	DDA	1,596.00
Lujan, Tracy	Sport Refund	GF	49.50
Lumension Security	Annual Software Maintenance	ITF	3,675.00
Mac Equipment	Blades	FMF	898.52
Mantooth Mktg Co	Marketing Expense	DDA	1,666.67
Mantooth Mktg Co	Marketing Expense	DDA	2,287.93
Manweiler's	Parts/Supplies	GF	384.04
Manweiler's	Supplies	FS	42.02
Manweiler's	Supplies	DDA	50.45
Manweiler's	Supplies	WF	65.98
Manweiler's	Supplies	SF	69.37
Manweiler's	Echo Trimmers	FMF	901.57
Matthew Bender & Co	Handbooks	GF	466.11
Mcgee, Erin	Class Reimbursement	GF	15.00
Michael Todd & Co	Street Signs	GF	4,849.96
Miller, Vicki	Supplies Reimbursement	GF	39.00
Miracle Recreation Equipment	Playground Repair	GF	1,404.02
Modern Marketing, Inc	Supplies	GF	112.37
Moore, Kelly	Class Service	GF	232.00
Morey's Glass	Iron	GF	3.36

VENDOR	DESCRIPTION	FUND	AMOUNT
Morey's Glass	Iron	WF	15.14
Morey's Glass	Recycling	FS	12.30
Morey's Glass	Rock Chip Repair	FMF	35.00
Moyer, Dean	Mileage Reimbursement	GF	39.96
Mtn States Employers Council	Msec Benefits Update	GF	169.00
Myron Corp	Supplies	GF	144.19
Napa	Supplies	GF	28.19
Napa	Supplies	FMF	85.49
National Meter & Automation	Compound Meter	WF	3,339.29
Nccg	Recruitment	GF	238.59
Nelson, Ian	Show Stage Cancellation	GF	600.00
New Windsor Metropolitan Dist	Water Billing Sept 2012	GF	854.85
Nhlea-Hk9 Tactical	K9 Tactical Supplies	GF	300.00
North Front Range Mpo	Local Match	GF	1,752.57
North Weld Cty Water Dist	Water Purchased	WF	97,110.00
Ochoa, Richard	Dj Services	GF	250.00
Office Depot	Supplies	SDF	0.76
Office Depot	Supplies	WF	1.52
Office Depot	Supplies	FMF	2.28
Office Depot	Supplies	ITF	2.28
Office Depot	Supplies	SF	2.28
Office Depot	Supplies	CRCF	3.80
Office Depot	Supplies	FS	4.61
Office Depot	Supplies	ITF	10.72
Office Depot	Supplies	FS	21.44
Office Depot	Supplies	CRCF	48.68
Office Depot	Supplies	CRCF	120.23
Office Depot	Supplies	GF	149.28
Office Depot	Supplies	GF	458.12
Office Depot	Supplies	GF	509.83
Old National Bank	Energy Efficiency Lease	FS	3,455.41
Operator Certification Pgm	Renewal Fee	SF	85.00
O'Rielly Auto Parts	Supplies	FMF	222.60
Pace Investments	Water Sample Mailing	WF	24.14
Pace Investments	Water Sample Mailing	SF	44.56
Pawnee Group	Vehicle Maintenance	FMF	129.35
Petty Cash	Reimbursement	GF	75.00
Pfc Collects	Refund	GF	100.00
Pioneer Sand Co	Supplies	GF	63.23
Pitney Bowes	Meter Rental	CRCF	8.10
Pitney Bowes	Meter Rental	SF	8.10
Pitney Bowes	Meter Rental	WF	16.20
Pitney Bowes	Meter Rental	GF	129.60
Poudre Valley Health Care	Investigation Expense	GF	826.00
Poudre Valley Rea	Construction Deposit	CIF	5,572.24
Poudre Valley Rea	Utilities	WF	29.09
Poudre Valley Rea	Utilities	WF	782.29
Poudre Valley Rea	Utilities	SF	1,647.12

VENDOR	DESCRIPTION	FUND	AMOUNT
Poudre Valley Rea	Utilities	GF	3,584.89
Poudre Valley Rea	Utilities	GF	5,531.54
Poudre Valley Rea	Utilities	SF	15,832.59
Power To Play Sports	Basketball Registration for 14 Teams	GF	13,230.00
Public Svc Employee Credit Union	Wellness Program	GF	270.65
Quality Well And Pump Llc	Contract Service	GF	31.00
Qwest Corp	Telephone Service	WF	0.26
Qwest Corp	Telephone Service	CRCF	5.14
Qwest Corpt	Telephone Service	GF	182.08
R.E. Davis Co	Equipment Service	SF	1,625.00
Red Dog Signs & Wraps	Replace Decals	FMF	153.54
Revenue Recovery Group, Inc	Sales Tax Audit Fees	GF	10,260.00
Rex Oil Company	Supplies	FMF	569.50
Rex Oil Company	Vehicle Maintenance	FMF	124.12
Ricoh Usa, Inc	Maintenance Contract	ITF	380.22
Rn Civil Construction	Construction Admin - Headworks Project	SF	288,789.00
B.A. Lawrence LLC	Repair on Centrifugal Blower at WWTP	SF	1,413.00
Robert Bates Assoc	Tank Design	WF	30,587.50
Robinett, Charles	Utility Refund	SDF	17.92
Robins, Mary	Mileage Reimbursement	GF	79.92
Rowe, Brian	Uniform Reimbursement	GF	155.91
Safebuilt	Sept 2012 Permit Fee Collection	GF	72,993.07
Safeguard Construction Svc	Meter Rental Deposit Return	WF	2,100.00
Safety & Construction Supply	Safety Equipment	GF	499.66
Safeway	Reimbursement for Traffic Signal & Street Improvements	CIF	31,346.17
Safeway	Town Board Meeting	GF	44.52
Scott Hook Snap On Tools	Tool/Impact Wrench	FMF	579.00
Scotts Electric & Bucket Truck	Repair Service	FS	114.81
Scotts Electric & Bucket Truck	Installation of Electric Outlets at Trees in Downtown	DDA	8,015.46
Scotts Electric & Bucket Truck	Service Repair	GF	112.80
Scotts Electric/Bucket Truck	Bore Under Sidewalk/Conduit	GF	455.60
Scotts Electric/Bucket Truck	Repair	SF	99.00
Scotts Electric/Bucket Truck	Service Call	FS	99.00
Securitas Security Svcs	Rental Security	CRCF	302.78
Sportsmans Warehouse	18' Hook	SF	29.99
Spradley Barr Ford	Supplies	FMF	484.34
Stanley Access Technologies	Door Repair	FS	82.69
Staples Advantage	Supplies	ITF	684.84
Staples Advantage	Toner	ITF	648.84
State Of Colorado	Unemployment Insur	GF	4,832.47
State Of Colorado	Wage Assignment	GF	51.69
State Of Colorado	Wage Assignment	GF	51.69
Stateswest Assessment Svs	Site Assessment	DDA	1,600.00
Suburban Propane	Bulk Tank Rental	SF	67.00
Suiter & Assoc.	Strategic Plan Consultant	GF	2,432.65
Sunrise Community Health	Refund/Security Deposit on Park Shelter Rental	GF	100.00
Tallon, Victor	Mileage Reimbursement	GF	279.72
Technique Data Systems, Inc	Annual Software Maintenance	ITF	560.04

VENDOR	DESCRIPTION	FUND	AMOUNT
Terracon Consultants	Geo Testing	PIF	5,245.30
The Gallery Collection	Cards	CRCF	388.05
The Water Shed	Supplies	GF	210.68
Tool & Anchor Supply, Inc	Supplies	DDA	190.66
Trane Us Inc	Hvac Repair	FS	1,280.13
Tst, Inc Consulting Engineers	Services	CIF	90.00
Umb Bank	Bond Paying Agent Fee	CRCF	200.00
Umb Purchasing Card	Control Panel Repair	SF	1,012.71
Umb Purchasing Card	Cpra Conf, Staff Development	CRCF	414.04
Umb Purchasing Card	Dci Conference Expense	DDA	276.00
Umb Purchasing Card	Hardware, Esri Conference	ITF	403.45
Umb Purchasing Card	Purchasing Cards	CIF	300.00
Umb Purchasing Card	CPRA Conference, MPMA Conference	GF	1,133.63
Umb Purchasing Card	Employee Relations, Meeting Supplies	GF	308.16
Umb Purchasing Card	Staff Development	GF	338.90
Umb Purchasing Card	ISA Membership, AASLH Membership	GF	549.00
Umb Purchasing Card	Exhibit Supplies	GF	79.62
Umb Purchasing Card	Oktoberfest Supplies	GF	148.55
Umb Purchasing Card	Adaptive Program Trips	GF	240.69
Umb Purchasing Card	Senior Trips, Tickets	GF	969.65
Umb Purchasing Card	Staff Meetings, Strategic Planning Session	GF	314.20
Umb Purchasing Card	Coffee with the Mayor	GF	113.96
Umb Purchasing Card	HR BizLibrary Conference	GF	1,005.28
Umb Purchasing Card	APA Conference & Lodging	GF	2,389.00
UNC	Refund/Show Stage Reservation	GF	250.00
United Way	Employee Donation	GF	15.00
United Way	Employee Donation	GF	15.00
Universal Forest Products	Depot Deck Project	CIF	11,658.24
Universal Forest Products	Refund	GF	100.00
Usa Blue Book	Discharge Hose	WF	133.10
Usa Blue Book	Repair Clamps & Crucibles	SF	481.57
Usa Mobility Wireless, Inc	Pager Service	GF	13.31
Utility Notification Center	Locates	WF	418.60
Vartec Ld	Telephone Service	SF	10.24
Verizon Wireless	Cellular Phone Service	ITF	40.01
Verizon Wireless	Cellular Phone Service	SF	40.01
Verizon Wireless	Cellular Phone Service	CRCF	47.87
Verizon Wireless	Cellular Phone Service	GF	1,241.00
Wagner Equipment	Ball Valve, Filters for Fleet Maintenance	FMF	147.91
Wald, Kim	Class Refund	GF	7.50
Walker, Jb	Mileage Reimbursement	GF	285.27
Warren, Bryan	Utility Refund	SDF	97.80
Waste Management Of Colorado	Portable Toilets	GF	338.80
Waste Management Of Colorado	Recycling	FS	41.93
Waste Management Of Colorado	Recycling	GF	1,004.77
Web Tech Wireless	Gps	GF	540.00
Weld County	Town/County Dinner Mtg	GF	147.00
Weld County Government	Oil & Gas Residency Audit	GF	2,304.54

VENDOR	DESCRIPTION	FUND	AMOUNT
Weld Cty Clerk & Recorder	Filing Fees	SF	36.00
Weld Cty Clerk & Recorder	Filing Fees	GF	170.00
Weld Cty Clerk & Recorder	Recording Fees	WF	26.00
Weld Cty Drug Task Force	Court Collections	GF	1,176.00
Windsor Charter Academy	Trail Use Deposit Refund	GF	150.00
Windsor Hardware	Supplies	GF	9.99
Windsor Hardware	Supplies	CRCF	23.96
Windsor Hardware	Supplies	SF	41.93
Windsor Hardware	Supplies	SF	57.92
Windsor Hardware	Supplies	CRCF	68.92
Windsor Hardware	Supplies	GF	85.90
Windsor Hardware	Supplies	FS	226.94
Windsor Hardware	Supplies	FS	238.37
Windsor Valley Auto Wash	Vehicle Maintenance	FMF	95.00
Wireless Advanced Comm	Equipment Maintenance	GF	1,260.00
Wireless Advanced Comm	Repair Service	FMF	280.00
Woolpert, Inc	GIS Strategic Plan Service	ITF	5,469.15
Workspace Innovations	Office Furniture	GF	3,799.60
W.W. Grainger	Lamps & Ice Machine Filters	FS	79.61
W.W. Grainger	Lamps, Ballasts, Toilet Seat, Filters	FS	1,523.11
Xcel Energy	Service Call	PIF	1,430.00
Xcel Energy	Utilities	WF	9.59
Xcel Energy	Utilities	KERN	64.52
Xcel Energy	Utilities	SF	161.19
Xcel Energy	Utilities	SF	392.83
Xcel Energy	Utilities	CRCF	5,402.34
Xcel Energy	Utilities	GF	7,815.54
Xcel Energy	Utilities	GF	32,364.42
Xerox Corp	Copiers Maintenance/Lease	ITF	3,044.58
Yahoo!, Inc	Production Of Records	GF	42.05
Zak George Landscaping	Depot Deck Project	CIF	8,865.00
Zep Sales & Service	Supplies	FS	182.22
Zexhags Inc	Building/Cleaning	CRCF	864.00
	TOTAL CASH DISBURSED		1,333,816.62
	PAYROLL (wages/ 2 pay periods)		338,801.11
	TOTAL		1,672,617.73

TOWN OF WINDSOR
COLORADO

M E M O R A N D U M

Date: November 13, 2012
To: Mayor and Town Board
Via: Kelly Arnold, Town Manager
From: Joseph P. Plummer, AICP, Director of Planning
Re: Resolution 2012-70 Authorizing Director of Planning Joseph P. Plummer to Execute all Documents Associated with the Community Development Block Grant for the Windsor Housing Authority Workforce Housing Development within the Windshire Park Subdivision
Item #: B.5.

Background / Discussion:

In accordance with the terms and conditions of enclosed Resolution 2012-64 which was adopted on October 8, 2012, the Windsor Housing Authority is proceeding with the application to the Colorado Division of Housing (DOH) for the community development block grant (CDBG) for partial funding of the workforce housing development in the Windshire Park Subdivision.

As part of the application, the DOH requires a Resolution from the local jurisdiction authorizing an individual of the Town to have full signatory authority in regards to the CDBG contract and all corresponding documents associated with the administration of the CDBG, and the adoption of enclosed Resolution No. 2012-70 will satisfy this requirement by authorizing myself as the Town's Director of Planning to execute all such documents.

Recommendation: Approval of Resolution as presented.

Attachments: Resolution 2012-64
Resolution 2012-71

pc: John Moore, Chairman, Windsor Housing Authority

TOWN OF WINDSOR

RESOLUTION NO 2012 - 64

A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE TOWN OF WINDSOR AND THE WINDSOR HOUSING AUTHORITY WITH RESPECT TO COMMUNITY DEVELOPMENT GRANT ADMINISTRATION

WHEREAS, the Windsor Housing Authority ("WHA") is a duly-constituted Local Housing Authority under Colorado law; and

WHEREAS, the Windsor Town Board has expressly delegated to WHA the responsibility for meeting certain recommendations found within a State-funded housing needs study; and

WHEREAS, by partnering with individuals and organizations, WHA seeks to develop and maintain attainable housing for those with unique needs within the community; and

WHEREAS, on August 13, 2012, the Town Board conditionally approved an arrangement under which the Town would serve as the Administrator of Community Development Block Grant funds ("Grant") available through the Colorado Division of Housing, the purpose of which is to provide "gap" funding for WHA's Windshire Affordable Housing Project ("Project"); and

WHEREAS, the Town's status as Grant Administrator does not require the appropriation of Town funds, as the Grant funds will simply be passed through to the WHA in accordance with established procedures; and

WHEREAS, the Colorado Division of Housing has authorized the Grant, subject to the Town's execution of agreements for administration of the Grant; and

WHEREAS, in keeping with its conditional approval, the Town Board has reviewed the attached Intergovernmental Agreement for Administration of Community Development Grant Funds ("IGA"), and finds that it meets the conditions approved on August 13, 2012; and

WHEREAS, the IGA is incorporated herein by this reference as if set forth fully.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN BOARD FOR THE TOWN OF WINDSOR, COLORADO:

1. The Town Board hereby approves the attached Intergovernmental Agreement for Administration of Community Development Grant Funds ("IGA").

2. The Town Board hereby authorizes the Town Manager to execute the attached IGA on behalf of the Town.

3. The Town Manager is directed to keep the Town Board informed of the status of the Grant funds as Grant administration takes place.

Upon motion duly made, seconded and carried, the foregoing Resolution was adopted this 8th day of October, 2012.

TOWN OF WINDSOR, COLORADO

By _____
John S. Vazquez, Mayor

ATTEST:

_____
Patti Garcia, Town Clerk

TOWN OF WINDSOR

RESOLUTION NO 2012 - 70

A RESOLUTION AUTHORIZING JOSEPH P. PLUMMER TO EXECUTE ALL DOCUMENTS ASSOCIATED WITH THE COLORADO DEPARTMENT OF LOCAL AFFAIRS/DIVISION OF HOUSING COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS INTENDED FOR THE WINDSOR HOUSING AUTHORITY PROJECT WITHIN THE WINDSHIRE PARK SUBDIVISION

WHEREAS, the Town Board has previously approved an intergovernmental agreement between the Town and the Windsor Housing Authority ("WHA") with respect to the disposition of Community Development Block Grant ("CBDG") funding available through the Colorado Division of Housing ("Division"), the purpose of which is to provide "gap" funding for WHA's Windshire Affordable Housing Project; and

WHEREAS, the Division requires that the Town Board formally approve and delegate signatory authority to a specific individual, in order that documents may be executed in furtherance of the Division's requirements for grant administration; and

WHEREAS, the Town Manager has directed that Joseph P. Plummer, Director of Planning, shall serve as the person responsible for the Town's administration of the CDBG funds; and

WHEREAS, the Town board wishes to formally authorize Mr. Plummer to serve in this capacity.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN BOARD FOR THE TOWN OF WINDSOR, COLORADO:

1. The Town Board hereby authorizes Joseph P. Plummer to have full signatory authority in regard to all contracts and corresponding documents associated with CDBG administration on behalf of the Town.

2. Mr. Plummer is authorized to execute payment requests, quarterly financial status reports, quarterly project performance reports, monitoring documents and all other instruments necessary for administration of the CDBG.

3. This authorization is effective on the date appearing below.

Upon motion duly made, seconded and carried, the foregoing Resolution was adopted this 13th day of November, 2012.

TOWN OF WINDSOR, COLORADO

By_____
John S. Vazquez, Mayor

ATTEST:

_____
Patti Garcia, Town Clerk

TOWN OF WINDSOR
COLORADO

M E M O R A N D U M

Date: November 13, 2012
To: Mayor and Town Board
Via: Kelly Arnold, Town Manager
From: Joseph P. Plummer, AICP, Director of Planning
Re: Resolution 2012-71 Approving a Memorandum of Understanding Between the Town of Windsor and the Colorado Division of Fire Prevention and Control for the Purpose of Coordinated Building Inspection Services
Item #: B.6.

Background / Discussion:

Safebuilt Colorado, Inc. (Safebuilt) has been the Town's contract inspection agency for plan reviews and building inspections for commercial and residential structures since 1992. These building inspection services generally pertain to all construction within the Town, with the exception of public school construction, which, and unless otherwise agreed upon between a municipality and the State, are a function of the Division of Fire Prevention and Control of the Colorado Department of Public Safety (Division).

However, the Division will defer these building inspection services to a municipality upon the execution of a memorandum of understanding (MOU) between the municipality and the Division for these functions to be performed at a local level. Since Safebuilt has worked with the State and the Town on individual school construction projects in the past relative to the construction of the Windsor Charter Academy and Aims Automotive and Technology Center, staff feels as if entering into an MOU with the Division to have Safebuilt named as a prequalified building department is not only consistent with past inspection services but will also be an efficient way to perform these services in the future, since neither Safebuilt nor the Town will have to continually apply to the Division for authorization to perform these services at the local level.

Therefore, enclosed please find Resolution No. 2012-71 which authorizes myself as the Town's Building Official to enter into the enclosed MOU which names Safebuilt as the prequalified building department to perform all building inspection services for public school construction in Windsor.

Recommendation: Approval of Resolution as presented.

Attachments: Resolution 2012-71
Memorandum of Understanding

pc: Russ Weber, Building Official, Safebuilt Colorado, Inc.
David Thomsen, Vice President, Safebuilt Colorado, Inc.

MEMORANDUM OF UNDERSTANDING
FOR PREQUALIFIED BUILDING DEPARTMENTS
FOR PUBLIC SCHOOL CONSTRUCTION
Pursuant to C.R.S. §§ 22-32-124 and 23-71-122

DFPC Reference # WINDSOR 2012

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is entered into this FIRST day of NOVEMBER, 2012, between the Colorado Department of Public Safety, Division of Fire Prevention and Control ("Division"), 690 Kipling Street, Lakewood, Colorado 80215 and the TOWN OF WINDSOR, 301 WALNUT STREET, WINDSOR, CO 80550 ("PBD"), collectively referred to as the ("Parties").

1. RECITALS

1.1 Background

A. Colorado Revised Statutes ("C.R.S.") §§ 22-32-124 and 23-71-122 require that all buildings and structures be constructed in conformity with the building and fire codes adopted by the Director of the Division of Fire Prevention and Control in the Department of Public Safety ("Division"). To assure that a building or structure is constructed pursuant to the above, the Division shall conduct the necessary plan reviews and inspections, except at the request of the affected board of education, the state charter school institute, the charter school, or the affected junior college district, the Division may delegate this responsibility to the appropriate prequalified building department of a county, town, city or city and county or to the appropriate fire department, in the location of the building or structure.

B. After the Division has reviewed the application and determined that the appropriate building department has plan reviewers and inspectors that have the necessary education, training, and experience; the Division may issue and execute a Memorandum Of Understanding ("MOU") between the local jurisdiction and the Division to conduct the necessary plan reviews, issue building permits, conduct inspections, issue certificates of occupancy, issue temporary certificates of occupancy, and take enforcement action in relation to the building and fire codes adopted by the Division to ensure that a building or structure has been constructed in conformity with Public School Construction Regulations, 8 Code of Colorado Regulations Title ("C.C.R.") 1507-30.

1.2 Purpose

The purpose of this MOU is:

a) For the Division to prequalify the building department to conduct necessary plan reviews, issue building permits, conduct inspections, issue certificates of occupancy, and issue temporary certificates of occupancy to ensure that a building or structure constructed pursuant to C.R.S. §§ 22-32-124 (1) and (1.5), and 23-71-122 (1) (v) (I) through (VII) has

been constructed in conformity with the building and fire codes adopted by the director of the Division.

b) For the prequalified building department ("PBD") to perform code reviews on building and mechanical plans, issue building permits, perform building inspections and issue certificates of occupancy for school construction projects.

c) To identify each Party's responsibilities for ensuring the construction of safe schools within the State of Colorado through compliance with C.R.S. §§ 22-32-124 and 23-71-122, and promulgated rules and regulations;

d) To formalize the cooperative working relationships between the Parties; and,

e) To provide procedures for communications, exchange of information and resolution of problems, as necessary, to carry out this MOU and the provisions of promulgated rules and regulations.

2. DEFINITIONS

2.1 "Director" means the Director of the Division of Fire Prevention and Control within the Department of Public Safety, or the Director's designee.

2.2 Authority Having Jurisdiction ("AHJ") means a city, county, Colorado political subdivision, or city and county or any other local government entity having authority to regulate building construction within its jurisdictional territory.

2.3 Prequalified Building Department ("PBD") means an AHJ or an agent thereof that has met the Division's certification standards for prequalification as a building department to conduct the necessary plan reviews, issue building permits, conduct inspections, issue certificates of occupancy, and issue temporary certificates of occupancy, and has executed this MOU with the Division.

2.4 "Certificate of Occupancy" means an official document issued by the Division or the PBD for a Public School allowing use or occupancy of the building or structure by the school district or by the institute charter school or junior college district.

3. RESPONSIBILITIES

The responsibilities of the Parties are as follows:

3.1 Responsibilities of the Division:

The Division shall:

a) Adopt nationally recognized codes and standards as promulgated by Rules in 8 CCR 1507-30.

b) Ensure that the necessary plan reviews, inspections, quality control, and quality assurance checks are performed in compliance with the statutes, rules, and regulations of the Division.

c) Prequalify the building department as having executed an MOU and has met the required certification standards in 8 CCR 1507-30.

d) Issue and maintain a list of persons the Division has approved as authorized to conduct plan reviews, inspections, and issue certificates of occupancy for public school construction projects. This list of authorized PBD persons is included and incorporated herein by reference as Appendix A of this MOU.

e) Ensure that copies of the PBD building plans are sent to the appropriate fire department and the Division for review of fire safety issues.

f) Rescind this "prequalified" status and terminate the terms of the MOU if the PBD fails to comply with this MOU, C.R.S. § § 22-32-124 and 23-71-122, or the rules and regulations of the Division.

g) Allow the PBD to take enforcement action against a board of education, state charter school institute, charter school or junior college district in relation to the nationally recognized codes and standards adopted in 8 CCR 1507-30.

3.2 Responsibilities of the PBD.

The PBD shall:

a) Conduct the necessary plan reviews and inspections, issue building permits, perform all necessary inspections including final inspections, and issue certificates of occupancy to assure that a building or structure has been constructed in conformity with the nationally recognized codes and standards adopted in 8 CCR 1507-30. The affected board of education, state charter school institute, charter school or junior college district, at its own discretion may opt to use the PBD that has entered into this MOU with the Division.

b) Take enforcement action against a board of education, state charter school institute, charter school or junior college district that has violated the nationally recognized codes and standards adopted in 8 CCR 1507-30.

c) Ensure that the construction project is inspected by a state electrical inspector, per § 12-23-116 C.R.S., notwithstanding the fact that any incorporated town or city, any county, or any city and county in which a public school is located or is to be located has its own electrical code and inspection authority, any electrical installation in any new construction or remodeling or repair of a public school.

d) Ensure that the construction project is inspected by a state plumbing inspector, per § 12-58-114.5 C.R.S., notwithstanding the fact that any incorporated town or city, any county, or any city and county in which a public school is located or is to be located has its own plumbing code and inspection authority, any plumbing or gas piping installation in any new construction or remodeling or repair of a public school.

e) Only use persons within their building department that are listed as authorized by the Division to work on board of education, state charter school institute, charter school or junior college district construction projects. This authorized list of persons is attached as Appendix A.

f) Cause copies of the building plans to be sent to the certified fire department and the Division for review of fire safety issues.

g) Issue the necessary Certificate of Occupancy prior to use of the building or structure by the board of education, state charter school institute, charter school or junior college district, if the building or structure is in conformity with the building and fire codes and standards adopted in 8 CCR 1507-30, and if the affected fire department or the Division certifies that the building or structure is in compliance with the fire code adopted by the Division in 8 CCR 1507-30.

h) Issue a Temporary Certificate of Occupancy to allow the board of education, state charter school institute, charter school or junior college district to occupy the buildings and structures, if all inspections are not completed and the building requires immediate occupancy, and if the board of education, state charter school institute, charter school or junior college district has passed the appropriate inspections that indicate there are no life safety issues.

i) Attest that inspections are complete and all violations are corrected before the board of education, state charter school institute, charter school or junior college district is issued a Certificate of Occupancy. Inspection records shall be retained by the PBD for two years after the Certificate of Occupancy is issued.

j) Set reasonable fees and may collect these fees to offset actual, reasonable, and necessary costs of plan review and inspection of board of education, state charter school institute, charter school or junior college district construction projects. The board of education, state charter school institute, charter school or junior college district shall be notified of any adjustment of fees a minimum of thirty (30) days prior to the effective date of the change.

k) In conjunction with the Division set a date for a hearing as soon as practicable before the board of appeals in accordance with section § 24-33.5-1213.7, C.R.S., and the rules adopted by the Division pursuant to § 24-4-105, C.R.S., if the PBD and the board of trustees of a board of education, state charter school institute, charter school or junior college district disagree on the interpretation of the codes and standards of the Division.

l) Comply with the written Final Agency decision of the appeals board for the purposes of § 24-4-106, C.R.S.

m) Have the sole discretion whether to accept a public school construction project submitted to the PBD by the school district for plan reviews, inspections, issuance of building permits and certificates of occupancy, and other duties as set forth in this MOU.

4. ACCESS TO INFORMATION

Each Party shall, to the extent allowed by law, make available to each other, at no cost, information regarding board of education, state charter school institute, charter school or junior college district construction projects within its possession. Requests for information shall not impose an unreasonable resource burden on the other Party.

5. EFFECTIVE DATE AND TERM

This MOU shall be effective upon signature by the Director of the Division and shall be valid for **three (3)** years from the effective date, unless previously modified or terminated in writing by one of the Parties pursuant to the terms of this MOU.

6. TERMINATION

Either party may terminate the MOU upon 30 days written notice; however, if the PBD accepts a public school construction project for review pursuant to this MOU, the PBD may not terminate this MOU until project completion and issuance of a Certificate of Occupancy. If the PBD fails to comply with the terms and conditions of this MOU or the rules and regulations of the Division, the Division may take enforcement action, pursuant to C.R.S. 24-33.5-1213 and terminate this MOU immediately. An amendment may be mutually agreed upon in writing by the parties prior to the termination date of this MOU to allow for project completion and issuance of a Certificate of Occupancy.

7. MODIFICATIONS AND AMENDMENTS.

This MOU is subject to such modifications as may be required by changes in applicable federal or state law, or federal or state implementing rules, regulations, or procedures of that federal or state law. Any such required modification shall be automatically incorporated into, and be made a part of, this MOU as of the effective date of such change as if that change was fully set forth herein. Except as provided above, no modification of this MOU shall be effective unless such modification is agreed to in writing by both parties in an amendment to this MOU that has been previously executed and approved in accordance with applicable law.

8. ADDITIONAL PROVISIONS

8.1 Legal Authority

The Parties warrant that each possesses actual, legal authority to enter into this MOU. The Parties further warrant that each has taken all actions required by its applicable law, procedures,

rules, or by-laws to exercise that authority, and to lawfully authorize its undersigned signatory to execute this MOU and bind that Party to its terms. The person or persons signing this MOU, or any attachments or amendments hereto, also warrant(s) that such person(s) possesses actual, legal authority to execute this MOU, and any attachments or amendments hereto, on behalf of that Party.

8.2 Notice of Pending Litigation

Unless otherwise provided for in this MOU, the PBD shall notify the Division within five (5) working days after being served with a Summons, Complaint, or other pleading in a case which involves any services provided under this MOU and which has been filed in any federal or state court or administrative agency. The PBD shall immediately deliver copies of any such documents in accordance with Notice Procedures in Section 8.5. of this MOU.

8.3 Assignment and Successors

The PBD agrees not to assign rights or delegate duties under this MOU, or subcontract any part of the performance required under the MOU without the express, written consent of the State.

8.4 Adherence to Applicable Laws

At all times during the term, performance, or execution of this MOU, the PBD shall comply with all applicable federal and state laws, regulations, rules, or procedures, as these provisions currently exist or may hereafter be amended, all of which are incorporated herein by reference and made a part of the terms and conditions of this MOU.

8.5 Notice Procedure

All notices required or permitted to be given pursuant to this MOU shall be in writing and shall be deemed given when personally served or three (3) days after deposit in the United States Mail, certified mail, return receipt requested, and addressed to the following parties or to such other addressee(s) as may be designated by a notice complying with the foregoing requirements.

APPROVED PBD:

RUSS WEBER
BUILDING OFFICIAL
SAFEBUILT COLORADO, INC.
As authorized by
JOSEPH P. PLUMMER, AICP
BUILDING OFFICIAL
TOWN OF WINDSOR, AHJ
301 WALNUT STREET
WINDSOR, CO 80550
970-545-3502

And:

DEPARTMENT OF PUBLIC SAFETY:

Jeff Warren
Purchasing and Contracts Director
Colorado Department of Public Safety
700 Kipling St, 3rd Floor
Lakewood, CO 80215
(303) 239-4502

DFPC:
Paul Cooke
Interim Director
Division of Fire Prevention and Control
690 Kipling Street, Suite 2000
Denver, CO 80215
303-239-4600

8.6 Entire Understanding
This MOU is the complete integration of all understandings between the parties. No prior or contemporaneous addition, deletion, or other amendment hereto shall have any force or effect whatsoever, unless embodied herein in writing. No subsequent notation, renewal, addition, deletion, or other amendment hereto shall have any force or effect unless embodied in a written contract executed and approved by the Parties.

8.7 Independent Contractor
No principal, agent, or employees of one Party shall be nor shall be deemed an agent or employee of the other Party.

8.8 Governmental Immunity Act
No term or condition of this MOU shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protection, or other provisions, of the Colorado Governmental Immunity Act, C.R.S. 24-10-101 et seq., or the Federal Tort Claims Act, 28 U.S.C. 2671 et seq., as applicable, as now or hereafter amended.

8.9 Insurance

If the PBD is a "public entity" within the meaning of the Colorado Governmental Immunity Act, CRS 24-10-101, et seq., as amended ("Act"), the PBD shall at all times during the term of this MOU maintain only such liability insurance, by commercial policy or self-insurance, as is necessary to meet its liabilities under the Act. Upon request by the Division, the PBD shall show proof of such insurance satisfactory to the Division.

9. APPROVALS

- **Persons signing for the PBD hereby swear and affirm that they are authorized to act on the PBD's behalf and acknowledge that the Division is relying on their representations to that effect.**

Department of Public Safety
Division of Fire Prevention and Control

_____
Paul Cooke
Interim Director,
Division of Fire Prevention and Control
Date:_____

PBD Name

_____
*Name
Title _____

Date:_____

APPENDIX A
LIST OF APPROVED PERSONS

The specific duties of persons approved by DFPC to perform plan review and inspections on public school construction projects delegated through this MOU are listed below. The PBD shall only use persons within their building department that have been authorized by DFPC to work on public school construction projects. Inspectors for plan review and construction inspections shall be certified by the international code council, the national fire protection association, or another similar national organization or have equivalent qualifications, as determined by rule promulgated by the director of the division.

RUSS WEBER , Building Official, Plan Review and Inspection.

DENNIS LOHMEIER - Inspection
Mark Valenzuela – Inspection
Barry Kramer – Plan reviewer and Inspection
Ken Driscoll – Plan reviewer and Inspection
Dan Wester – Inspection
Peter Croak - Inspection

TOWN OF WINDSOR

RESOLUTION NO. 2012 - 71

A RESOLUTION APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE TOWN OF WINDSOR, COLORADO AND THE COLORADO DIVISION OF FIRE PREVENTION AND CONTROL FOR THE PURPOSE OF COORDINATED BUILDING INSPECTION SERVICES

WHEREAS, the Town of Windsor ("Town") is a home rule municipality with all powers and authority vested therein in accordance with Colorado law; and

WHEREAS, the Town has in place an integrated system of building inspection services, the purpose of which is to assure safe and habitable construction within the Town; and

WHEREAS, the Town's building inspection services are by contract carried out by SAFEbuilt Colorado, an experienced and reputable private building inspection company; and

WHEREAS, notwithstanding the Town's system for building inspections, Colorado law reserves to the Colorado Division of Fire Prevention and Control ("Division") the authority to inspect and issue occupancy certificates for public school buildings; and

WHEREAS, Colorado law allows the Division to pre-qualify and approve local building inspection departments, the effect of which is to delegate the Division's inspection and certification duties for public school buildings to the local building inspection department; and

WHEREAS, the Town and the Division have negotiated the attached Memorandum of Understanding for Prequalified Building Departments for Public School Construction Pursuant to C.R.S. §§ 22-32-124 and 23-71-122 ("MOU"), which by this reference is incorporated herein as if set forth fully; and

WHEREAS, the Town Board has reviewed the MOU, and finds that its approval promotes the health, safety and welfare of the community, and promotes efficiency in the delivery of governmental services.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN BOARD OF THE TOWN OF WINDSOR, COLORADO, AS FOLLOWS:

1. The attached Memorandum of Understanding for Prequalified Building Departments for Public School Construction Pursuant to C.R.S. §§ 22-32-124 and 23-71-122 is hereby approved.

2. The Director of Planning is hereby authorized to execute the attached MOU on behalf of the Town.

Upon motion duly made, seconded and carried, the foregoing Resolution was adopted this 13th day of November, 2012.

TOWN OF WINDSOR, COLORADO

By:_____
John S. Vazquez, Mayor

ATTEST:

_____
Patti Garcia, Town Clerk

TOWN OF WINDSOR
COLORADO

M E M O R A N D U M

Date: November13, 2012
To: Mayor and Town Board
Via: Kelly Arnold, Town Manager
From: John Michaels, Chief of Police
Melissa M. Chew, CPRP, Director of Parks, Recreation & Culture
Re: Ordinance 2012 – 1438 Concerning Park Rules and Regulations

Background / Discussion:

This was reviewed by Town Board on October 22, 2012 and passed on first reading. Changes since first reading include:

1. *Removal of the statement "providing the Director of Parks, Recreation and Culture shall have the authority to make minor modifications to the 2012 Parks and Open Space Regulations", and*

2. *Repeals, amends and readopts Code Section 11-8-20 concerning glass containers such that it will now read It shall be unlawful for any person to bring, or to have in his or her possession, any glass beverage container in any park, recreational facility or on any trail within the Town, unless otherwise authorized by the Town of Windsor for programs or events.*

The change to glass bottles (which already appears in the Municipal Code) was discussed but not acted upon. This change will be reflected on the 2012 Rules and Regulations as well.

As previously discussed this action brings all the park rules and regulations under one Ordinance. This strategy allows for more efficient and effective law enforcement by compiling all park regulations under one Ordinance. The regulations are attached for your review, containing both the three new regulations discussed previously as well as existing regulations. In the future, any changes to park regulations may be done by adopting an updated Resolution, rather than an Ordinance which would require re-codifying.

We believe that these modifications will provide safe and quality services, as well as provide a more efficient mechanism to enforce park regulations. The process will begin with public education and signage, include training for volunteer Park Ambassadors, training for parks and recreation staff, and additional support of law enforcement as noted below.

Financial Impact:

As indicated, additional funds were budgeted in the 2013 budget for additional law enforcement – both in house and out of house. Staff is still exploring options for temporary event fencing.

Relationship to Strategic Plan:

Goal 1: Build Community Spirit and Pride

Recommendation:

Move to adopt Ordinance 2012 – 1438 supporting Resolution 2012 – 68 adopting Town of Windsor 2012 Parks and Open Space Regulations

Attachments:

b. Ordinance 2012 – 1438 (revised)
c. Town of Windsor 2012 Parks and Open Space Regulations

TOWN OF WINDSOR

ORDINANCE NO. 2012-1438

AN ORDINANCE AMENDING CHAPTER 10 OF THE WINDSOR MUNICIPAL CODE WITH RESPECT TO REGULATIONS APPLICABLE TO THE CONDUCT OF PERSONS WITHIN TOWN-OWNED PARKS AND OPEN SPACE AREAS

WHEREAS, the residents of the Town of Windsor ("Town") consistently place high value on the availability of quality parks and open space; and

WHEREAS, in the past, the Town has administratively adopted and enforced standards of conduct applicable to parks and open space visitors, which standards have been administered by the Director of Parks, Recreation and Culture; and

WHEREAS, since the administrative adoption of parks and open space standards of conduct, the use of the Town's parks and open space has intensified to the point where administrative protocols cannot adequately address public safety and public health; and

WHEREAS, public safety, public health and public welfare require that the Town's Police Department have a role in enforcing standards of conduct for park and open space visitors, including the ability to cite offenders into the Municipal Court for prosecution; and

WHEREAS, at present, the administratively-adopted standards of conduct for visitors to Town parks and open space cannot be enforced by the issuance of criminal citations, as the current standards are not adopted as Code provisions; and

WHEREAS, there is a need to give the Town more tools for effectively addressing non-compliance with Town-approved standards of conduct for visitors to Town parks and open space; and

WHEREAS, the Town's Director of Parks, Recreation and Culture has worked cooperatively with the Town's Chief of Police to arrive at standards of conduct which, if adopted within the *Windsor Municipal Code* pursuant to this Ordinance, will be enforceable in the Municipal Court; and

WHEREAS, the Town's Director of Parks, Recreation and Culture and the Town's Chief of Police have recommended the within revisions to the *Windsor Municipal Code*, in order that the experience for all visitors to Town parks and open space will be safe, secure and comfortable; and

WHEREAS, attached hereto is a true and correct copy of the 2012 Parks and Open Space Regulations ("Regulations") developed by the Director of Parks, Recreation and Culture and Chief of Police; and

WHEREAS, the Town's Parks, Recreation and Culture Advisory Board has reviewed the attached Regulations, and has recommended approval of them; and

WHEREAS, the Town Board has studied the attached Regulations, as well as the increased powers afforded to the Town as set forth therein; and

WHEREAS, the Town Board has concluded that the within Ordinance is necessary and proper for the preservation of the public health, safety and welfare.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN BOARD FOR THE TOWN OF WINDSOR, COLORADO, AS FOLLOWS:

Section 1. Chapter 10 of the Windsor Municipal Code is hereby amended by the addition of a new Article VIII, which shall read as follows:

ARTICLE VIII

REGULATIONS APPLICABLE TO CONDUCT OF PERSONS IN TOWN-OWNED PARKS AND OPEN SPACE

Sec. 10-8-10. Applicability of 2012 Parks and Open Space Regulations.

(a) The conduct of persons within Town-owned parks and open space shall be governed by the 2012 Parks and Open Space Regulations approved by Town Board Resolution No. 2012-68, and shall be maintained by the Town's Director of Parks, Recreation and Culture. The Director of Parks, Recreation and Culture shall post, circulate and otherwise make the 2012 Parks and Open Space Regulations, together with any amendments thereto, available for inspection by the public.

Sec. 10-8-20. Non-compliance with 2012 Parks and Open Space Regulations.

It shall be unlawful for any person to violate any provision of the 2012 Parks and Open Space Regulations, as well as any amendments thereto. Upon conviction, any person so convicted shall be subject to a fine not to exceed the limits established under *Windsor Municipal Code* Section 1-4-20. Each day during which a violation takes place shall be deemed a separate offense.

Section 2. Section 11-8-20 of the Windsor Municipal Code is hereby repealed, amended and readopted to read as follows:

> **Sec. 11-8-20. Possession of glass containers prohibited, exceptions**.
> It shall be unlawful for any person to bring, or to have in his or her possession, any glass beverage container in any park, recreational facility or on any trail within the Town, unless otherwise authorized by the Town of Windsor for programs or events.

Introduced, passed on first reading, and ordered published this 22nd day of October, 2012.

TOWN OF WINDSOR, COLORADO

By_____
John S. Vazquez, Mayor

ATTEST:

_____
Patti Garcia, Town Clerk

Introduced, passed on second reading, and ordered published this 13th day of November, 2012.

TOWN OF WINDSOR, COLORADO

By_____
John S. Vazquez, Mayor

ATTEST:

_____
Patti Garcia, Town Clerk

Town of Windsor 2012 Parks and Open Space Regulations

The items listed below represent the rules and regulations discussed on 10-1-12 and would be added in abbreviated format to park signs:

1. **(Alcohol Prohibited)**
   It shall be unlawful for any person to possess alcoholic beverages unless otherwise authorized by Colorado Law.

2. **(Portable Grills Prohibited)**
   It shall be unlawful for any person to bring into the park any gas, electric or charcoal grill. Only grills where provided by the Town of Windsor may be used, unless otherwise authorized by the Town of Windsor for programs or events.

3. **(Tents Restricted)**
   It shall be unlawful for any person to erect a portable tent or shade structure between the hours of 6:00 pm and 5:00 am, unless otherwise authorized by the Town of Windsor for programs or events.

The following are already addressed in the municipal code, and will be included in abbreviated format on park signage:

4. **(Parks are open to the public from 5:00 am to 10:00 pm)**
   It shall be unlawful for any person to be in any park or recreational facility or to use any trail within the Town during those hours of 10:00 pm to 5:00 am unless otherwise authorized by the Town of Windsor for programs or events.

5. **(Windsor Lake Night Fishing Permitted)**
   Notwithstanding the general park closure hours set forth in Subsection (a) above, fishing on Windsor Lake is permitted subject to the following conditions:
   - Fishing on Windsor Lake may take place only along the west edge of Windsor Lake adjacent to State Highway 257, between the southerly pavement edge of the Town's parking lot and the inlet bridge for the Greeley #2 Ditch.
   - Nothing in this Subsection shall be construed to permit fishing on Windsor Lake from a boat or aquatic vessel of any kind between the hours of 10:00 pm and 5:00 am.

6. **(Glass Bottles Prohibited)**
   It shall be unlawful for any person to bring, or to have in his or her possession, any glass beverage container in any park, recreational facility or on any trail within the Town, *unless otherwise authorized by the Town of Windsor for programs or events.*

7. **(Dumping/Littering Prohibited)**
   It shall be unlawful for any person to bring in and dump, deposit or leave any bottles or other containers made of glass, any broken glass, ashes, papers, boxes, cans, dirt, rubbish, waste, tree leaves and limbs, garbage, refuse or other trash in or upon any park, recreational facility or trail within the Town.

8. **(Trash Disposal Required)**
It shall be unlawful for any person utilizing any park, recreational facility or trail within the Town to leave such park, recreational facility or trail without first placing in provided trash disposal receptacles all trash, of whatever kind or nature, generated by his or her usage of the park, recreational facility or trail. In the event no trash disposal receptacle is available, then such person shall carry away said trash and dispose thereof in a proper and legal manner.

9. **(Dogs Must be Leashed)**
Dogs shall be allowed in public parks and on trails within the Town under appropriate supervision and specifically in accordance with the provisions appearing elsewhere in this Code concerning dogs.

10. **(Dog Waste Removal Required)**
The owner or keeper of any dog shall be responsible for the removal of any feces deposited by such animal in any public park or on or adjacent to any trail within the Town.

11. **(Horses Prohibited)**
Except in areas specifically designated for equestrian activities, it shall be unlawful for any person to allow any horse or pony in any public park, recreational facility, public open space or on any trail within the Town.

12. **(Golfing Prohibited)**
Unless specifically allowed in designated areas, it shall be unlawful for any person to drive or hit golf balls in any public park, recreational facility or on any trail within the Town.

13. **(Operation of Motor Vehicles Prohibited)**
It shall be unlawful for any person to operate any motor vehicle including, but not limited to, automobiles, trucks, motorcycles, motorbikes, motorscooters, go-carts or mobile homes in any public park, recreational facility, public open space or on any trail within the Town. This provision shall not apply to duly authorized employees of the Town in the performance of work activities in the scope of their employment or unless otherwise authorized by the Town of Windsor for programs or events.

M E M O R A N D U M

Date: November 13, 2012
To: Mayor and Town Board
Via: Kelly Arnold, Town Manager
From: John Frey and Ian McCargar, Town Attorneys
Re: Second Reading of Ordinance Approving First Amended Intergovernmental Agreement ("IGA") with the City of Fort Collins regarding the development of Interstate 25 and State Highway 392 Interchange.

Second Reading of Ordinance Establishing a Special Fee to be Paid by the Property Owners Within Close Proximity to the Interstate 25 and State Highway 392 Interchange.
Item #: C.2. & C.3.

Summary:

These ordinances reaffirm and redefine the on-going relationship between the Town and the City of Fort Collins with regard to the improvement of the I-25 Interchange. They also establish a fee to be paid by property owners in the Corridor Activity Center ("CAC"), the area that surrounds the Interchange. Both ordinances were adopted by the Town Board on first reading on October 22, 2012.

Background and Discussion:

For ease of reference, the Memorandum presented to the Board in the October 22, 2012 packet is included with these materials. These ordinances have not been modified since first reading approval. The City of Fort Collins approved these ordinances unanimously on first reading on October 23, 2012 and on second reading on November 6, 2012.

Should the Town Board approve these ordinances on second reading, a registered letter will be sent to all property owners on the Windsor side of the CAC advising them of the Town Board's action and enclosing a copy of the special fee ordinance. As you are aware, the ordinance affords each of the property owners to enter into a written agreement with the Town deferring payment of the special fee until development or redevelopment of their respective properties and establishing a reduced rate of interest on the amounts due. A copy of the agreement will also be included in this mailing. Owners desiring to take advantage of this offer must advise the Town Manager of this decision on or before November 30, 2012. Final agreements must be approved by the Town on or before December 31, 2012.

Fiscal Impact:

The approval of the First Amended IGA and the special fee ordinance will allow the Town to recover 50% of the amounts the Town has appropriated for the construction of the Interchange and local improvements in the Interchange area. This amounts to a recovery of approximately $2.6 million which is less than 10% of the cost of the total cost of the project.

Recommendation:

Town Staff recommends the adoption of both of the proposed Ordinances on second reading.

Attachments:

- First Amended IGA between the Town of Windsor and the City of Fort Collins.
- Ordinance adopting First Amended IGA.
- CAC Vicinity Map
- Foster Study with attachments.
- Special Fee Ordinance.
- Memo to the Town Board dated October 22, 2012

FIRST AMENDED INTERGOVERNMENTAL AGREEMENT PERTAINING TO THE DEVELOPMENT OF THE INTERSTATE 25/STATE HIGHWAY 392 INTERCHANGE

THIS AGREEMENT is entered into this _____ day of _____, 2012, by and between the City of Fort Collins, Colorado, a Colorado home rule municipality (the "City"), and the Town of Windsor, Colorado, a Colorado home rule municipality (the "Town"), collectively referred to herein as the "Parties".

RECITALS

WHEREAS, the City and the Town are situated on opposite sides of Interstate 25 and are both committed to planned and orderly development; to regulating the location and activities of development which may result in increased demand for services; to providing for the orderly development and extension of urban services; to simplifying governmental structure when possible; to promoting the economic vitality of both municipalities; to protecting the environment; and to raising revenue sufficient to meet the needs of their citizens; and

WHEREAS, on January 3, 2011, the City and the Town entered into an Intergovernmental Agreement ("the Original Agreement") setting forth certain understandings between the City and the Town with regard to the development of the Interstate 25/State Highway 392 Interchange; and

WHEREAS, the Original Agreement anticipated the future adoption of ordinances and resolutions by the City and the Town necessary to implement the provisions of that Agreement; and

WHEREAS, since the adoption of the Original Agreement, the City and the Town have agreed upon a number of changes to the Original Agreement; and

WHEREAS, the changes agreed to are of sufficient substance to require a full amendment of the Original Agreement; and

WHEREAS, this First Amended Intergovernmental Agreement ('this Agreement") reflects the changes agreed to by the City and the Town as well as restating and reaffirming those provisions of the Original Agreement which the City and the Town desire to remain in full force and effect; and

WHEREAS, the Colorado Constitution, Section 29-20-101 *et seq*., of the Colorado Revised Statutes, and the home rule charters of both the City and Town authorize the City and the Town to enter into mutually binding and enforceable agreements regarding the joint exercise of planning, zoning and related powers as those powers are exercised in the provisions of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties hereto agree as follows.

SECTION 1. DEFINITIONS

In this Agreement, unless a different meaning clearly appears from the context, the following definitions shall apply:

1.1. "Agreement" means this First Amended Intergovernmental Agreement and attachments hereto.

1.2. "City" means the City of Fort Collins, Colorado.

1.3. "CDOT" means the Colorado Department of Transportation.

1.4. "Corridor Activity Center" or "CAC" means that joint planning area referred to above and more fully described on Exhibit "A," attached hereto and incorporated herein by this reference.

1.5. "Developable Land" means that portion of each parcel of real property within the CAC upon which buildings, infrastructure or other improvements may lawfully be constructed, taking into consideration the physical characteristics of the property and all applicable state and local laws and regulations.

1.6. "Development Proposal" means an application for the development of a parcel of land within the CAC.

1.7. "Effective Date" means the date that the last party signs this Agreement, or ten days after the final approval by the last governing board of the City or Town.

1.8. "Enhanced Improvements" means any improvements within the vicinity of the Interchange that are deemed necessary or appropriate by the governing bodies of the City and the Town, which improvements shall be constructed and maintained by the City and the Town.

1.9. "Foster Study" means the report prepared by Foster Valuation Company, LLC, attached hereto as Exhibit "B"

1.10. "Interchange" means the Interstate 25 and State Highway 392 interchange.

1.11. "Original Agreement" means the Intergovernmental Agreement between the City and the Town dated January 3, 2011.

1.12. "Project" means the construction by CDOT of a new Interchange at Interstate Highway 25 and Colorado State Highway 392.

1.13. "Property Owner" shall mean and include the current and any future fee owner of a CAC property.

1.14. "Property Tax Increment" means the net new revenue generated by property taxes on real property located within the boundaries of the CAC, using as the baseline a base rate of 9.797 mils, as applied to the assessed valuation developed by Larimer County as of the Effective Date.

1.15. "Redevelopment Proposal" means an application for the redevelopment of a previously developed parcel of land within the CAC.

1.16. "Sales Tax Increment" means the net new sales tax revenues generated by sales within the boundaries of the CAC, using as the baseline a base rate of 2.25% and the amount of tax revenue received in the twelve (12) months immediately preceding the Effective Date.

1.17. "Town" means the Town of Windsor, Colorado.

SECTION 2. CONFIGURATION OF THE CAC

For the purposes of this Agreement, the Parties have agreed upon the boundaries of the CAC and those boundaries are more fully described on Exhibit "A" to this Agreement.

SECTION 3. REVIEW OF DEVELOPMENT AND REDEVELOPMENT PROPOSALS

3.1. Permitted uses. Pursuant to the Original Agreement, the Parties have by ordinance adopted approved land uses for the CAC. Except by written agreement approved by both Parties, the Parties hereby agree that for a term of twenty-five (25) years from the date of the execution of this Agreement, neither Party shall repeal or otherwise amend their respective ordinances adopting these land uses.

3.2. Applicable Standards. Pursuant to the Original Agreement, the Parties have lawfully adopted standards and guidelines for development of the properties in the CAC, including, but not limited to, the standards contained in the Northern Colorado Regional I-25 Corridor Plan (2001). These standards and guidelines are referred to herein collectively as the CAC Design Standards. Except by written agreement approved by both Parties, these CAC Design Standards shall remain in full force and effect for a term of twenty-five (25) years.

3.3. Review and Approval of Site Specific Development Proposals.

3.3.1 In order to promote and maintain the commitments of the City and Town with regard to development within the CAC, the Parties hereby jointly agree to the following review process for Development or Redevelopment Proposals for property within the CAC.

a. Neither the City nor Town shall, without the prior written consent of the other Party, approve the construction of any improvements within the CAC which are inconsistent with the CAC Design Standards.

b. Plans and specifications for any Development or Redevelopment Proposal on land located within the CAC that are received by either Party after the Effective Date shall, no later than thirty (30) business days prior to taking action, be submitted by the Party having jurisdiction over the proposal to the other Party for review and comment; provided, however, that the Parties may mutually agree to a shorter or longer review and comment period.

c. Such plans and specifications shall include a brief written description of the Development or Redevelopment Proposal and the surrounding vicinity, development maps and graphics, and renderings of all proposed improvements.

d. The receiving Party shall review the materials and respond to the other Party with written comments within the aforementioned thirty (30) business days. Each party agrees that it shall use its best efforts to provide comments in a timely fashion. However, the Parties expressly agree that any delay in submitting comments shall not require the delay of hearings or decisions by the party having jurisdiction over the Development Proposal.

e. The Parties shall designate a single point of contact for the communication of materials and comments contemplated by this Section.

f. The review and comment provided for herein is intended to be cooperative in nature, and is not intended to be binding upon the party having jurisdiction to grant, modify, or deny a Development or Redevelopment Proposal and shall not preclude the approval of any such proposal that is consistent with the CAC Design Standards and the provisions of this Agreement.

3.3.2. Notice of Incentives.

In the event that either Party extends, or agrees to extend, to any applicant for approval of a Development or Redevelopment Proposal within the CAC, any financial or other incentives in connection with such Development or Redevelopment Proposal, such Party shall provide the other Party with a detailed description of such financial or other incentives prior to the formal approval of the same, excluding only such information as is proprietary in nature. The provision and funding of any such incentives shall be the sole responsibility of the Party having jurisdiction over the Development or Redevelopment Proposal, unless the Parties agree to the contrary in a written amendment to this Agreement.

SECTION 4. COST SHARING

4.1. Funding of the Project.

4.1.1 The Project, which is now nearing completion, has been constructed, managed, and in large part funded by CDOT. Each of the Parties has appropriated the necessary amounts to complete the funding of the Project pursuant to an Intergovernmental Agreement between the Parties and CDOT dated January 3, 2011. In addition to this contribution to the funding of the construction of the Project, the City and the Town have also appropriated funds for the construction of the Enhanced Improvements. The Enhanced Improvements shall not include enhanced wetland mitigation on the west side of Interstate 25. The City may, in its discretion, pay for the cost of such enhanced wetland mitigation, and the Town shall have no obligation to help fund such mitigation.

4.1.2 The Parties have agreed to recover an amount not to exceed Fifty Percent (50%) of the actual contribution made by the City and the Town for the construction of the Project and the Enhanced Improvements from the Property Owners in the CAC. The City and the Town shall each adopt ordinances authorizing such recovery and establishing fees and appropriate methodologies for such recovery.

4.1.3 There shall be no further contributions to the Project by the Parties except by a written agreement approved by the governing bodies of both Parties.

4.2. CAC Fee Revenue Fund.

4.2.1 The Parties shall, within sixty (60) days after collecting any fee revenues from Property Owners as described in Section 4 of this Agreement, deposit such revenues into a CAC Fee Revenue Fund ("Fee Revenue Fund") to be established and administered by one of the Parties pursuant to a written administrative agreement approved by the Town Manager and the City Manager, which agreement shall include a provision whereby the Parties will equitably share the costs incurred in administering the Fee and managing the Fee Revenue Fund. The amounts deposited into the Fee Revenue Fund shall be disbursed annually to the Parties in equal amounts, without regard to whether the properties that generated the Fee revenues are located with the territorial limits of the City or the Town. Such disbursements shall continue until the City and the Town have been fully reimbursed in accordance with the provisions of Section 4 of this Agreement.

4.2.2 Either Party may elect to forego the collection of all or any portion of the fee revenues due from a particular Property Owner in exchange for the Property Owner's provision of a reciprocal benefit to such Party, which benefit may include, but need not be limited to, the setting aside or

dedication to the public of a portion of the developable land within the parcel for purposes such as wetlands, open space, parks or other improvements or amenities. In the event that either party elects to forego the collection of any fee revenue pursuant to this provision, such Party shall nonetheless pay into the Fee Revenue Fund the full amount of the Fee that would have been due from the Property Owner had such election not been made.

SECTION 5. REVENUE SHARING

5.1. Terms and Conditions. The Parties shall, pursuant to the following terms and conditions, share the Property Tax Increment and Sales Tax Increment generated by properties and businesses located within the boundaries of the CAC.

5.1.1 All tax revenues generated by the Property Tax Increment and Sales Tax Increment shall be deposited by each Party in a separate account and shall not be intermingled with any other funds of that Party.

5.1.2 Sixty-five percent (65%) of the Property and Sales Tax Increment revenues generated in the CAC shall be retained by each Party for use as that Party sees fit. The remaining thirty-fix percent (35%) of such revenues shall be transferred to the other Party within sixty (60) days of December 31 of each year. Annual statements showing calendar year total receipts of all such revenues from each of the Property Owners and retailers within the CAC shall be shared with the other Party within thirty (30) days of December 31 of each year, and the Parties agree that these statements are being disclosed solely for tax-related purposes and are therefor to remain confidential.

5.1.3 Any interest earned on deposits in the account described in Section 5.1.1 above shall remain the property of the Party that collected the revenue upon which the interest was earned and shall not be shared.

5.1.4 The share distribution shall begin on the Effective Date.

5.1.5 Any increase or decrease in the sales or property tax rates of either the City or the Town shall not affect the Property Tax Increment or the Sales Tax Increment due from the City or the Town for the revenue sharing purposes of this Section.

5.1.6 In the event either the City or the Town creates one or more exemptions from sales taxes or property taxes, and such exemption(s) results in a reduction in the amount of revenue collected by such Party in the CAC, the Party creating the exemption(s) shall include the exempted amount in its calculation of the amount of Property and Sales Tax Increment revenue that is due to the other Party under this Section as if the exemption(s) had not been created.

5.1.7 To the extent permitted by law, this sharing of revenues shall continue in perpetuity.

5.2. Cooperation in Attracting New Development. The Parties acknowledge and agree that they may need to cooperate in an effort to attract desirable development. Nothing herein shall preclude the Parties from entering into a subsequent agreement modifying the within Section and creating incentives for development in the CAC beneficial to both Parties. This shall include, but shall not be limited to, an agreement to reduce or eliminate the revenue sources identified in this Section. Any such agreement shall be in writing and set forth the terms under which a modification of this Section will occur.

5.3. Bonding. Nothing in this Agreement is intended to restrict either Party from being able to utilize its sixty-five percent (65%) share of the Property Tax Increment revenue and Sales and Use Tax Increment revenue as collateral or use in underwriting any bond, note, debenture, or other municipal borrowing.

SECTION 6. INSPECTION OF RECORDS.

The City and the Town shall each have the right to inspect and audit the tax revenue and fee collection records of the other pertaining to this Agreement. If any discrepancy is discovered, the auditing Party shall provide written notice, including a copy of the audit report, to the other Party. Any amount due must be paid within thirty (30) days following the written notice or the Parties must engage in negotiations regarding the discrepancy. If a mutual agreement is not reached in sixty (60) days, the provisions of Section 8 below will apply.

To the extent permitted by law, all tax and revenue collection information which is obtained by and pursuant to the inspection and audit provisions of this Agreement shall be deemed privileged, confidential and proprietary information and is being disclosed solely for tax-related purposes, including the calculation of revenue sharing payments pursuant to this Agreement.

The Parties agree that they will not disclose any information to any person not having a legitimate need-to-know for purposes authorized by this Agreement.

The period of limitation for the recovery of any funds payable under this Agreement shall be three (3) years from the date on which the payment is due. Upon the expiration of this period of limitation and any action for collection or recovery of unpaid revenue sharing funds shall be barred.

Each Party and its authorized agents may, upon thirty (30) days' advance written notice to the other, audit the other's records of those taxes and fees which are collected within the CAC and which are being shared pursuant to this Agreement.

SECTION 7. ANNEXATION

7.1. Amendment of Growth Management Area Boundaries. In order to promote ongoing cooperation and collaboration between the Parties with respect to land use planning on both sides of Interstate 25, and to further the purposes contained in C.R.S. Section 31-12-102 of the Municipal Annexation Act of 1965, the Parties agree that Interstate 25 shall become the boundary between the Fort Collins Growth Management Area ("FCGMA") and the Windsor Growth Management Area ("WGMA"). Accordingly, after the Effective Date, neither Party shall annex, or accept any petition to annex, property within the other Party's growth management area as amended in accordance with this provision. Nor shall either Party annex, or accept any petition to annex, or include within its growth management area, the right of way for Interstate 25 adjacent to the other Party's growth management area without the prior written consent of the other Party. Any future amendments to the contiguous boundaries of the FCGMA and the WGMA shall be made only if agreed upon in writing by both Parties.

7.2. County Approval of GMA Boundary Amendments. Both Parties have heretofore entered into intergovernmental agreements with Larimer County that establish the growth management areas of the Parties, which agreements provide for, among other things, the way in which development applications for properties within the FCGMA and the WGMA will be processed by Larimer County. Accordingly, in order to ensure the cooperation of Larimer County in implementing the provisions of this Section, each Party shall, within one (1) year of the Effective Date, seek the approval of Larimer County to amend its agreement with Larimer County so as to reflect the amendments to the FCGMA and WGMA required hereunder. However, the failure of Larimer County to approve either or both such amendments shall not affect the obligation of the Parties to refrain from annexing territory within the FCGMA, the WGMA or the right of way for Interstate 25 as required in Section 7.1 above.

7.3. Effect on Prior Annexation Agreements. The provisions of this Section shall supersede and take precedence over any conflicting provisions contained in those certain agreements between the Parties entitled "Intergovernmental Agreement (Regarding Annexations East of Interstate Highway 25)" and "Intergovernmental Agreement (Regarding Annexations in the Fort Collins Cooperative Planning Area Adjacent to Fossil Creek Reservoir), both of which are dated June 28, 1999.

SECTION 8. MEDIATION/ARBITRATION

8.1. Enforceability of Agreement. The parties acknowledge that agreements between municipalities for the purposes set forth herein are mutually binding and enforceable. The parties likewise acknowledge that the unique nature of agreements between municipalities often require equally unique remedies to ensure compliance with the provisions of such agreements while preserving the obligations of the parties to one and other and promoting the continued existence and effectiveness of such agreements. It is the intent of the parties to this Agreement to provide enforcement remedies through a

combination of alternative dispute methodologies including mediation and binding arbitration, and thereby eliminate the necessity of judicial enforcement of this Agreement. Nothing herein shall be deemed to preclude either party from seeking judicial enforcement of any mediation agreement reached between the parties or binding arbitration order entered as a result of the alternate dispute methodologies set forth herein.

8.2. Mediation/Arbitration Process in General. Should either party fail to comply with the provisions of this Agreement, the other party, after providing written notification to the non-complying party, and upon the failure of the non-complying party to achieve compliance within forty five (45) days after said notice, the issue of non-compliance shall be submitted to mediation and thereafter, assuming no resolution has been reached through the mediation process, shall be submitted to binding arbitration. The mediation and binding arbitration processes shall in accordance with the provisions hereinafter set forth. These mediation and arbitration provisions shall be in addition to questions of non-compliance as aforesaid, apply to all disagreements or failure of the parties to reach agreement as may be required by the terms of this Agreement. This shall include, but shall not be limited to, the creation of joint land use designs and standards, approval or rejection of Development Proposals, and disputed matters concerning shared revenues.

8.3. Sharing of Costs. All costs of the mediation/binding arbitration process shall be divided equally between the Parties.

8.4. Mediation Process. The dispute resolution process shall commence with the appointment of a mediator who shall be experienced in matters of local government and the legal obligations of local government entities. In the event the parties are unable to agree upon a mediator within fifteen (15) days of the commencement of the process, each party shall within five (5) days appoint an independent third party, and the third parties so appointed shall select a mediator within fifteen (15) days of their appointment. Mediation shall be completed no later than sixty (60) days after a mediator is selected by the parties or by the independent third parties. The procedures and methodology for mediation shall be determined by the mediator, but shall be in compliance with applicable law.

8.5. Binding Arbitration Process. In the event the parties are unable to reach agreement through the mediation process, the matter in dispute shall be submitted to binding arbitration. The parties agree that the order resulting from the arbitration process shall be deemed a final and conclusive resolution of the matter in dispute. The parties shall agree on the appointment of an arbitrator who shall be experienced in matters of local government and the legal obligations of local government entities. It is understood and agreed that the parties may agree upon the appointment of that person who conducted the mediation portion of this process as the arbitrator, but are not bound to do so. In the event the parties are unable to agree upon an arbitrator within fifteen (15) days, each party will appoint an independent third party, and the third parties so appointed shall select a mediator within fifteen (15) days of their appointment. Arbitration shall be completed no later than ninety (90) days after an arbitrator is selected by the parties or by

the independent third parties. The procedures and methodology for binding arbitration shall be determined by the arbitrator, but shall be in compliance with applicable law.

SECTION 9. CONTINGENT ON APPROPRIATIONS

The obligations of the City and Town do not constitute an indebtedness of the City or Town within the meaning of any constitutional or statutory limitation or provision. The obligations of the City and Town for payment of the Sales Tax Increment under this Agreement shall be from year to year only and shall not constitute a mandatory payment obligation of the City or Town in any fiscal year beyond the present fiscal year. This Agreement shall not directly or indirectly obligate the City or Town to make any payments of Sales Tax Increment beyond those appropriated for any fiscal year in which this Agreement shall be in effect. The City and Town Manager (or any other officer or employee at the time charged with the responsibility of formulating budget proposals) is hereby directed to include in the budget proposals and appropriation ordinances submitted to the City Council and the Town Board, in each year prior to expiration of this Agreement, amounts sufficient to meet its obligations hereunder, but only if it shall have received such amounts in the form of Sales Tax Increment, it being the intent, however, that the decision as to whether to appropriate such amounts shall be at the discretion of the City Council and Town Board.

SECTION 10. MISCELLANEOUS

10.1. Amendment. This Agreement is the entire and only agreement between the Parties regarding the sharing of (1) costs for the Project; and (2) net new tax revenues generated with the CAC boundaries. There are no promises, terms, conditions, or other obligations other than those contained in this Agreement. This Agreement may be amended only in writing signed by the Parties.

10.2. Severability. Except as otherwise provided in this Agreement, if any part, term, or provision of this Agreement is held by the courts to be illegal or otherwise unenforceable, such illegality or unenforceability will not affect the validity of any other part, term, or provision of this Agreement and the rights of the Parties will be construed as if that part, term, or provision was never part of this Agreement.

10.3. Colorado Law. This Agreement is made and delivered with the State of Colorado and the laws of the State of Colorado will govern its interpretation, validity, and enforceability.

10.4. Jurisdiction of Courts. Personal jurisdiction and venue for any civil action commenced by any of the Parties to this Agreement for actions arising out of or relating to this Agreement will be the District Court of Larimer County, Colorado.

10.5. Representatives and Notice. Any notice or communication required or permitted under the terms of this Agreement will be in writing and may be given to the Parties or their respective legal counsel by (a) hand delivery; (b) deemed delivered three business days after being deposited in the United States mail, with adequate postage prepaid, and

sent via registered or certified mail with return receipt requested; or (c) deemed delivered one business day after being deposited with an overnight courier service of national reputation have a delivery area of Northern Colorado, with the delivery charges prepaid. The representatives will be:

If to the City: City Manager
300 LaPorte Avenue
PO Box 580
Fort Collins, CO 80524

With a copy to
City Attorney
300 LaPorte Avenue
PO Box 580
Fort Collins, CO 80524

If to the Town: Town Manager
Windsor Town Hall
301 Walnut Street
Windsor, CO 80550

With a copy to
Town Attorney
c/o Town Manager
Windsor Town Hall
301 Walnut Street
Windsor, CO 80550

10.6. Good Faith. In the performance of this Agreement or in considering any requested approval, acceptance, or extension of time, the Parties agree that each will act in good faith and will not act unreasonably, arbitrarily, capriciously, or unreasonably withhold, condition or delay any approval, acceptance or extension of time required or requested pursuant to this Agreement.

10.7. Authorization. The signatories to this Agreement affirm and warrant that they are fully authorized to enter into and execute this Agreement, and all necessary action, notices, meetings, and hearings pursuant to any law required to authorize their execution of this Agreement have been made.

10.8. Assignment. Neither this Agreement, nor the City or Towns' rights, obligations or duties may be assigned or transferred in whole or in part by either Party without the prior written consent of the other Party.

10.9. Execution in Counterparts. This Agreement may be executed in multiple counterparts, each of which will be deemed an original and all of which taken together will constitute one and the same agreement.

10.10. No Third Party Beneficiary. It is expressly understood and agreed that the enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, are strictly reserved to the Parties and nothing in this Agreement shall give or allow any claim or right or cause of action whatsoever by any other person not included in this Agreement. It is the express intention of the Parties that no person and/or entity, other than the undersigned Parties, receiving services or benefits under this Agreement shall be deemed any more than an incidental beneficiary only.

10.11. Recordation of Agreement. The City shall record a copy of this Agreement in the office of the Clerk and Recorder of Larimer County, Colorado.

10.12. Execution of Other Documents. The Parties agree to execute any additional documents and to take any additional actions necessary to carry out the terms of this Agreement.

Approved as to Form:

_____
City Attorney

CITY OF FORT COLLINS

_____
Mayor

ATTEST:

_____
City Clerk

TOWN OF WINDSOR

_____
Mayor

ATTEST:

_____
Town Clerk

PLACEHOLDER FOR
Exhibit A – Map

PLACEHOLDER FOR
Exhibit B –Foster Study

TOWN OF WINDSOR

ORDINANCE NO. 2012-1439

AN ORDINANCE APPROVING THE FIRST AMENDED INTERGOVERNMENTAL AGREEMENT PERTAINING TO THE DEVELOPMENT OF THE INTERSTATE 25/STATE HIGHWAY 392 INTERCHANGE, AND AUTHORIZING THE MAYOR TO EXECUTE SAME

WHEREAS, on January 3, 2011, the City of Fort Collins ("City") and the Town of Windsor ("Town") entered into an Intergovernmental Agreement ("Original Agreement") setting forth certain understandings between the City and the Town with regard to the development of the Interstate 25/State Highway 392 Interchange; and

WHEREAS, the Original Agreement anticipated the future adoption of ordinances and resolutions by the City and the Town necessary to implement the provisions of that Agreement; and

WHEREAS, since the adoption of the Original Agreement, staff of the City and the Town have developed a number of proposed changes to the Original Agreement; and

WHEREAS, the proposed changes are of sufficient substance to require a full amendment of the Original Agreement; and

WHEREAS, the changes to the Original Agreement have been set forth in the attached First Amended Intergovernmental Agreement Pertaining to the Development of the Interstate 25/State Highway 392 Interchange, incorporated herein by this reference as if set forth fully; and

WHEREAS, the Town Board believes that approval of the changes recommended by staff are in the best interests of the Town.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN BOARD OF THE TOWN OF WINDSOR, COLORADO, that the attached First Amended Intergovernmental Agreement Pertaining to the Development of the Interstate 25/State Highway 392 Interchange is hereby approved, and the Mayor is hereby authorized to execute the same on behalf of the Town.

Introduced, passed on first reading, and ordered published this 24th day of September, 2012.

TOWN OF WINDSOR, COLORADO

By_____
John S. Vazquez, Mayor

ATTEST:

_____
Patti Garcia, Town Clerk

Introduced, passed on second reading, and ordered published this 8th day of October, 2012.

TOWN OF WINDSOR, COLORADO

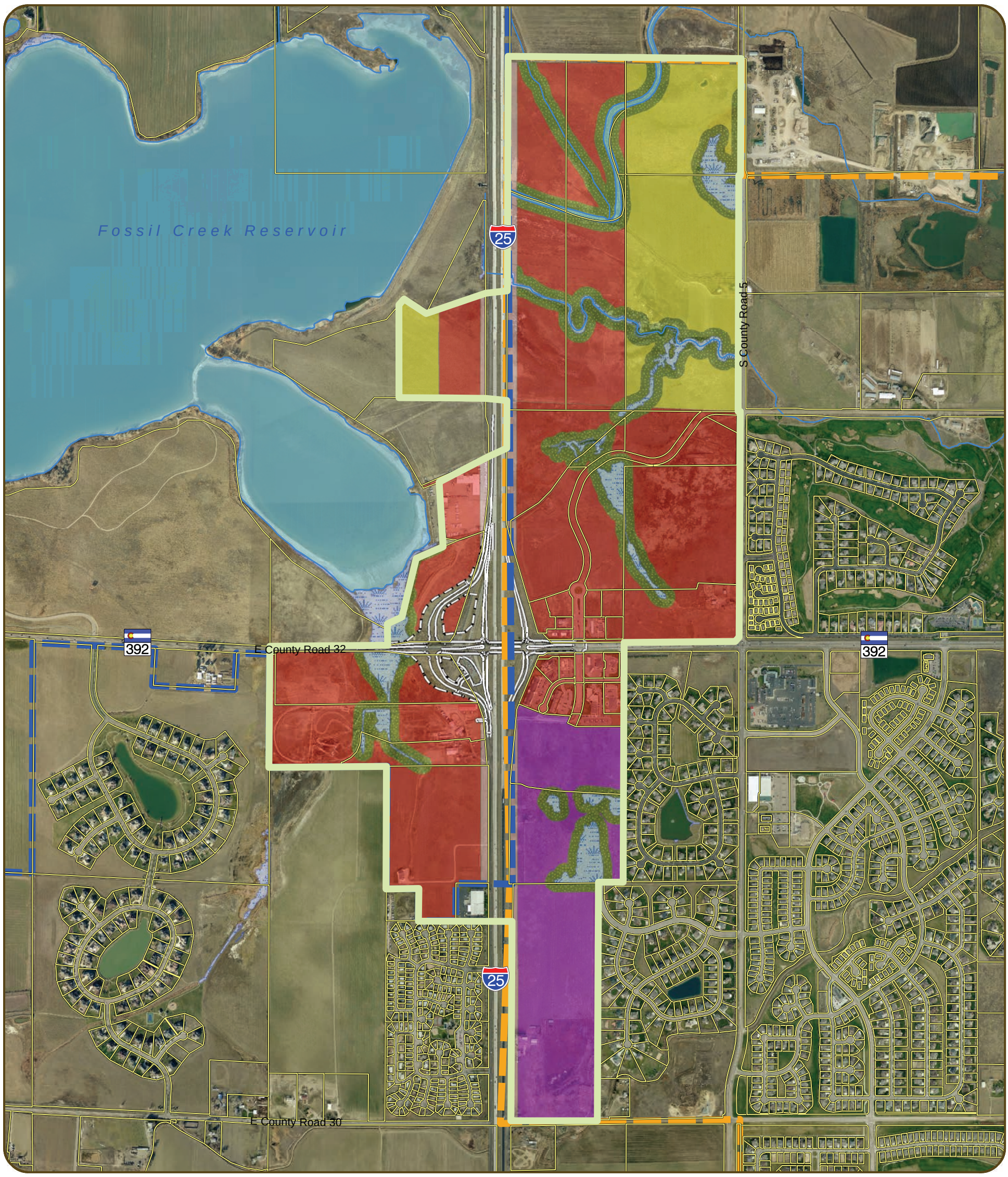
By_____
John S. Vazquez, Mayor

ATTEST:

_____
Patti Garcia, Town Clerk

I25 - State HWY 392 Interchange

Corridor Activity Center



N
W E
S

Land Use
- Commercial
- Employment
- Residential
- Natural Resource Buffer
- I-25 Setback
- Wetlands

Boundaries
- CAC
- Fort Collins GMA
- Windsor GMA
- Parcels

Proposed Interchange Redesign
- Interchange Footprint
- Right of Way Changes

CITY OF FORT COLLINS
GEOGRAPHIC INFORMATION SYSTEM MAP PRODUCTS

These map products and all underlying data are developed for use by the City of Fort Collins for its internal purposes only, and were not designed or intended for general use by members of the public. The City makes no representation or warranty as to its accuracy, timeliness, or completeness, and in particular, its accuracy in labeling or displaying dimensions, contours, property boundaries, or placement of location of any map features thereon. THE CITY OF FORT COLLINS MAKES NO WARRANTY OF MERCHANTABILITY OR WARRANTY FOR FITNESS OF USE FOR PARTICULAR PURPOSE, EXPRESSED OR IMPLIED, WITH RESPECT TO THESE MAP PRODUCTS OR THE UNDERLYING DATA. Any users of these map products, map applications, or data, accepts them AS IS, WITH ALL FAULTS, and assumes all responsibility of the use thereof, and further covenants and agrees to hold the City harmless from and against all damage, loss, or liability arising from any use of this map product, in consideration of the City's having made this information available. Independent verification of all data contained herein should be obtained by any users of these products, or underlying data. The City disclaims, and shall not be held liable for any and all damage, loss, or liability, whether direct, indirect, or consequential, which arises or may arise from these map products or the use thereof by any person or entity.

0 0.1 0.2 0.3 0.4 0.5 Miles

City of Fort Collins GIS

Printed: February 24, 2011

FOSTER VALUATION COMPANY LLC

October 3, 2012

Mr. Rick Richter
Capital Projects Manager
Engineering Department
City of Fort Collins
P.O. Box 580
Fort Collins, Colorado 80522-0580

John P. Frey, Esq.
Frey McCargar & Plock, LLC
The Historic Harmony Mill
131 Lincoln Avenue, Suite 100
Fort Collins, CO 80524

RE: Interstate 25 and Colorado State Highway 392 Reimbursement Study-Revised October 3, 2012

Dear Mr. Richter and Mr. Frey:

At your request, I am submitting my revised appraisal consulting report, which involves a reimbursement study prepared to estimate an equitable manner to assess property owners within the Fort Collins Growth Management Area (GMA) and the Windsor GMA who benefit from the capital improvement project proposed to improve traffic flow and reduce congestion at the Interstate 25 and Colorado State Highway 392 interchange.

Scope of the Assignment

City of Fort Collins and Town of Windsor officials have committed to fund approximately $2.3 million as their share of the proposed interchange construction costs and an additional $250,000 for interchange enhancements. This study is to determine a fair and equitable manner for the two municipalities to assess property owners and be reimbursed based on the estimated influence the project is to have on the value of those properties in proximity to the project.

The study involves making a determination of which properties within the City of Fort Collins and the Town of Windsor growth management areas in proximity to the Interstate 25 and Colorado State Highway 392 interchange are

W. West Foster, MAI, CRE, SR/WA ♦ Sue Anne Foster, MAI, SRA
Jon M. Vaughan, MAI, SR/WA ♦ Christine Antonio ♦ Michael Smith

Certified General Real Estate Appraisers ♦ 910 54th Avenue, Suite 210, Greeley, Colorado 80634
Phone (970) 352-1117 ♦ FAX (970) 323-2753

being benefitted from the proposed interchange improvements and to what extent the properties are enhanced by the proposed access enhancements. The properties within the two growth management areas in proximity to the interchange were studied to formulate an opinion as to the extent they are estimated to benefit from the proposed interchange improvements. The areas of influence are reduced typically based on the diminished proximity to the interchange. The conclusion was reached that when confined to properties within both communities' growth management areas, the sites within the corridor activity center (CAC) boundary were those deemed to possess the most influence from the interchange improvements.

The initial focus of my investigation was to study the influences on land value in proximity to newly developed interstate highway interchanges. The four interchanges that had the most significant and relevant data were in the Denver Metropolitan area. The two interchanges where the most significant data were found included the recently constructed Interstate 25 and 144th Avenue interchange and the Interstate 25 and 136th Avenue interchange. Data in proximity to the E-470 and East Smoky Hill Road interchange and the E-470 and the South Gartrell Road interchange were also studied.

These data were then utilized to estimate the extent to which the land around this interchange would increase in value after the interchange improvements are made. Based on the data gathered at the four interchanges mentioned, it was concluded that there are four areas of influence, which I have labeled Value Enhancement Zones A through D. On the attached I25 - State Highway 392 Interchange Value Enhancement Zones map, Zones A and A-1 are highlighted in red, Zones B and B-1 are in orange, Zone C is shown in pale green, and Zone D is highlighted in darker green.

Zones A and A-1 feature the best proximity to the interchange and, in my opinion, will benefit the greatest from the interchange improvements. Zone A consists of commercially-zoned land. Zone A-1 consists of commercial lots on the east side of Interstate 25 straddling Colorado State Highway 392. Based on the investigation of data surrounding the four interchanges discussed above, Zone A prices increased from the period before the interchanges were constructed to the period after the interchanges were nearing completion on the average of $7.00 to $7.50 per square foot.

Zones B and B-1 are slightly farther removed from the interchange, but still possess strong influence for potential commercial uses. Zone B consists strictly of vacant commercially-zoned land. The Zone B-1 parcel consists of a commercial site on the west side of Interstate 25 north of Colorado State Highway 392 that has been significantly improved with buildings. Zone B prices increased from the period before the interchanges were constructed to the period after the interchanges were nearing completion on the average of $4.50 to $4.75 per square foot.

Zone C is farther removed from the interchange, and the data at the interchanges studied suggest that these sites are influenced by interstate frontage and benefit from good accessibility. Zone C prices increased from the period before the interchanges were constructed to the period after the interchanges were nearing completion on the average of $3.50 to $4.00 per square foot.

Zone D is yet farther removed from the interchange, and the data at the interchanges studied suggest that these sites are also influenced by interstate frontage and benefit from good accessibility due to the interchange improvements. Zone D prices increased from the period before the interchanges were constructed to the period after the interchanges were nearing completion on the average of $2.00 to $2.25 per square foot.

The preceding data are generated from newly developed interchanges where none previously existed. The value increases at the Interstate 25 and Colorado State Highway 392 interchange are not expected to be quite as dramatic.

Value Enhancement Fee Estimates

Each property within the four primary zones discussed above is shown in the attached Value Enhancement Zone Analysis spreadsheet and is identified by Larimer County assessor's parcel number and ownership as indicated in county records. The gross land area has been calculated using the best available information; and the non-developable areas have been calculated using City of Fort Collins Geographical Information System (GIS) data, which then results in a developable land area calculation per square foot. The value enhancement fees will be assessed based on developable land area per square foot at the time the sites are developed or when the sites are redeveloped.

At the newly constructed interchanges studied, the Zone A prices increased on the average of $7.00 to $7.50 per square foot. Since no interchanges existed before, these average increases are greater than what would be expected at Interstate 25 and Colorado State Highway 392 when the interchange improvements are completed since that interchange already exists. Using 25 to 50 percent of the $7.00 to $7.50 per square foot estimated value after the interchange improvements are made results in a forecast increase from $1.88 to $3.75 per square foot for Zones A and A-1. There are 1,576,345 square feet of developable land area in Zones A and A-1. It is forecast that value increases in Zone A category will be from just over $2.9 million to nearly $6 million.

In Zones B and B-1 prices increased on the average of $4.50 to $4.75 per square foot at the interchanges studied. Again, since an interchange already exists at Interstate 25 and Colorado State Highway 392, the increase is not expected to be as great. If a range of 25 to 50 percent is utilized again, it results in a forecast increase from $1.16 to $2.32 per square foot within Zones B and B-1. There are 4,333,889 square feet of developable land area in Zones B and B-1. It is forecast that value increases in Zones B and B-1 will be from $5.0 to nearly $10.1 million.

Land prices in Zone C at the interchanges studied increased on the average of $3.50 to $4.00 per square foot due to the new interchange construction. Again, since the Interstate 25 and Colorado State Highway 392 interchange already exists, the increase is not expected to be as great. If a range in forecast value increases of 25 to 50 percent is utilized again, it results in a forecast increase from $0.94 to $1.88 per square foot within Zone C. There are 6,682,600 square feet of developable land area in Zone C. It is forecast that value increases in the Zone C category will be from $6.3 to nearly $12.6 million.

At the interchanges studied, land prices in Zone D increased on the average of $2.00 to $2.25 per square foot as a result of the new interchange being constructed. As with the preceding zones analyzed, since the Interstate 25 and Colorado State Highway 392 interchange already exists, the increase is not expected to be as great. If a range in forecast value increases of 25 to 50 percent is utilized again, it results in a forecast increase from $0.53 to $1.06 per square foot within Zone D. There are 9,320,291 square feet of developable land area in Zone D. It is forecast that value increases in the Zone C category will be from $4.9 to nearly $9.9 million.

It is clear from the data gathered at the four interchanges studied that the improvements proposed at the Interstate 25 and Colorado State Highway 392 interchange will enhance property values within the CAC at a minimum of $19.1 million, which is greater than the $2.55 million being assessed.

Respectfully submitted,

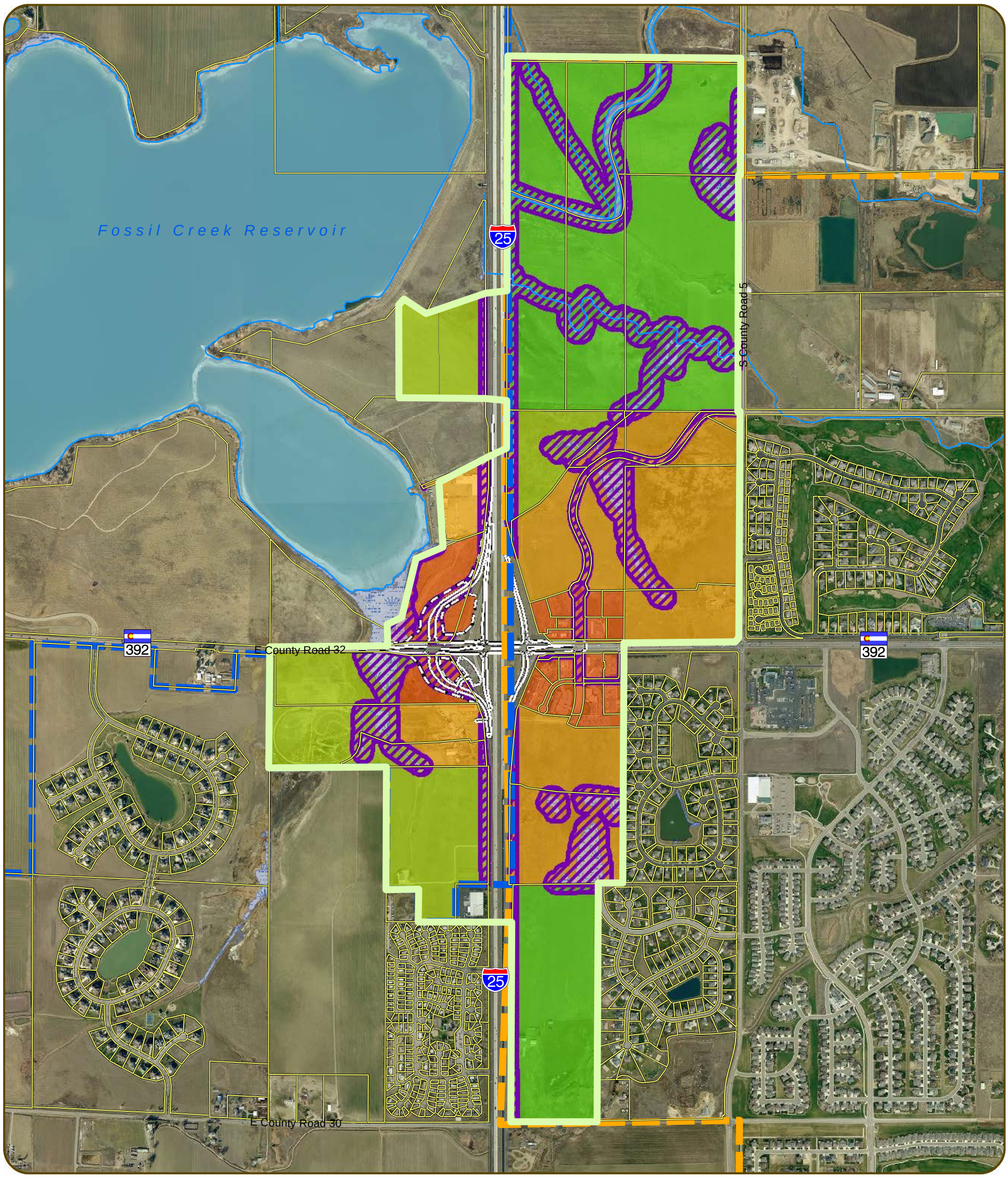
W. West Foster, MAI, CRE, SR/WA
CO Certification #CG00001795

Exhibit A: I25 - State HWY 392 Interchange Map
Exhibit B: Value Enhancement Zone Analysis spreadsheet
Exhibit C: Qualifications of W. West Foster
Exhibit D: Certification

ADDENDA
EXHIBIT A

I25 - State HWY 392 Interchange

Value Enhancement Zones



N
W E
S

Value Enhancement
- Zone A
- Zone B
- Zone C
- Zone D
- No Use Areas

Boundaries
- CAC
- Fort Collins GMA
- Windsor GMA
- Parcels
- Wetlands

Proposed Interchange Redesign
- Interchange Footprint
- Right of Way Changes

CITY OF FORT COLLINS
GEOGRAPHIC INFORMATION SYSTEM MAP PRODUCTS

These map products and all underlying data are developed for use by the City of Fort Collins for its internal purposes only, and were not designed or intended for general use by members of the public. The City makes no representation or warranty as to its accuracy, timeliness, or completeness, and in particular, its accuracy in labeling or displaying dimensions, contours, property boundaries, or placement of location of any map features thereon. THE CITY OF FORT COLLINS MAKES NO WARRANTY OF MERCHANTABILITY OR WARRANTY FOR FITNESS OF USE FOR PARTICULAR PURPOSE, EXPRESSED OR IMPLIED, WITH RESPECT TO THESE MAP PRODUCTS OR THE UNDERLYING DATA. Any users of these map products, map applications, or data, accepts them AS IS, WITH ALL FAULTS, and assumes all responsibility of the use thereof, and further covenants and agrees to hold the City harmless from and against all damage, loss, or liability arising from any use of this map product, in consideration of the City's having made this information available. Independent verification of all data contained herein should be obtained by any users of these products, or underlying data. The City disclaims, and shall not be held liable for any and all damage, loss, or liability, whether direct, indirect, or consequential, which arises or may arise from these map products or the use thereof by any person or entity.

0 0.1 0.2 0.3 0.4 0.5 Miles

City of Fort Collins GIS

Printed: August 10, 2011

ADDENDA
EXHIBIT B

VALUE ENHANCEMENT ZONE ANALYSIS
October 2012 Foster Valuation Company LLC

	OWNER	GROSS LAND AREA	NON-DEV LAND AREA	DEVELOPABLE LAND AREA	PROJECT CONST FEE/SF	PROJECT TOTAL CONST FEE	ENHANCEMENT FEE/SF	TOTAL ENHANCEMENT FEE	TOTAL FEES	REMARKS
ZONE A										
86150-00-007	INTERSTATE LAND HOLDINGS, LLC	645,519	347,609	297,910	$0.25	$74,766	$0.03	$8,127	$82,892	NWQ of I-25 and SH 392 Interchange
86154-05-001	WINDSOR INVESTMENTS LTD	73,410	0	73,410	$0.25	$18,423	$0.03	$2,003	$20,426	Ptarmigan Business Park Developed Lot
86154-05-002	WINDSOR INVESTMENTS LTD	73,324	0	73,324	$0.25	$18,402	$0.03	$2,000	$20,402	Ptarmigan Business Park Developed Lot
86154-07-001	BANK OF CHOICE	55,889	0	55,889	$0.25	$14,026	$0.03	$1,525	$15,551	Ptarmigan Business Park Developed Lot
86154-07-002	WINDSOR INVESTMENTS LTD	74,479	0	74,479	$0.25	$18,692	$0.03	$2,032	$20,723	Ptarmigan Business Park Developed Lot
86154-05-007	BUSINESS PARK I OF 392	49,185	0	49,185	$0.25	$12,344	$0.03	$1,342	$13,686	Ptarmigan Business Park Developed Lot
86220-00-014	VPD392/PRATO, LLC	186,550	0	186,550	$0.25	$46,818	$0.03	$5,089	$51,907	Prime SW Quadrant of I-25 and SH 392
ZONE A-1										
86154-05-003	KHUONG HUONG TANG, et al	26,196	0	26,196	$0.25	$6,574	$0.03	$715	$7,289	Ptarmigan Business Park Developed and Improved Lot
86154-05-004	WESTGATE PARTNERS LLC	36,568	0	36,568	$0.25	$9,177	$0.03	$998	$10,175	Ptarmigan Business Park Developed and Improved Lot
86154-05-006	WESTGATE PARTNERS LLC	60,807	0	60,807	$0.25	$15,261	$0.03	$1,659	$16,919	Ptarmigan Business Park Developed and Improved Lot
86221-45-002	MICHAEL I. MAXWELL, et al	55,178	0	55,178	$0.25	$13,848	$0.03	$1,505	$15,353	Westgate Commercial Center Developed and Improved Lot
86221-45-001	THE BAILEY COMPANY	43,963	0	43,963	$0.25	$11,033	$0.03	$1,199	$12,233	Westgate Commercial Center Developed and Improved Lot
86221-43-001	SCHRADER PROPERTIES, LLC	66,211	0	66,211	$0.25	$16,617	$0.03	$1,806	$18,423	Westgate Commercial Center Developed and Improved Lot
86221-43-002	TACO JOHNS INTERNATIONAL INC	49,223	0	49,223	$0.25	$12,353	$0.03	$1,343	$13,696	Westgate Commercial Center Developed and Improved Lot
86221-45-003	FORMER TCE, LLC	100,887	0	100,887	$0.25	$25,319	$0.03	$2,752	$28,071	Westgate Commercial Center Developed and Improved Lot
86221-45-004	WESTGATE HOSPITALITY LLC	96,118	0	96,118	$0.25	$24,122	$0.03	$2,622	$26,744	Westgate Commercial Center Developed and Improved Lot
86221-47-001	MEYERS 4701 LLC	152,444	0	152,444	$0.25	$38,258	$0.03	$4,159	$42,417	Westgate Commercial Center Developed and Improved Lot
86221-43-003	KINDERCARE LEARNING CENTERS	78,003	0	78,003	$0.25	$19,576	$0.03	$2,128	$21,704	Westgate Commercial Center Developed and Improved Lot
ZONE B										
86154-06-001	WINDSOR INVESTMENTS LTD	772,886	21,283	751,603	$0.19	$141,471	$0.02	$15,377	$156,848	I-25 Frontage in NEQ of interchange
86150-00-014	YEAGER, NANCY L TRUSTEE	786,783	53,648	733,135	$0.19	$137,994	$0.02	$14,999	$152,994	North side of SH 392 east of Bus. Park
86154-08-001	WINDSOR INVESTMENTS LTD	653,873	242,410	411,463	$0.19	$77,448	$0.02	$8,418	$85,866	East of Frontage Rd. N. of SH 392
86222-47-701&2	LODGEPOLE INVESTMENTS, LLC	578,912	0	578,912	$0.19	$108,966	$0.02	$11,844	$120,810	West of Frontage Rd. S. of SH 393
86221-47-002	POUDRE VALLEY HEALTH CARE INC	995,327	85,593	909,734	$0.19	$171,235	$0.02	$18,612	$189,847	Frontage on east side of I-25 S. Of SH 392
86220-00-003	POUDRE VALLEY HEALTH CARE INC	1,324,499	711,956	612,543	$0.19	$115,296	$0.02	$12,532	$127,828	Frontage on east side of I-25 S. Of SH 392
ZONE B - 1										
86150-00-009	B3 VENTURES LLC	407,722	71,223	336,499	$0.19	$63,338	$0.02	$6,885	$70,222	I-25 Frontage N of SH 392 in NWQ of interchange
ZONE C										
86150-00-005	FOSSIL POINT, LLC	1,026,879	71,728	955,151	$0.10	$99,880	$0.01	$10,856	$110,736	Frontage on west side of I-25 N. Of SH 392
86150-00-013	BURNETTE/YOUNG INVESTMENTS	939,698	352,269	587,429	$0.10	$61,427	$0.01	$6,677	$68,104	Frontage on east side of I-25 N. Of SH 392
86154-06-003	WINDSOR INVESTMENTS LTD	126,260	85,128	41,132	$0.10	$4,301	$0.01	$468	$4,769	East of I-25 and North of SH 392
86154-06-004	WINDSOR INVESTMENTS LTD	317,882	15,897	301,985	$0.10	$31,578	$0.01	$3,432	$35,011	East of I-25 and North of SH 392
86154-06-005	WINDSOR INVESTMENTS LTD	291,695	0	291,695	$0.10	$30,502	$0.01	$3,315	$33,818	East of I-25 and North of SH 392
86154-06-006	WINDSOR INVESTMENTS LTD	37,858	0	37,858	$0.10	$3,959	$0.01	$430	$4,389	East of I-25 and North of SH 392
86150-00-017	JBT ASSOCIATES, LLC	1,767,708	236,095	1,531,613	$0.10	$160,160	$0.01	$17,409	$177,569	West Side of LC Road 5 N. of SH 392
86220-00-014	VPD392/PRATO, LLC	1,041,071	444,571	596,500	$0.10	$62,376	$0.01	$6,780	$69,156	South of SH 392; West of Wetlands
86222-47-701	LODGEPOLE INVESTMENTS, LLC	244,668	163,264	81,404	$0.10	$8,512	$0.01	$925	$9,438	West of Frontage Rd. S. of SH 393; West of wetlands
86222-47-702	LODGEPOLE INVESTMENTS, LLC	903,159	221,691	681,468	$0.10	$71,261	$0.01	$7,746	$79,006	West of Frontage Rd. S. of SH 393; West of wetlands
86220-00-017	VAN CLEAVE, TERRY/MARY	1,708,402	132,037	1,576,365	$0.10	$164,840	$0.01	$17,917	$182,757	Farther South of SH 392 West of I-25
ZONE D										
86220-00-004	WINDSOR GOLD COAST LLC	2,544,953	224,297	2,320,656	$0.04	$97,068	$0.00	$10,551	$107,619	Farther South of SH 392 on east side of I-25
86150-00-021	HORTON, MARY A/ET AL	1,555,303	501,653	1,053,650	$0.04	$44,072	$0.00	$4,790	$48,862	Farther North of SH 392 on east side of I-25
86100-00-016	HORTON, MARY A/ET AL	1,030,219	419,817	610,402	$0.04	$25,532	$0.00	$2,775	$28,307	Farther North of SH 392 on east side of I-25
86100-00-011	THREE T INVESTMENTS LLLP	1,045,838	486,358	559,480	$0.04	$23,402	$0.00	$2,544	$25,945	Farther North of SH 392 on east side of I-25
86150-00-001	THREE T INVESTMENTS LLLP	1,444,331	381,052	1,063,279	$0.04	$44,475	$0.00	$4,834	$49,309	Farther North of SH 392 on east side of I-25
86100-00-002	THREE T INVESTMENTS LLLP	94,626	69,233	25,393	$0.04	$1,062	$0.00	$115	$1,178	Farther North of SH 392 on east side of I-25
86100-00-015	HORTON FEEDLOTS INC	1,625,207	469,646	1,155,561	$0.04	$48,335	$0.00	$5,254	$53,588	Farther North of SH 392 east of I-25 to LC Road 5
86150-00-020	HORTON FEEDLOTS INC	3,452,929	921,059	2,531,870	$0.04	$105,903	$0.00	$11,511	$117,414	Farther North of SH 392 east of I-25 to LC Road 5
				9,320,291						
				31,233,416		$2,300,000		$250,000	$2,550,000	

ADDENDA
EXHIBIT C

QUALIFICATIONS OF W. WEST FOSTER

Education

M.S. Degree in Regional Economics, Colorado State University.
B.S. Degree in General Business, Colorado State University.
All of the basic courses required for the MAI designation given by the American Institute of Real Estate Appraisers; Course III (Rural Properties); Course IV (Litigation Valuation); Course VI (Real Estate Investment Analysis); Course VII (Industrial Valuation); Course 520 (Highest and Best Use and Market Analysis); Course 550 (Advanced Applications); and all Litigation courses offered in the Professional Development Program. This partial list of courses was all given by the Appraisal Institute or its predecessor organizations.
Principles of Real Estate Engineering, The Appraisal of Partial Acquisitions, and several relocation courses, given by the International Right of Way Association.
Management and Leasing of Shopping Centers, by the Institute of Real Estate Management.
Advanced Ranch Appraisal, by the American Society of Farm Managers and Rural Appraisers.
Seminars: Computer-Enhanced Cash Flow Modeling, Subdivision Appraisal, Uniform Appraisal Standards for Federal Land Acquisitions, plus numerous real estate seminars given by the American Institute of Real Estate Appraisers and later by the Appraisal Institute.

Memberships and Designations

Appraisal Institute: Designated Member (MAI)

1982 to 1986	- National Division of Curriculum
1986 to 1987	- National committee to write *The Appraisal of Real Estate*, 9th Edition
1987 to 1991	- Board of Examiners, General Demonstration Appraisal Reports
1987 to 1994	- Regional Member, Review and Counseling Division
1991 to 1994	- Regional Representative, Region II
1992 to 2008	- Contributor to *The Appraisal of Real Estate*, 10th through 13th Editions
1995	- National Vice Chair, Review and Counseling Division
1995	- Vice Chair, Region II and National Board of Directors
1996 to 1997	- Chair, Region II and National Board of Directors
1996	- National Chair, Ethics Administration Division
1997 to 2008	- National Chair, Professional Ethics and Counseling Committee

American Society of Real Estate Counselors: Counselor of Real Estate (CRE)

1994	- Vice Chair, Colorado Chapter
1995	- Chair, Colorado Chapter

International Right of Way Association: Senior Right of Way Professional (SR/WA)
Northern Colorado Commercial Association of Realtors
Certified General Real Estate Appraiser: State of Colorado, #CG00001795

Professional Experience

Foster Valuation Company: Fee Appraiser, April 1981 to present, specializing in valuation and counseling with respect to a variety of nonresidential properties.
Robert J. Mitchell, MAI, & Associates: Fee Appraiser, March 1976 to March 1981, specializing in rural and income property valuation.
Qualified in District and Federal Courts as an Expert Valuation Witness.

ADDENDA
EXHIBIT D

CERTIFICATION

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.

2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations.

3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.

4. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

5. I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.

6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.

7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal consulting assignment.

8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.

9. I have made a personal inspection of the property that is the subject of this report.

10. No one provided significant real property appraisal or appraisal consulting assistance to the person signing this certification.

11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

12. As of the date of this appraisal consulting report, I have completed the requirements of the continuing education program of the Appraisal Institute.

I estimate the reimbursement amounts to be based as shown on the attached Value Enhancement Zone Analysis, as of October 3, 2012, to be as shown in the attached:

October 3, 2012
Date

W. West Foster, MAI, CRE, SR/WA
Colorado Certification #CG00001795

M E M O R A N D U M

Date: October 22, 2012
To: Mayor and Town Board
Via: Kelly Arnold, Town Manager
From: John Frey and Ian McCargar, Town Attorneys
Re: First Reading of Ordinance Approving First Amended Intergovernmental Agreement ("IGA") with the City of Fort Collins regarding the development of Interstate 25 and State Highway 392 Interchange.

First Reading of Ordinance Establishing a Special Fee to be Paid by the Property Owners Within Close Proximity to the Interstate 25 and State Highway 392 Interchange.

Item #: C.5. & C.6.

Summary:

These ordinances reaffirm and redefine the on-going relationship between the Town and the City of Fort Collins with regard to the improvement of the I-25 Interchange. They also establish a fee to be paid by property owners in the Corridor Activity Center ("CAC"), the area that surrounds the Interchange.

The documents presented for adoption by the Town Board on first reading were last discussed with the Board in a work session on October 1, 2012.

Background and Discussion:

The Town Board and the City of Fort Collins entered into an IGA in December, 2010. That IGA provided for joint cooperation between the City and the Town in accomplishing the reconstruction of the I-25 Interchange. The original IGA addressed the funding to be provided by the City and Town, established the boundaries of the CAC, provided for the sharing of sales and property tax revenue, and required the establishment of a fee to be paid by the property owners in the CAC sufficient to allow the Town and the City to recover their respective contributions to the funding of the Interchange.

Since the adoption of the original IGA, a number of benchmarks established by the IGA have been reached. The project has moved forward on schedule and under budget. The accomplishments to date include:

- The City and the Town entered into an agreement with CDOT for the re-construction of the Interchange. The re-construction project will be complete before the end of 2012.
- The City and Town adopted land use and design standards for development in the CAC.
- The City and the Town have jointly contributed approximately $5.1 million to the costs of the Interchange project.
- The City and Town jointly funded an analysis of the CAC area ("the Foster Study") to determine the increase in value of that area as a result of the re-construction of the Interchange.
- Several joint work sessions of the City Council and the Town Board have been conducted to address the continuing requirements of the original IGA and to approve the design of enhancements to the Interchange.
- Informational meetings have been held with the property owners in the CAC to obtain feedback on the project, the requirements of the IGA, and methodologies for establishment of the special fee.

The First Amended IGA

The initial action item is consideration of an Ordinance adopting the First Amended IGA. This Ordinance and the IGA are attached to this Memorandum, along with a map of the CAC and the Foster Study, both of which are exhibits to the IGA.

The new IGA recognizes the modifications that the City and Town have agreed to since the adoption of the original IGA. The IGA recites the financial contributions of the City and the Town, and restates the Fort Collins-Windsor revenue sharing formula. It also authorizes the adoption of ordinances by both communities to enable recovery of fifty percent (50%) of the City and Town contributions to the cost of re-constructing the Interchange and local improvements in the CAC. The Windsor ordinance enabling this recovery is the second action item for your consideration on October 22.

Special Fee Ordinance

This ordinance imposes a fee upon Windsor properties located within the Corridor Activity Center ("CAC"). These properties are located in close proximity to the Interchange and, according to the Foster Study, will especially benefit from the reconstruction of the Interchange. It was originally proposed that 100% of the City and Town contribution to the Interchange be recovered through this ordinance. The City and Town subsequently agreed to reduce the recovery percentage to 50%. This reduction recognizes that the Windsor and Fort Collins communities as a whole will also benefit from the construction of the Interchange and the local improvements in the CAC.

In order to fairly apportion the amount to be recovered within the CAC, the City and the Town commissioned a study by a licensed MAI appraiser to determine the amount of appreciation in value that will be experienced by the benefitted properties. This analysis,

known as the "Foster Study" is attached. The Foster Study indicates that the appreciation in value the benefitted properties will experience as a result of the reconstruction of the Interchange will be more than sufficient to support the imposition of a fee in the total amount of 50% of the local share of the cost of the Improvements.

The fee, as implemented by this Ordinance, can be summarized as follows:

- The Proximity Component of the fee is in proportion to the anticipated appreciation in property value for each CAC property. This amount has been determined from the Foster Study.

- The Trip Generation Component of the fee is based on the relative traffic impact that the properties will have on the Interchange, as measured by the estimated number of vehicular trips that will be generated by the developed use of the properties.

- Payments will be due quarterly beginning on March 31, 2013. The Proximity Component of the fee will be paid by both the developed and undeveloped properties. The Trip Generation Component of the fee will be also be paid quarterly, but initially only by the developed properties. This is because we are now able to determine the actual vehicular trips generated by those developed properties. The undeveloped properties will begin paying the Trip Generation Component when development occurs and the trips generated by such development can be determined. These undeveloped properties will be responsible for the interest component established by the Ordinance, back to the effective date of the Ordinance.

The Ordinance creates a second alternative for property owners in the CAC. In exchange for the release of any future legal claims that might be brought against the Town regarding the validity of the Special Fee, the property owners in the CAC who agree to sign a settlement agreement would be permitted to defer payment of the entire amount of the fee until their properties are developed or redeveloped. No interest would accrue on their fee for a period of two years from the date of execution of the agreement.

Fiscal Impact:

The approval of the First Amended IGA and the special fee ordinance will allow the Town to recover 50% of the amounts the Town has appropriated for the construction of the Interchange and local improvements in the Interchange area. This amounts to a recovery of approximately $2.6 million which is less than 10% of the cost of the total cost of the project.

Recommendation:

Town Staff recommends the adoption of both of the proposed Ordinances.

Attachments:

- First Amended IGA between the Town of Windsor and the City of Fort Collins.
- Ordinance adopting First Amended IGA.
- CAC Vicinity Map
- Foster Study with attachments.
- Special Fee Ordinance.

TOWN OF WINDSOR

ORDINANCE NO. 2012-1440

AN ORDINANCE ESTABLISHING A SPECIAL FEE TO BE PAID BY THE OWNERS OF PROPERTY WITHIN CLOSE PROXIMITY TO THE RECONSTRUCTED INTERCHANGE AT THE INTERSECTION OF INTERSTATE 25 AND STATE HIGHWAY 392

WHEREAS, on or about January 3, 2011, the City of Fort Collins ("City") and the Town of Windsor, Colorado, ("Town") entered into an intergovernmental agreement ("Original IGA") concerning, among other things, the reconstruction of the Interstate 25/State Highway 392 Interchange ("Interchange); and

WHEREAS, prior to the adoption of this Ordinance, the Town Board has approved a First Amended Intergovernmental Agreement Pertaining to the Development of the Interstate 25/State Highway 392 Interchange (the "First Amended IGA") restating and reaffirming those provisions of the Original IGA that the City and the Town desire to remain in full force and effect; and

WHEREAS, the reconstruction of the Interchange was made possible by a combination of federal, state and local funding, totaling approximately $25 million, with the City and the Town jointly contributing approximately $4.6 million; and

WHEREAS, the City and the Town have also appropriated an additional $500,000 to defray the costs of certain local enhancements to the Interchange (the "Local Enhancements"); and

WHEREAS, the construction of the Interchange improvements and the Local Enhancements (collectively, the "Improvements") is nearing completion; and

WHEREAS, the City and the Town are home rule municipalities that, under Article XX, Section 6 of the Colorado Constitution, have the authority to enact fees to recover the cost of providing infrastructure or services to properties within their respective jurisdictions; and

WHEREAS, the Colorado Supreme Court has affirmed this authority in several separate decisions, including *Bloom v. City of Fort Collins*, 784 P.2d 304 (Colo. 1989), and *E-470 Public Highway Authority v. The 455 Company,* 3 P.3d 18 (Colo. 2000); and

WHEREAS, under the First Amended IGA, the City and the Town have agreed to impose a fee upon the owners of properties located within the Corridor Activity Center ("CAC"), which is shown on Exhibit "A," attached hereto and incorporated herein by this reference, because such properties ("Benefitted Properties") are located in close proximity to the Interchange and will especially benefit from the reconstruction of the Interchange, and because the development or redevelopment of those properties will add more traffic to the Interchange; and

WHEREAS, in recognition of the fact that the Windsor and Fort Collins communities as a whole will also benefit from the construction of the Improvements, the City and the Town have

concluded that the amount of the fee to be assessed against said properties should be limited to fifty percent (50%) of the total amount expended by the City and the Town for the Improvements; and

WHEREAS, in order to fairly apportion the amount to be recovered from the Property Owners, the City and the Town have commissioned a study by a licensed MAI appraiser to determine the amount of appreciation in value that will be experienced by the Benefitted Properties, which study ("Foster Study") has been completed and submitted to the City and the Town and is attached hereto and incorporated herein by this reference as Exhibit "B"; and

WHEREAS, the Foster Study indicates that the appreciation in value the Benefitted Properties will experience as a result of the reconstruction of the Interchange will be more than sufficient to support the imposition of a fee in the total amount of 50% of the local share of the cost of the Improvements; and

WHEREAS, City and Town staff have recommended that the fee be apportioned not only according to the anticipated appreciation in value that the Benefitted Properties will experience as a result of the construction of the Interchange, but also according to the relative impacts that the development or redevelopment of such properties will have on the Interchange, as measured by the estimated number of additional vehicular trips that will be generated by the developed use of the properties; and

WHEREAS, during staff's outreach to the Property Owners, some of the Property Owners have questioned the legal validity of the proposed fee and have expressed an intention to challenge the imposition of the same through the commencement of legal proceedings; and

WHEREAS, in order to avoid the expense of litigation, the staff of the City and the Town have attempted to negotiate a settlement agreement with the Property Owners and have proposed that, in exchange for the release of any such claims, the Property Owners signing the settlement agreement would be permitted to defer payment of the entire amount of the fee until their properties are developed or redeveloped, the amount of their fee would be capped at the amount estimated in the agreement, and no interest would accrue on their fee for a period of two years from the date of execution of the agreement; and

WHEREAS, some but not all of the Property Owners have expressed a willingness to enter into such an agreement; and

WHEREAS, the Town Board believes it to be in the best interests of the Town to proceed with the imposition of the fee and to extend the period of time within which the Property Owners may elect to enter into a settlement agreement with the Town upon the terms and conditions described above.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN BOARD OF THE TOWN OF WINDSOR, COLORADO, as follows:

Section 1. The foregoing recitals are hereby adopted by the Town Board as findings in support of the adoption of this Ordinance.

Section 2. Chapter 17 of the *Windsor Municipal Code* shall be amended by the addition of a new Article XVI, which shall read as follows:

ARTICLE XVI

Special Fee
For
Property In Close Proximity To The Interstate 25 – State Highway 392 Interchange

Sec. 17-16-10. Definitions.

(a) In addition to the defined terms contained within the recitals to Ordinance No. 2012-1440, which are incorporated into this Article as if set forth fully, the following definitions shall be applicable to the provisions of this Article:

(1) *CAC Property* shall mean a parcel of real property within the CAC.

(2) *Developed Property* shall mean a CAC Property for which a development proposal has been approved as of the effective date of this Article.

(3) *Development Proposal* shall mean an application for the development of an Undeveloped Property.

(4) *Foster Study* shall mean that document, with attachments, prepared by Foster Valuation Company, LLC and attached hereto as Exhibit "B".

(5) *Local Contribution* shall mean the total contributions of the City and the Town to the reconstruction of the Interchange and the construction of the Local Enhancements, in the approximate amount of Five Million One Hundred Thousand Dollars ($5,100,000.00).

(6) *Property Owner* shall mean and include the current and any future fee owner of a CAC Property.

(7) *Redevelopment Proposal* shall mean an application for the redevelopment of a Developed Property.

(8) *Undeveloped Property* shall mean a vacant CAC Property for which no development or redevelopment proposal plan of development has been approved as of the effective date of this Article by the Town.

Sec. 17-16-20. Imposition of the fee.

(1) There is hereby established a special fee that shall be imposed pursuant to the provisions of this Article upon the owners of all CAC Properties. Said fee shall consist of a Proximity Component and a Trip Generation Component. The Proximity Component of the fee is intended to reflect the relative benefit derived by each CAC Property from the construction of the Improvements, as determined by the Foster Study, while the Trip Generation Component of the fee is intended to reflect the relative traffic impacts of each CAC Property.

a. The Proximity Component of the fee for all Developed and Undeveloped Properties shall be in the amounts shown in the following spreadsheet except to the extent that: (i) the Town Manager or the Director of Finance adjusts the amount due for a particular CAC Property pursuant to an appeal taken under the Section 17-16-60; or (ii) the Town Manager, upon the recommendation of the Director of Finance, increases or decreases the amount due for a particular CAC Property to more accurately reflect the developable square footage of such parcel, and so notifies the affected Property Owner in writing no less than thirty (30) days prior to the date that the first installment of the Proximity Component is due under Section 17-16-30. These amounts represent each CAC Property's proportionate share of the sum of One Million Two Hundred Thousand Seventy-five Dollars ($1,275,000.00), which is one-half of the Property Owners' share of the Local Contribution.

Larimer County Parcel #	Owner	Gross Land Area	Developable Land Area	Total Fee/SF	Total Fee	Proximity Component of Fee
Zone A						
86154-05-001	Windsor Investments LTD	73,410	73,410	$0.28	$20,426	$10,213
86154-05-002	Windsor Investments LTD	73,324	73,324	$0.28	$20,402	$10,201
86154-07-001	Bank of Choice	55,889	55,889	$0.28	$15,551	$7,776
86154-07-002	Windsor Investments LTD	74,479	74,479	$0.28	$20,723	$10,362
86154-05-007	Business Park I of 392	49,185	48,185	$0.28	$13,686	$6,843
Zone A-1						
86154-05-003	Khuong Huong Tang, et al	26,196	26,196	$0.28	$7,289	$3,645
86154-05-004	Westgate Partners LLC	36,568	36,568	$0.28	$10,175	$5,088
86154-05-006	Westgate Partners LLC	60,807	60,807	$0.28	$16,919	$8,460
86221-45-002	Michael I. Maxwell, et eal	55,178	55,178	$0.28	$15,353	$7,677
86221-45-001	The Bailey Company	43,963	43,963	$0.28	$12,233	$6,117
86221-43-001	Schrader Properties, LLC	66,211	66,211	$0.28	$18,423	$9,212
86221-43-002	Taco Johns International Inc.	49,223	49,223	$0.28	$13,696	$6,848

86221-45-003	Former TCE, LLC	100,887	100,887	$0.28	$28,071	$14,036
86221-45-004	Westgate Hospitality LLC	96,118	96,118	$0.28	$26,744	$13,372
86221-47-001	Meyers 4701 LLC	152,444	152,444	$0.28	$42,417	$21,209
86221-43-003	Kindercare Learning Centers	78,003	78,003	$0.28	$21,704	$10,852
Zone B						
86154-06-001	Windsor Investments LTD	772,886	751,603	$0.21	$156,848	$78,424
86150-00-014	Yeager, Nancy L Trustee	786,783	733,135	$0.21	$152,994	$76,497
86154-08-001	Windsor Investments LTD	653,873	411,463	$0.21	$85,866	$42,933
86221-47-002	Poudre Valley Health Care Inc	995,327	909,734	$0.21	$189,847	$94,924
86220-00-003	Poudre Valley Health Care Inc	1,324,499	612,543	$0.21	$127,828	$63,914
Zone C						
86154-06-003	Windsor Investments LTD	126,260	41,132	$0.12	$4,769	$2,385
86154-06-004	Windsor Investments LTD	317,882	301,985	$0.12	$35,011	$17,506
86154-06-005	Windsor Investments LTD	291,695	291,695	$0.12	$33,818	$16,909
86154-06-006	Windsor Investments LTD	37,858	37,858	$0.12	$4,389	$2,195
86150-00-017	JBT Associate, LLC	1,767,708	1,531,613	$0.12	$177,569	$88,785
Zone D						
86220-00-004	Windsor Gold Coast LLC	2,544,953	2,320,656	$0.04	$107,619	$53,810
86150-00-021	Horton, Mary A/ET AL	1,555,303	1,053,650	$0.04	$48,862	$24,431
86100-00-016	Horton, Mary A/ET AL	1,030,219	610,402	$0.04	$28,307	$14,154
86100-00-011	Three T Investments LLLP	1,045,838	559,480	$0.04	$25,945	$12,973
86150-00-001	Three T Investments LLLP	1,444,331	1,063,279	$0.04	$49,309	$24,655
86100-00-002	Three T Investments LLLP	94,626	25,393	$0.04	$1,178	$589
86100-00-015	Horton Feedlots Inc.	1,625,207	1,155,561	$0.04	$53,588	$26,794
86150-00-020	Horton Feedlots Inc.	3,452,929	2,531,870	$0.04	$117,414	$58,707

b. The amount of the Trip Generation Component shall be calculated by identifying the number of vehicular trips per day that each CAC property, as developed or redeveloped, generates or will generate, using the ITE Trip Generation Manual, 8th Edition, as amended, and by multiplying that number by $7.75 dollars per trip, which amount has been determined by dividing the remaining one-half of the Property Owners' share of the Local Contribution by the estimated total number of trips generated in the CAC.

Sec. 17-16-30. Payment of the fee.

(1) The Proximity Component of the fee shall be payable in equal quarterly installments, with the first such installment due and payable on or before March

31, 2013, and the last such installment due and payable on or before March 31, 2020.

(2) The Trip Generation Component of the fee shall also be payable in equal quarterly installments. For Developed Properties, the first installment of the Trip Generation Component shall be due and payable on or before March 31, 2013, and the last such installment shall be due and payable on or before March 31, 2020. For Undeveloped Properties, the first installment of the Trip Generation Component shall be due and payable ninety (90) days after the date of the Town's final approval of any Development Proposal for such property, and the last installment shall be due and payable no later than seven (7) years thereafter.

(3) Interest on the foregoing payments shall accrue at the rate of 3.05% per annum from the effective date of this Ordinance until the principal amount of such payments has been paid in full.

Sec. 17-16-40. Limitation on Total Fee Collection.

Notwithstanding any provision of this Ordinance that may be construed to the contrary, in the event that the total amount of fee revenues paid to the City and the Town by or on behalf of the CAC Property Owners, either under the provisions of this Ordinance or under agreements executed pursuant to Section 17-16-80, equals or exceeds the sum of Two Million Five Hundred Fifty Thousand Dollars ($2,550,000.00), plus interest on said amount from the effective date of this Ordinance at the rate of 3.05% per annum, all CAC Property Owners shall be relieved of any further obligation to pay the fee imposed by this Ordinance, notwithstanding the fact that all or a portion of said fee may remain unpaid.

Sec. 17-16-50. Unpaid charges a lien.

If any amount due and payable to the Town under the provisions of this Article is not paid on or before the due date specified in the billing notice sent to the Property Owner by the Director of Finance, penalty interest shall accrue and be payable on such amount at the rate of ten percent (10%) per annum, and the entire unpaid balance, plus interest and collection costs, if any, shall constitute a perpetual lien on the CAC Property to which the fee applies.

Sec. 17-16-60. Appeals.

Property Owners may appeal to the Director of Finance in writing at any time the question of whether properties owned or occupied by them are being charged the proper fee under the provisions of this Article. The burden shall be on the appellant to provide substantial, competent evidence that the CAC Property that is the subject of the appeal is not being charged the proper fee. The Director of Finance may hold a hearing on the appeal in his or her discretion, and may consider other competent evidence provided by Town staff. The Director of Finance's written decision shall be mailed to the applicant

within thirty (30) days of receipt of the appeal. The appellant may appeal the Director of Finance's decision to the Town Manager, whose determination of the appeal shall be deemed final agency action for purpose of judicial review.

Sec. 17-16-70. Fee not an impact fee or development charge subject to state regulation.

It is the intention of the Town Board that the fee imposed under the provisions of this Article not be construed as an impact fee or development charge within the meaning of Section 29-20-104.5, C.R.S. but a special fee imposed under the home rule authority of the Town. Accordingly, to the extent that any of the provisions of said Section 29-20-104.5 C.R.S. may conflict with the provisions of this Article, the provisions of this Article shall control.

Sec. 17-16-80. Payment by agreement.

(a) In lieu of paying the fee imposed by this Article according to the terms and conditions set forth above, Property Owners may elect to pay the fee pursuant to the terms and conditions of a written agreement with the Town, which agreement shall include the following provisions:

(1) No interest shall accrue or be due on the principal amount of the fee for the first two years following the execution of the agreement; thereafter, interest will accrue at the rate of 2.35% per annum for the first eight years and at the rate of 3.05% for each additional year until the fee, together with accrued interest, is paid in full.

(2) Payment of the full amount of the fee, and all interest due thereon, will be deferred, in its entirety, for Undeveloped Properties in the CAC until the first building permit is issued for such properties pursuant to an approved Development Proposal for the property.

(3) Payment of the fee will not be required for Developed Properties in the CAC unless the amount of traffic that will be generated by such property, as redeveloped under a Redevelopment Proposal, will increase by at least thirty-five percent (35%), as compared to the amount of traffic generated by the current use of the property.

(4) The total amount of the fee will be capped at the amount stated in the agreement.

(b) No such agreement may be entered into by the Town unless the Property Owner electing to enter into the agreement notifies the Town Manager in writing of his or her desire to do so on or before November 30, 2012, and the agreement is approved by the Town Board on or before December 31, 2012.

Sec. 17-16-90. Severability.

If any section, clause, phrase, word or other provision of this Article is for any reason held to be unconstitutional or otherwise invalid, such holding shall not affect the validity of the remaining sections, sentences, clauses, phrases, words or other provisions of this Article or the validity of this Article as an entirety, it being the legislative intent that this Article shall stand, notwithstanding the invalidity of any section, sentence, clause, phrase, word or other provision.

Introduced, passed on first reading, and ordered published this 22nd day of October, 2012.

TOWN OF WINDSOR, COLORADO

By_____
John S. Vazquez, Mayor

ATTEST:

_____
Patti Garcia, Town Clerk

Introduced, passed on second reading, and ordered published this 13th day of November, 2012.

TOWN OF WINDSOR, COLORADO

By_____
John S. Vazquez, Mayor

ATTEST:

_____
Patti Garcia, Town Clerk

M E M O R A N D U M

Date: November 13, 2012
To: Mayor and Town Board
Via: Kelly Arnold, Town Manager
Joseph P. Plummer, AICP, Director of Planning
From: Brett Walker, Associate Planner
Subject: Public Hearing – Conditional Use Grant for oil and gas well facilities to be located in the Heavy Industrial (I-H) zoning district – Great Western Industrial Park Subdivision Fourth Filing, Lot 1, Block 1
Location: Approximately one-thousand one-hundred fifty (1,150) feet east of County Road 23, and two hundred feet (200') north of Eastman Park Drive.
Item #s: C.4 & C.5

Summary

The applicant, Janni Keidel, Great Western Oil & Gas Co, LLC, is requesting conditional use grant approval to drill four (4) oil and gas wells on Lot 1, Block 1 of the Great Western Industrial Park Subdivision Fourth Filing. The Colorado Oil and Gas Conservation Commission (COGCC) has approved permits for these wells.

One person attended the September 24, 2012 neighborhood meeting. The attendee had no questions or comments about the project.

Conformance with Comprehensive Plan:

Colorado statutes protect the rights of mineral owners to develop such minerals and the setback requirements for oil and gas wells and facilities as well as the proposed conditions of approval are intended to help mitigate the impacts to the surrounding properties.

Conformance with Vision 2025:

The proposed use is consistent with the economic vitality goals of the Vision 2025 document.

Discussion:

Section 16-7-10 of the Municipal Code outlines the intent of conditional use grants as follows: "The conditional use classification is intended to allow consideration of uses such as oil and gas wells, small group living facilities, etc., which are unique in nature and character, although not specifically included as uses by right in any specific zoning districts. Such types of uses may be appropriate to allow under the conditional uses section of specific zoning districts with conditions upon approval by the Town Board subsequent to a recommendation from the Planning Commission."

In accordance with Section 16-7-60(a) of the Windsor Municipal Code, "Oil and gas facilities, as defined in this Chapter, shall be permitted as a conditional use in all zoning districts." The subject parcel is zoned Heavy Industrial (I-H).

In accordance with Section 16-7-60(b) of the Code, "Oil and gas facilities as conditional uses shall be subject to approval by the Town Board of the conditions hereinafter specifically set forth in lieu of those conditions applicable to conditional uses generally, as set forth in Section 16-7-50 of this Article." The following is a listing of the criteria for conditional use grants for oil and gas facilities contained in Section 16-7-60 and the information received with the application.

According to Section 16-7-60(c), based upon specific site characteristics, which shall include but shall not be limited to: nature and proximity of adjacent development; prevailing weather patterns, including wind direction; vegetative cover on or adjacent to the site; and topography of the site, the Town Board may, as a condition of approval of any conditional use grant, require any or all of the following methods to mitigate adverse impacts on surrounding properties:

(1) Visual requirements. To the maximum extent practical, abatement of negative visual impacts of oil and gas facilities shall be addressed through one (1) or more of the following methods:

a. **Use structures of minimal size to satisfy present and future functional requirements.** The applicant shall comply with this section of the Code in order to mitigate visual impacts.

The applicant is proposing to utilize four (4) steel oil tanks, one (1) fiberglass water tank, and four (4) three-phase separators. The applicant is proposing to use low profile storage tanks, which are typically 8-9 feet in height. The zoning on the parcel is Heavy Industrial (I-H). The taller tanks may be appropriate in the Heavy Industrial zoning district. Tanks and separators will be painted in uniform, non-reflective, earth tone colors. A berm will be constructed around the oil and water tanks to hold 110 percent of the capacity of the largest tank located within the berm.

b. **The facilities shall be kept clean and otherwise properly maintained.** The applicant shall comply with this section of the Code in order to mitigate visual impacts.

The application materials state that the mud and cuttings will be trucked offsite to an approved land farming or land spreading site per COGCC regulations.

According to the applicant, the site will be maintained to prevent the accumulation of trash and noxious weeds. All weeds will be prevented from growing or will be removed from the tank battery site, access road and wellhead pad. Weed spraying by a licensed applicator will be conducted annually, and any fugitive weeds will be removed manually.

Additionally, the applicant shall clean up all gravel, mud, dirt etc. that is on the streets due to the oil and gas well vehicles driving between the street and the unpaved drive within 48 hours in accordance with Section 7-2-30 of the Municipal Code which pertains to littering and states that: "No person shall throw, deposit, scatter or leave upon any sidewalk, alley, street or other public place or on any private property any loose paper, rags, rubbish, waste materials, refuse, garbage, trash, debris or any other foreign substances, nor shall any person owning or occupying any lot of ground allow or permit any such material which may be liable to be blown or scattered by the wind or otherwise to remain upon such lot or grounds."

c. **Construction of buildings or other enclosures may be required where facilities create visual impacts that cannot be mitigated because of proximity, density and/or intensity of adjacent residential land use.** The subject property is zoned Heavy

Industrial (I-H) and is currently undeveloped land. The applicant is working with the property owner and tenant farmer to minimize impacts of surface activities. The application materials state that an earth berm will be constructed around the oil and water tanks with a capacity that will contain 110% of the largest tank located within the berm.

According to the applicant, the wellhead pad lies approximately two (2) feet above the level of the road to the south, so well heads will be naturally hidden as best as is possible.

(2) **Landscape requirements. Groundcover, shrubs and trees shall be established and maintained in order to adequately buffer the facility.** The subject property is zoned Heavy Industrial (I-H). The site is currently being cultivated with crops, and there are three abandoned buildings on the site. The property is surrounded by farmland and developed industrial land.

According to the applicant, the site will be maintained to prevent the accumulation of trash and noxious weeds. All weeds will be prevented from growing or will be removed from the tank battery site, access road and wellhead pad. Weed spraying by a licensed applicator will be conducted annually, and any fugitive weeds will be removed manually.

(3) **Floodplain requirements. The oil and gas facilities shall comply with all applicable federal, state and local laws and regulations when located in a floodway or a one-hundred-year floodplain area. All equipment at oil and gas facilities located within a one-hundred-year floodplain area shall be anchored as necessary to prevent flotation, lateral movement or collapse or shall be surrounded by a berm with a top elevation at least one (1) foot above the level of a one-hundred-year flood. Any activity or equipment at any oil and gas facility within a one-hundred-year floodplain shall comply with the Federal Emergency Management Act and shall not endanger the eligibility of residents of the Town to obtain federal flood insurance.** The subject property is not located in a floodplain or floodway.

Notification:

September 24, 2012 neighborhood meeting:

- September 7, 2012 - notification letters mailed to the adjacent property owners
- September 12, 2012 - notice published in the Windsor Beacon
- September 9, 2012 - notice published in the Windsor Now

November 1, 2012 and November 13, 2012 public hearings:

- October 19, 2012 - legal notice for Planning Commission and Town Board public hearings posted on the Town of Windsor website
- October 15, 2012 - Property posted with a notification sign
- October 19, 2012 - legal ad for Planning Commission and Town Board public hearings published in the Windsor Beacon
- October 15, 2012 - letters for Planning Commission and Town Board public hearings mailed to the adjacent property owners

Recommendation: At their November 1, 2012 regular meeting, the Planning Commission voted to recommend approval of the Conditional Use Grant to the Town

Board, subject to the following conditions and staff concurs with this recommendation:

1. Prior to the commencement of drilling, the applicant shall submit comprehensive "Drilling and Site Improvement Plans" for review and approval by the Town. Such plans shall address initial drilling activities, initial installation of site improvements and details, and on-going perpetual maintenance of the subject site including, but not limited to, the following:

    a. Site access plan. The Drilling and Site Improvement Plans and supplemental information shall address site access points and haul routes for review and approval.

    b. Public street clean-up and tracking prevention. The Drilling and Site Improvement Plans and supplemental information shall include a tracking pad for review and approval.

    c. Site grading. The Drilling and Site Improvement Plans and supplemental information shall address site grading, including any earth berms for emergency containment.

    d. Site lighting. The Drilling and Site Improvement Plans and supplemental information shall include details regarding site lighting fixtures and locations. Security and other site lighting shall utilize full cutoff light fixtures to mitigate light pollution.

    e. Temporary screening. The applicant shall install a buffer to screen the initial drilling activities and installation of site improvements from surrounding neighborhoods and streets.

    f. Fencing. The Drilling and Site Improvement Plans shall depict fencing of the perimeter of the site. Fencing materials shall be reviewed for approval by the Town based upon the character of the surrounding neighborhood.

    g. Oil and gas equipment.

        (1) The applicant shall utilize electric motors in order to mitigate the noise impacts to the neighboring properties.
        (2) The applicant shall ensure that the wells and tanks are of the minimum size required to satisfy present and future functional requirements to mitigate visual impacts.
        (3) Low profile tanks shall be utilized and shall be installed in the least visible manner possible.
        (4) All tanks and equipment shall be painted to blend-in with the surrounding landscape.

    h. Air quality.

        (1) The applicant shall participate in any required Environmental Protection Agency (EPA) air quality monitoring and/or testing by allowing EPA to install equipment on site for said monitoring and testing.
        (2) The applicant shall install and operate an emissions control device (ECD) capable of reducing Volatile Organic Compound (VOC) emissions on the subject oil and gas equipment in accordance with Colorado Oil and Gas Conservation Commission (COGCC) and/or the Colorado Department of Public Health and Environment (CDPHE) rules and regulations.

(3) The applicant shall submit to the Town copies of all air emissions reporting as required by the COGCC and/or the CDPHE's Air Pollution Control Division.

i. Water quality.

(1) The applicant shall ensure that any hydrocarbon discharges from the site comply with all state and federal water quality requirements.
(2) The applicant shall participate in the Colorado Oil and Gas Association (COGA) Baseline Groundwater Quality Sampling Program utilizing independent third party sampling and laboratories and shall provide to the Town test results obtained before and after drilling operations.

j. Emergency containment. The secondary containment berm surrounding all storage vessels shall be designed and constructed to contain a minimum of 110% of the volume of the largest vessel located within the containment area or to State of Colorado standards, whichever requirements are more stringent.

k. Waste disposal. The applicant shall submit to the Town copies of all waste management reports as required by the COGCC and/or the CDPHE rules and regulations.

l. The following certification blocks shall be included on the Drilling and Site Improvement Plans:

(1) A signed owner's acknowledgement certification block.
(2) A signed drilling operator's acknowledgement certification block.

m. The following notes shall be included on the Drilling and Site Improvement Plans:

(1) The applicant shall comply with all rules and regulations of the Colorado Oil and Gas Conservation Commission (COGCC).
(2) The applicant shall comply with all rules and regulations of the Colorado Department of Public Health and Environment (CDPHE).
(3) The applicant shall maintain on-going compliance with all conditions of the Town and Windsor-Severance Fire Rescue.
(4) The facilities shall be kept clean and otherwise properly maintained at all times.
(5) The existing access may be utilized for oil and gas well activities. This access point is temporary and will be required to be removed at such time that permanent access is available in the future.

2. The applicant shall obtain all necessary approvals through the Colorado Oil and Gas Conservation Commission (COGCC) and Colorado Department of Public Health and Environment (CDPHE) prior to commencing drilling operations.

3. The applicant shall obtain any applicable building permits from the Town prior to constructing any improvements on the site.

4. The applicant shall address and comply with the conditions of Windsor-Severance Fire Rescue.

5. The applicant shall address all of the enclosed comments from the Town Engineering Department.

6. The applicant shall address all of the enclosed comments from the Town Public Works Department.

Enclosures: PowerPoint slides, application materials, Engineering Department and Public Works comments

pc: Janni Keidel (applicant), Great Western Oil & Gas Co, LLC
Alex Yeros (property owner), Broe Land Acquisitions II, LLC

Conditional Use Grant for Oil and Gas Well Facilities

Great Western Industrial Park Fourth Filing, Lot , Block 1

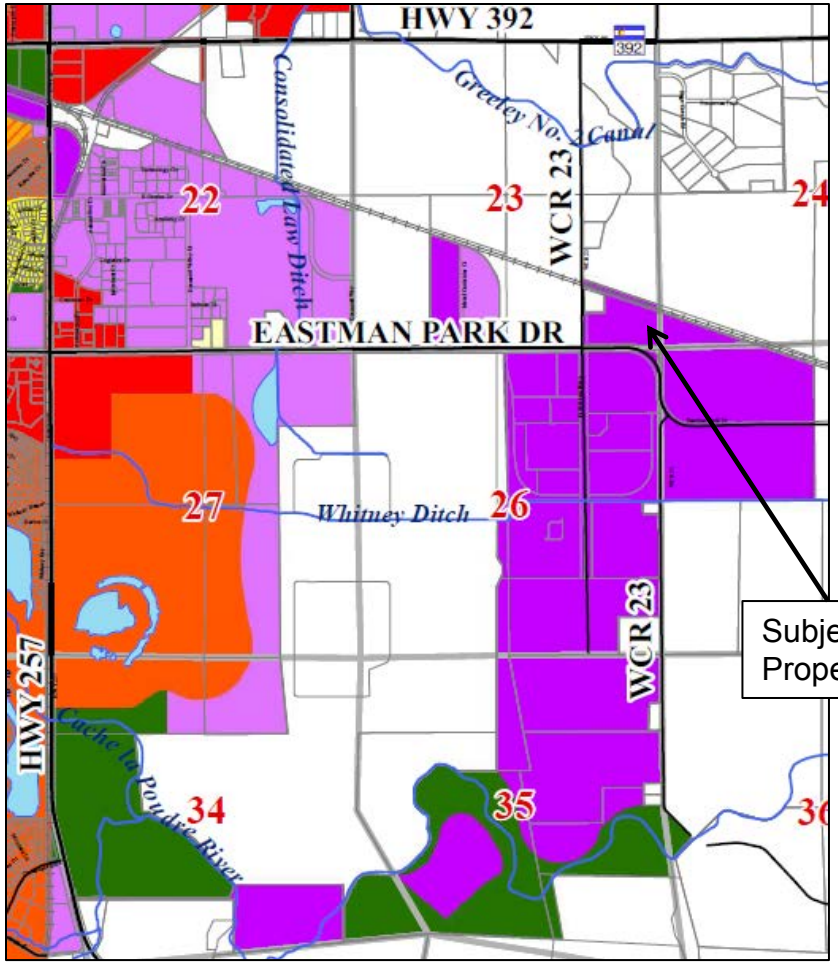
Brett Walker

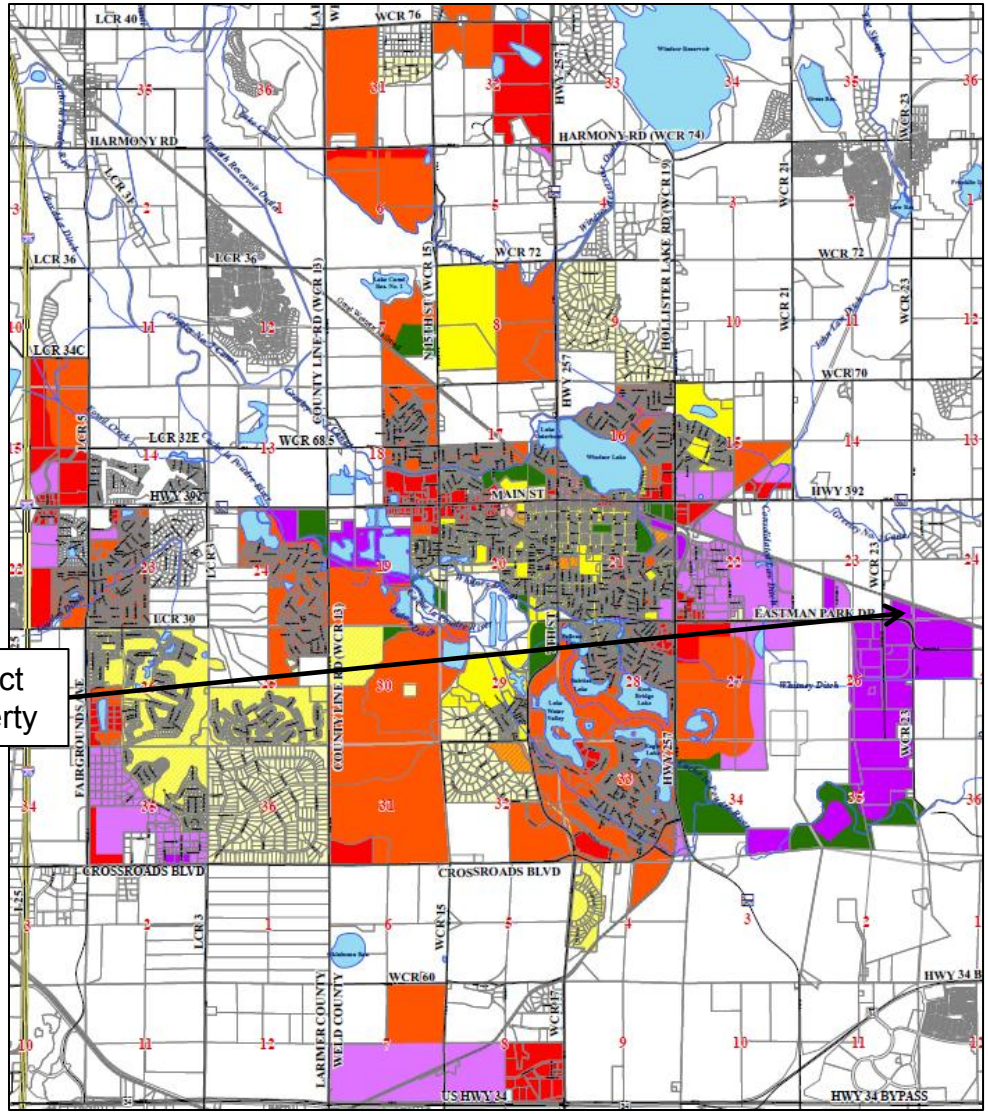
November 13, 2012

Town Board

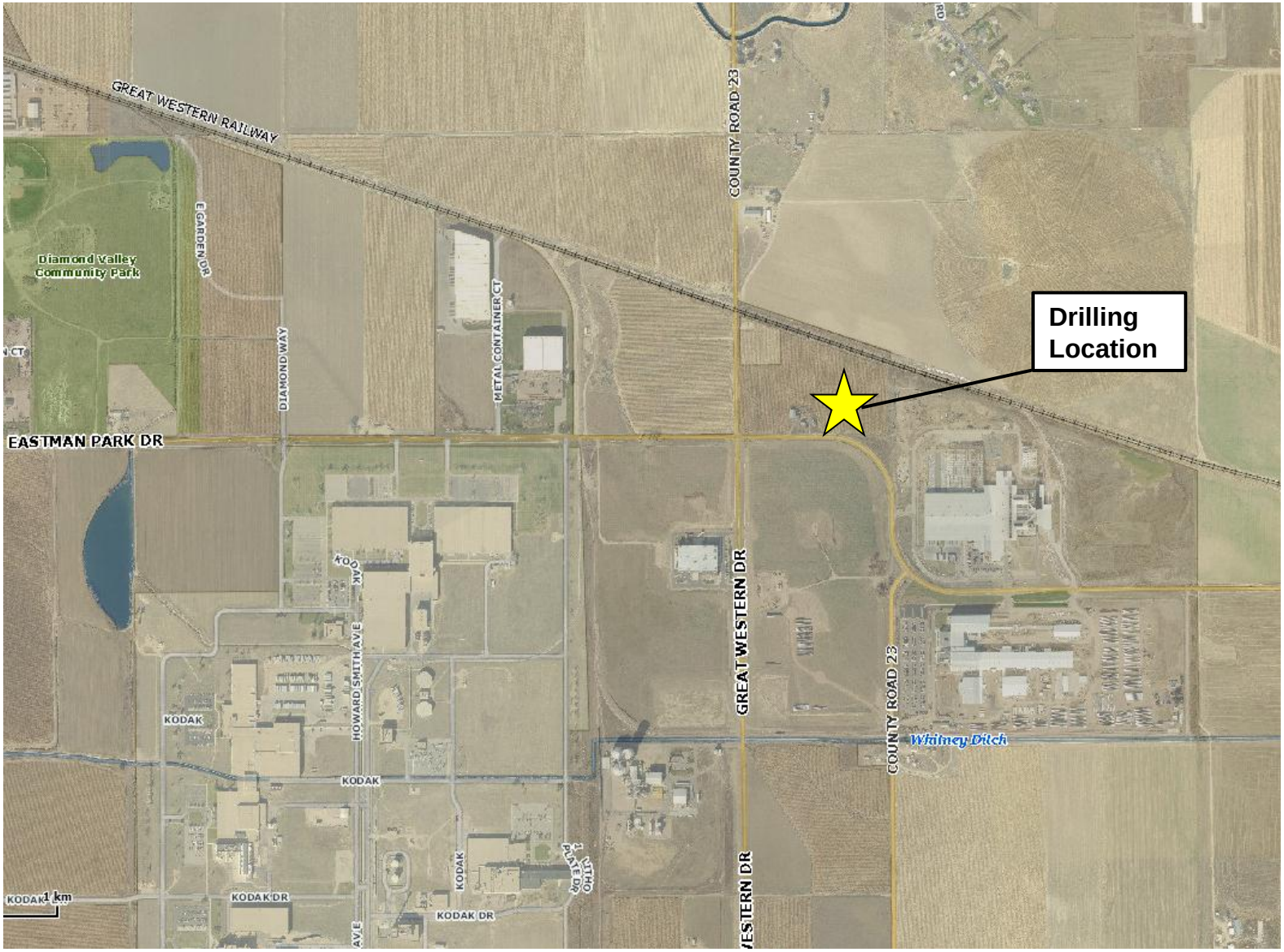
C.4 & C.5

Vicinity Map/Zoning



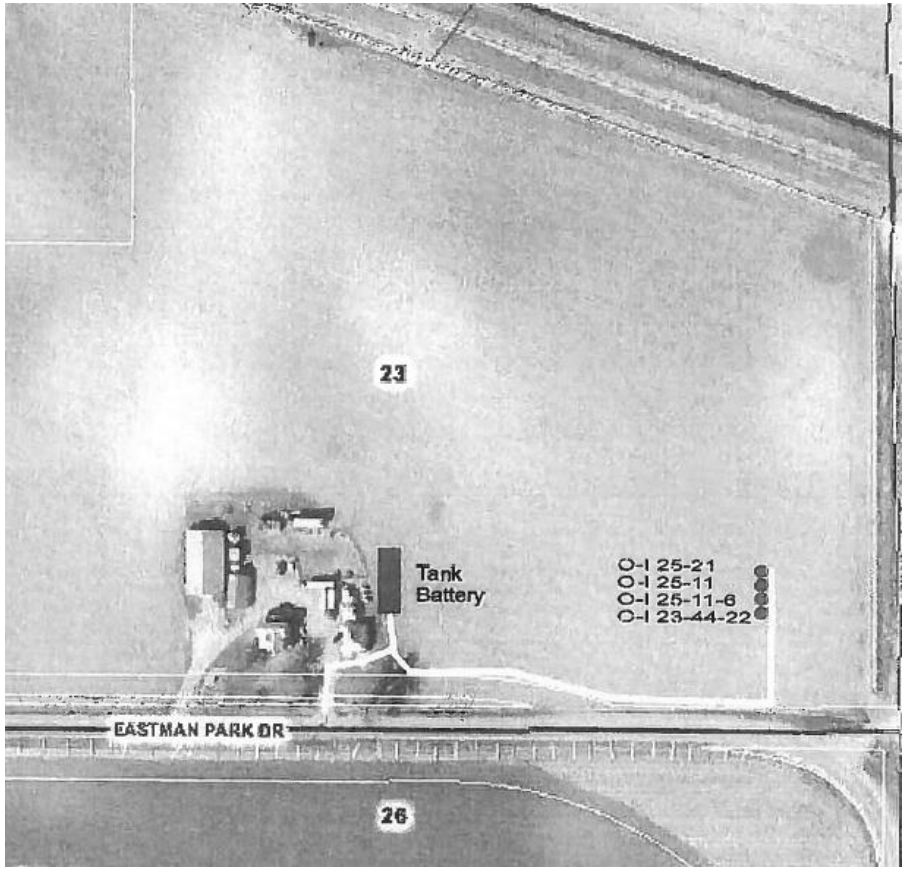


Neighborhood Context



Proposed Drilling Plan

Proposed Drilling Plan



Conditions of Approval

1. Prior to the commencement of drilling, the applicant shall submit comprehensive "Drilling and Site Improvement Plans" for review and approval by the Town. Such plans shall address initial drilling activities, initial installation of site improvements and details, and on-going perpetual maintenance of the subject site including, but not limited to, the following:
    a. Site access plan. The Drilling and Site Improvement Plans and supplemental information shall address site access points and haul routes for review and approval.
    b. Public street clean-up and tracking prevention. The Drilling and Site Improvement Plans and supplemental information shall include a tracking pad for review and approval.
    c. Site grading. The Drilling and Site Improvement Plans and supplemental information shall address site grading, including any earth berms for emergency containment.
    d. Site lighting. The Drilling and Site Improvement Plans and supplemental information shall include details regarding site lighting fixtures and locations. Security and other site lighting shall utilize full cutoff light fixtures to mitigate light pollution

Conditions of Approval

e. Temporary screening. The applicant shall install a buffer to screen the initial drilling activities and installation of site improvements from surrounding neighborhoods and streets.
f. Fencing. The Drilling and Site Improvement Plans shall depict fencing of the perimeter of the site. Fencing materials shall be reviewed for approval by the Town based upon the character of the surrounding neighborhood.
g. Oil and gas equipment.
    1) The applicant shall utilize electric motors in order to mitigate the noise impacts to the neighboring properties.
    2) The applicant shall ensure that the wells and tanks are of the minimum size required to satisfy present and future functional requirements to mitigate visual impacts.
    3) Low profile tanks shall be utilized and shall be installed in the least visible manner possible.
    4) All tanks and equipment shall be painted to blend-in with the surrounding landscape.

Conditions of Approval

h. Air quality.
   1) The applicant shall participate in any required Environmental Protection Agency (EPA) air quality monitoring and/or testing by allowing EPA to install equipment on site for said monitoring and testing.
   2) The applicant shall install and operate an emissions control device (ECD) capable of reducing Volatile Organic Compound (VOC) emissions on the subject oil and gas equipment in accordance with Colorado Oil and Gas Conservation Commission (COGCC) and/or the Colorado Department of Public Health and Environment (CDPHE) rules and regulations.
   3) The applicant shall submit to the Town copies of all air emissions reporting as required by the COGCC and/or the CDPHE's Air Pollution Control Division.

i. Water quality.
   1) The applicant shall ensure that any hydrocarbon discharges from the site comply with all state and federal water quality requirements.
   2) The applicant shall participate in the Colorado Oil and Gas Association (COGA) Baseline Groundwater Quality Sampling Program utilizing independent third party sampling and laboratories and shall provide to the Town test results obtained before and after drilling operations.

Conditions of Approval

j. Emergency containment. The secondary containment berm surrounding all storage vessels shall be designed and constructed to contain a minimum of 110% of the volume of the largest vessel located within the containment area or to State of Colorado standards, whichever requirements are more stringent.

k. Waste disposal. The applicant shall submit to the Town copies of all waste management reports as required by the COGCC and/or the CDPHE rules and regulations.

l. The following certification blocks shall be included on the Drilling and Site Improvement Plans:
   1) A signed owner's acknowledgement certification block.
   2) A signed drilling operator's acknowledgement certification block.

m. The following notes shall be included on the Drilling and Site Improvement Plans:
   1) The applicant shall comply with all rules and regulations of the Colorado Oil and gas Conservation Commission (COGCC)
   2) The applicant shall comply with all rules and regulations of the Colorado Department of Public Health and Environment (CDPHE)
   3) The applicant shall maintain on-going compliance with all conditions of the Town and Windsor-Severance Fire Rescue.

Conditions of Approval

4) The facilities shall be kept clean and otherwise properly maintained at all times.
5) The existing access may be utilized for oil and gas well activities. This access point is temporary and will be required to be removed at such time that permanent access is available in the future.

2. The applicant shall obtain all necessary approvals through the Colorado Oil and Gas Conservation Commission (COGCC) and Colorado Department of Public Health and Environment (CDPHE) prior to commencing drilling operations.

3. The applicant shall obtain any applicable building permits from the Town prior to constructing any improvements on the site.

4. The applicant shall address and comply with the conditions of Windsor-Severance Fire Rescue.

5. The applicant shall address all of the enclosed comments from the Town Engineering Department.

FEE (Non Refundable): $100.00

APPLICATION FOR CONDITIONAL USE:
OIL & GAS FACILITIES and MINERAL EXTRACTION

TOWN OF WINDSOR
301 WALNUT STREET
WINDSOR, CO 80550
Office: (970) 674-2415
Fax: (970) 674-2456
www.windsorgov.com

TOWN OF WINDSOR COLORADO

For office use only:	
DATE:	By:
Project ID #:	
Zoning:	

Revised 8/15/11

TO BE COMPLETED BY APPLICANT: (Type or print in black ink)

Location of project*:

+++ If approved the Conditional Use Grant will be effective on the property regardless of transfer of ownership +++

Windsor Municipal Code: Chap. 16 Article VII & XXXI, and Chap. 15 Article III www.colocode.com/windsor.html

- Legible, accurate drawings (drawn to an appropriate scale, which cannot be smaller than 1"=30') and specifications necessary for the property consideration of this grant shall be submitted with this application. Use back or additional sheets if necessary.
- A neighborhood meeting is required. Please see the attached neighborhood meeting requirements
- The Planning Department shall provide the applicant with an example letter which shall contain the description of the land use proposal in question; the location of the land which is the subject of the hearing; the date, time and location of the hearing; a recital that public comment will be taken at the hearing; and a listing of all property owners within 500 feet of the subject property.
- No less than ten (10) days prior to the date of the neighborhood meeting the applicant shall send such notices by first-class mail, postage prepaid, to all property owners on the listing provided by the Planning Department.
- No less than ten (10) days prior to the date of the public hearing the applicant shall send such notices by first-class mail, postage prepaid, to all property owners on the listing provided by the Planning Department.

State Permit Number*: 400233213 Type of wells or facilities proposed*: Oil & Gas
Number of wells proposed*: 4 Total land area to be used*: 1 ACRE
Present use of land*: Agricultural Present zoning of land*: Heavy Industrial
Nearest existing structure(s)*: 472'
Nearest residential structure(s)*: 1,870'
Are any of these locations within a flood plain? Circle one*: Yes (No) Parcel #* 080723402001
Is there existing vehicular access? Circle one*: (Yes) No -- If no, show proposed new access roads on drawings.
If yes, off of what roads(s): Driveway on Eastman Park Dr., 636' E. of CR#23

If this conditional use grant is approved, I/We the undersigned, agree to comply with the Code of the Town of Windsor, Colorado and any other stipulations as determined by the Town Board. I hereby depose and state under penalties of perjury that all statements and information submitted herein and pertaining to this application are true and correct to the best of my knowledge.

Submitted this _____ **day of** _____, 20 ____

Great Western Oil & Gas Co., LLC	Alex Yeros - Vice President, Broe Land Acquisitions II, LLC
Applicant* (please print)	**Property Owner* (please print)**
Jenni Keidel	
Applicant's Signature*	**Property Owner's Signature***
303-398-0388	303-398-0519
Phone*	**Phone***
866-742-1784	866-894-2103
Fax	**Fax**
jkeidel@gwogco.com	ayeros@broe.com
Email*	**Email***

Applicant's Representative (if applicable) Name Jenni Keidel - Permit & Reg. Analyst
Phone 303-398-0388 Fax 866-742-1784 Email jkeidel@gwogco.com

NOTARY*: (all signatures) Subscribed before me this 26th day of July, 20 12
By: Alex Yeros - Vice President - Broe Land Acquisitions II, LLC
Great Western Oil & Gas Co., LLC - Applicant
Print name of property owner(s) and applicant(s)

Nancy R. Hardiman
Notary Public Signature

My commission expires

NANCY R. HARDIMAN
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires 02/20/2016

* Indicates required fields

TOWN OF WINDSOR APPLICATION FOR CONDITIONAL USE

O-I 25-21, O-I 25-11, O-I 25-11-6, O-I 23-44-22

O-I Pad

SESE Section 23, T6N, R67W, 6th P.M.

TABLE OF CONTENTS

SECTION 1 Required Permits COGCC Forms 2 & 2A with survey plats, topos, road access map, improvements, soil description, site photos and directional plans

SECTION 2 Proposed Multi Well Site Plan

SECTION 3 Summary of Proposed Operations

COGCC Statement of Compliance

Oil and Gas Lease

Surface Use Agreement

Mineral Lease Maps

SECTION 4 Operating Plan

Site Preparation

Rig Plan Layout

Erosion and Drainage Control

Drilling Phase

Protection of Water Formations – COGCC Rules

Water Quality / Monitoring –COGCC rules

Noise and Fugitive Light Mitigation

Waste Disposal

Restoration / Reclamation

Completion Phase

Production and Equipment Phase

Visual Mitigation

Weed Control

Road Maintenance

Signs

Air Pollution Mitigation

Endangered Species

Abandonment

Emergency Response and Fire Protection Plan

SECTION 5

Vicinity Map

350' and 500' Setback Plat

COGCC Required Permits

Document ID# 400236796 O-I 25-21	API #05-123-35179-00 Approved 2/29/2012 expires 2/27/2014
Document ID# 400236796 O-I 25-11	API #05-123-35175-00 Approved 2/29/2012 expires 2/27/2014
Document ID# 400236796 O-I 25-21-6	API #05-123-35174-00 Approved 2/29/2012 expires 2/27/2014
Document ID# 400236796 O-I 23-44-22	API #05-123-35173-00 Approved 2/29/2012 expires 2/27/2014

Document ID# 400250031 Diamond Valley 23-44-22 2A Approved 2-29-2012 – Facility ID# 427952

FORM 2 Rev 12/05

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109

DE	ET	OE	ES

Document Number: 400236796

PluggingBond SuretyID 20090080

APPLICATION FOR PERMIT TO:

1. [X] **Drill,** [ ] Deepen, [ ] Re-enter, [ ] Recomplete and Operate

2. TYPE OF WELL
OIL [ ] GAS [X] COALBED [ ] OTHER _____
SINGLE ZONE [ ] MULTIPLE [X] COMMINGLE [X]

Refiling [ ]
Sidetrack [ ]

3. Name of Operator: GREAT WESTERN OIL & GAS COMPANY LLC 4. COGCC Operator Number: 10110
5. Address: 700 AUTOMATION DR - UNIT A
City: WINDSOR State: CO Zip: 80550-3119
6. Contact Name: Janni Keidel Phone: (303)398-0388 Fax: (866)742-1784
Email: jkeidel@gwogco.com
7. Well Name: O-I Well Number: 25-21
8. Unit Name (if appl): _____ Unit Number: _____
9. Proposed Total Measured Depth: 7884

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 23 Twp: 6N Rng: 67W Meridian: 6
Latitude: 40.465820 Longitude: -104.852080
Footage at Surface: 230 feet FNL/FSL FSL 180 feet FEL/FWL FEL
11. Field Name: LaPoudre Field Number: 48125
12. Ground Elevation: 4772 13. County: WELD

14. GPS Data:
Date of Measurement: 09/08/2011 PDOP Reading: 2.8 Instrument Operator's Name: C. Vanmatre

15. If well is [X] Directional [ ] Horizontal (highly deviated) **submit deviated drilling plan.**
Footage at Top of Prod Zone: 668 FNL/FSL FNL 1984 FEL/FWL FWL
Sec: 25 Twp: 6N Rng: 67W
Bottom Hole: 668 FNL/FSL FNL 1984 FEL/FWL FWL
Sec: 25 Twp: 6N Rng: 67W

16. Is location in a high density area? (Rule 603b)? [ ] Yes [X] No
17. Distance to the nearest building, public road, above ground utility or railroad: 286 ft
18. Distance to nearest property line: 180 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1320 ft

20.
LEASE, SPACING AND POOLING INFORMATION

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
Niobrara-Codell	NB-CD		80	N/2NW/4

21. Mineral Ownership: [X] Fee [ ] State [ ] Federal [ ] Indian Lease #: _____
22. Surface Ownership: [X] Fee [ ] State [ ] Federal [ ] Indian
23. Is the Surface Owner also the Mineral Owner? [X] Yes [ ] No Surface Surety ID#:
23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? [X] Yes [ ] No
23b. If 23 is No: [ ] Surface Owners Agreement Attached or [ ] $25,000 Blanket Surface Bond [ ] $2,000 Surface Bond [ ] $5,000 Surface Bond

24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):

Section 25: N/2NW/4 - lease date: 4/11/11 - Recorded 5/20/11 - Reception # 3769747

25. Distance to Nearest Mineral Lease Line: 180 ft 26. Total Acres in Lease: 80

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? ☐ Yes ☒ No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling? ☐ Yes ☒ No

29. Will salt (>15,000 ppm TDS CL) or oil based muds be used during drilling? ☐ Yes ☒ No

30. If questions 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? ☐ Yes ☒ No

If 28, 29, or 30 are "Yes" a pit permit may be required.

31. Mud disposal: ☒ Offsite ☐ Onsite

Method: ☒ Land Farming ☐ Land Spreading ☐ Disposal Facility Other: _____

Note: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify local fire officials.

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
SURF	12+1/4	8+5/8	24	0	700	581	700	0
1ST	7+7/8	4+1/2	11.6	0	7,884	272	7,884	7,074

32. BOP Equipment Type: ☒ Annular Preventer ☒ Double Ram ☐ Rotating Head ☐ None

33. Comments Conductor casing will not be set. A total of four wells will be drilled from this location, O-I 25-11-6 (Doc #400232975), O-I 23-44-22 (Doc #23-44-22), O-I 25-11 (Doc #400233240), and O-I 25-21 (Doc #400236796). Production casing cement will be 200' above the Niobrara. Request for Location Exception Rule 318A(a) has been submitted with this permit along with waiver letter. 30 day notice waived in SUA.

34. Location ID: _____

35. Is this application in a Comprehensive Drilling Plan ? ☐ Yes ☒ No

36. Is this application part of submitted Oil and Gas Location Assessment ? ☒ Yes ☐ No

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Janni Keidel

Title: Permit & Reg Analyst Date: 2/6/2012 Email: jkeidel@gwogco.com

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: _____ **Director of COGCC** Date: 2/29/2012

API NUMBER

05 123 35179 00

Permit Number: _____ Expiration Date: 2/27/2014

CONDITIONS OF APPROVAL, IF ANY:

All representations, stipulations and conditions of approval stated in the Form 2A for this location shall constitute representations, stipulations and conditions of approval for this Form 2 Permit-to-Drill and are enforceable to the same extent as all other representations, stipulations and conditions of approval stated in this Permit-to-Drill.

1) Provide 24 hour notice of MIRU to COGCC inspector Jim Precup via e-mail at james.precup@state.co.us Indicate Spud Notice in the subject line and provide the following information: Operator Name, Well Name and Number, API #, Spud Date, Contact Name, Contact Phone #, E-mail Address.
2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara and from 200' below Sussex to 200' above Sussex. Verify coverage with cement bond log.
3) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Attachment Check List

Att Doc Num	Name
1771581	
400236796	FORM 2 SUBMITTED
400243441	LOCATION PICTURES
400243444	WELL LOCATION PLAT
400243445	TOPO MAP
400243448	SURFACE AGRMT/SURETY
400246060	DEVIATED DRILLING PLAN
400246420	LEASE MAP
400246550	DIRECTIONAL DATA
400248775	EXCEPTION LOC WAIVERS
400248776	EXCEPTION LOC REQUEST
400249617	OIL & GAS LEASE

Total Attach: 12 Files

General Comments

User Group	Comment	Comment Date
Permit	Final Review Completed. No LGD or public comment received.	2/29/2012 9:11:28 AM
Permit	Operator must meet water well testing requirements per Rule 318A.	2/13/2012 1:57:12 PM
Permit	ON HOLD: w/o 2A.	2/13/2012 1:56:54 PM
Permit	Operator corrected #15, 22a, 36, and reattached O&G lease. This form has passed completeness.	2/8/2012 7:15:58 AM
Permit	Returned to draft. Missing #15, 22a, 36, and the O&G attachment will not open.	2/7/2012 12:24:30 PM
Permit	Returned to draft. Missing #15, 22a, 36, and the O&G attachment will not open.	2/7/2012 10:21:50 AM

Total: 6 comment(s)

BMP

Type	Comment
Drilling/Completion Operations	Great Western Oil & Gas Company, LLC - Best Management Practices - Summary Storm water management Plans (SWMP) will be in place to address construction, drilling and operations associated with Oil and Gas development throughout the state of Colorado in accordance with Colorado Department of Public Health (CDPHE). BMP's will be constructed around the perimeter of the site prior to or at the beginning of construction; BMP's used will vary according to the location, and will remain in place until the pad reaches final reclamation. Spill Prevention Control and Counter Measures (SPCC) plans will be in place to address any possible spills associated with Oil and Gas operations throughout the state of Colorado in accordance with CFR 112. In accordance with COGCC Rule 1002.f. (2)A. & B., shall provide a designated storage area for dry bulk chemicals and miscellaneous fluids. The storage area shall be covered to prevent contact of precipitation with chemicals, shall be elevated above storm- or standing water, and shall provide sufficient containment to prevent release of spilled fluids or chemicals from impacting soil, surface water or groundwater and will prevent the co-mingling of spilled fluids or chemicals with other E & P Waste. Housekeeping will consist of neat and orderly storage of materials and fluids. Wastes will be temporarily stored in sealed containers and regularly collected and disposed of at offsite, suitable facilities. If spills occur prompt cleanup is required to minimize any commingling of waste materials with storm water runoff. Routine maintenance will be limited to fueling and lubrication of equipment. Drip pans will be used during routine fueling and maintenance to contain spills or leaks. Any waste product from maintenance will be containerized and transported offsite for disposal or recycling, There will be no major equipment overhauls conducted onsite. Equipment will be transported offsite for major overhauls. Cleanup will consist of patrolling the roadways, access areas, and other work areas to pick up trash, scrap debris, other discarded materials, and any contaminated soil. These materials will be disposed of properly and promptly.

Total: 1 comment(s)

FORM 2 Rev 12/05

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109

DE	ET	OE	ES

Document Number: 400233240

PluggingBond SuretyID 20090080

APPLICATION FOR PERMIT TO:

1. [X] **Drill,** [ ] Deepen, [ ] Re-enter, [ ] Recomplete and Operate

2. TYPE OF WELL
OIL [ ] GAS [X] COALBED [ ] OTHER _____
SINGLE ZONE [ ] MULTIPLE [X] COMMINGLE [X]

Refiling [ ]
Sidetrack [ ]

3. Name of Operator: GREAT WESTERN OIL & GAS COMPANY LLC 4. COGCC Operator Number: 10110
5. Address: 700 AUTOMATION DR - UNIT A
City: WINDSOR State: CO Zip: 80550-3119
6. Contact Name: Janni Keidel Phone: (303)398-0388 Fax: (866)742-1784
Email: jkeidel@gwogco.com
7. Well Name: O-I Well Number: 25-11
8. Unit Name (if appl): _____ Unit Number: _____
9. Proposed Total Measured Depth: 7435

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 23 Twp: 6N Rng: 67W Meridian: 6
Latitude: 40.465760 Longitude: -104.852080
Footage at Surface: 210 feet FNL/FSL FSL 180 feet FEL/FWL FEL
11. Field Name: LaPoudre Field Number: 48125
12. Ground Elevation: 4772 13. County: WELD

14. GPS Data:
Date of Measurement: 09/08/2011 PDOP Reading: 2.0 Instrument Operator's Name: C. Vanmatre

15. If well is [X] Directional [ ] Horizontal (highly deviated) **submit deviated drilling plan.**
Footage at Top of Prod Zone: 662 FNL/FSL FNL 661 FEL/FWL FWL
Sec: 25 Twp: 6N Rng: 67W
Bottom Hole: 662 FNL/FSL FNL 661 FEL/FWL FWL
Sec: 25 Twp: 6N Rng: 67W

16. Is location in a high density area? (Rule 603b)? [ ] Yes [X] No
17. Distance to the nearest building, public road, above ground utility or railroad: 256 ft
18. Distance to nearest property line: 180 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 926 ft

20.
LEASE, SPACING AND POOLING INFORMATION

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
Niobrara-Codell	NB-CD		80	N/2NW/4

21. Mineral Ownership: [X] Fee [ ] State [ ] Federal [ ] Indian Lease #: _____
22. Surface Ownership: [X] Fee [ ] State [ ] Federal [ ] Indian
23. Is the Surface Owner also the Mineral Owner? [X] Yes [ ] No Surface Surety ID#:
23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? [X] Yes [ ] No
23b. If 23 is No: [ ] Surface Owners Agreement Attached or [ ] $25,000 Blanket Surface Bond [ ] $2,000 Surface Bond [ ] $5,000 Surface Bond

24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):

Section 25: N/2NW/4 - lease date: 4/11/11 - Recorded 5/20/11 - Reception # 3769747 - 80 Acres

25. Distance to Nearest Mineral Lease Line: 180 ft 26. Total Acres in Lease: 80

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? ☐ Yes ☒ No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling? ☐ Yes ☒ No

29. Will salt (>15,000 ppm TDS CL) or oil based muds be used during drilling? ☐ Yes ☒ No

30. If questions 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? ☐ Yes ☒ No

If 28, 29, or 30 are "Yes" a pit permit may be required.

31. Mud disposal: ☒ Offsite ☐ Onsite

Method: ☒ Land Farming ☐ Land Spreading ☐ Disposal Facility Other: _____

Note: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify local fire officials.

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
SURF	12+1/8	8+5/8	24	0	700	581	700	0
1ST	7+7/8	4+1/4	11.6	0	7,435	265	7,435	6,645

32. BOP Equipment Type: ☒ Annular Preventer ☒ Double Ram ☐ Rotating Head ☐ None

33. Comments Conductor casing will not be set. A total of four wells will be drilled from this location, O-I 25-11-6 (Doc #400232975), O-I 23-44-22 (Doc #400233115), O-I 25-11 (Doc #400233240), and O-I 25-21 (Doc #400236796). Production casing cement will be 200' above the Niobrara. Request for Location Exception Rule 318A(a) has been submitted with this permit along with waiver letter. 30 day noticed waived in SUA.

34. Location ID: _____

35. Is this application in a Comprehensive Drilling Plan ? ☐ Yes ☒ No

36. Is this application part of submitted Oil and Gas Location Assessment ? ☒ Yes ☐ No

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Janni Keidel

Title: Permit & Reg. Analysis Date: 2/6/2012 Email: jkeidel@gwogco.com

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: _____ **Director of COGCC** Date: 2/29/2012

API NUMBER

05 123 35175 00

Permit Number: _____ Expiration Date: 2/27/2014

CONDITIONS OF APPROVAL, IF ANY:

All representations, stipulations and conditions of approval stated in the Form 2A for this location shall constitute representations, stipulations and conditions of approval for this Form 2 Permit-to-Drill and are enforceable to the same extent as all other representations, stipulations and conditions of approval stated in this Permit-to-Drill.

1) 2) Provide 24 hour notice of MIRU to COGCC inspector Jim Precup via e-mail at james.precup@state.co.us Indicate Spud Notice in the subject line and provide the following information: Operator Name, Well Name and Number, API #, Spud Date, Contact Name, Contact Phone #, E-mail Address. 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara and from 200' below Sussex to 200' above Sussex. Verify coverage with cement bond log. 3) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.
Operator must meet water well testing requirements per Rule 318A.

Attachment Check List

Att Doc Num	Name
1771581	
400233240	FORM 2 SUBMITTED
400243423	LOCATION PICTURES
400243424	WELL LOCATION PLAT
400243426	TOPO MAP
400243427	OIL & GAS LEASE
400243429	SURFACE AGRMT/SURETY
400246059	DEVIATED DRILLING PLAN
400246422	LEASE MAP
400246549	DIRECTIONAL DATA
400248752	EXCEPTION LOC WAIVERS
400248754	EXCEPTION LOC REQUEST

Total Attach: 12 Files

General Comments

User Group	Comment	Comment Date
Permit	Final Review Completed. No LGD or public comment received.	2/29/2012 9:09:24 AM
Permit	ON HOLD: w/o form 2A.	2/13/2012 1:46:42 PM

Total: 2 comment(s)

BMP

Type	Comment
Drilling/Completion Operations	Great Western Oil & Gas Company, LLC - Best Management Practices - Summary Storm water management Plans (SWMP) will be in place to address construction, drilling and operations associated with Oil and Gas development throughout the state of Colorado in accordance with Colorado Department of Public Health (CDPHE). BMP's will be constructed around the perimeter of the site prior to or at the beginning of construction; BMP's used will vary according to the location, and will remain in place until the pad reaches final reclamation. Spill Prevention Control and Counter Measures (SPCC) plans will be in place to address any possible spills associated with Oil and Gas operations throughout the state of Colorado in accordance with CFR 112. In accordance with COGCC Rule 1002.f. (2)A. & B., shall provide a designated storage area for dry bulk chemicals and miscellaneous fluids. The storage area shall be covered to prevent contact of precipitation with chemicals, shall be elevated above storm- or standing water, and shall provide sufficient containment to prevent release of spilled fluids or chemicals from impacting soil, surface water or groundwater and will prevent the co-mingling of spilled fluids or chemicals with other E & P Waste. Housekeeping will consist of neat and orderly storage of materials and fluids. Wastes will be temporarily stored in sealed containers and regularly collected and disposed of at offsite, suitable facilities. If spills occur prompt cleanup is required to minimize any commingling of waste materials with storm water runoff. Routine maintenance will be limited to fueling and lubrication of equipment. Drip pans will be used during routine fueling and maintenance to contain spills or leaks. Any waste product from maintenance will be containerized and transported offsite for disposal or recycling, There will be no major equipment overhauls conducted onsite. Equipment will be transported offsite for major overhauls. Cleanup will consist of patrolling the roadways, access areas, and other work areas to pick up trash, scrap debris, other discarded materials, and any contaminated soil. These materials will be disposed of properly and promptly.

Total: 1 comment(s)

FORM 2 Rev 12/05

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109

DE	ET	OE	ES

Document Number: 400232975

PluggingBond SuretyID 20090080

APPLICATION FOR PERMIT TO:

1. [X] **Drill,** [ ] Deepen, [ ] Re-enter, [ ] Recomplete and Operate

2. TYPE OF WELL
OIL [ ] GAS [X] COALBED [ ] OTHER _____
SINGLE ZONE [ ] MULTIPLE [X] COMMINGLE [X]

Refiling [ ]
Sidetrack [ ]

3. Name of Operator: GREAT WESTERN OIL & GAS COMPANY LLC 4. COGCC Operator Number: 10110
5. Address: 700 AUTOMATION DR - UNIT A
City: WINDSOR State: CO Zip: 80550-3119
6. Contact Name: Janni Keidel Phone: (303)398-0388 Fax: (866)742-1784
Email: jkeidel@gwogco.com
7. Well Name: O-I Well Number: 25-11-6
8. Unit Name (if appl): _____ Unit Number: _____
9. Proposed Total Measured Depth: 7524

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 23 Twp: 6N Rng: 67W Meridian: 6
Latitude: 40.465710 Longitude: -104.852080

			FNL/FSL			FEL/FWL
Footage at Surface:	190	feet	FSL	180	feet	FEL

11. Field Name: LaPoudre Field Number: 48125
12. Ground Elevation: 4722 13. County: WELD

14. GPS Data:
Date of Measurement: 09/08/2011 PDOP Reading: 3.0 Instrument Operator's Name: C. Vanmatre

15. If well is [X] Directional [ ] Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone:	FNL/FSL		FEL/FWL	Bottom Hole:	FNL/FSL		FEL/FWL
1319	FNL	0	FWL	1319	FNL	0	FWL
Sec: 25	Twp: 6N	Rng: 67W		Sec: 25	Twp: 6N	Rng: 67W	

16. Is location in a high density area? (Rule 603b)? [ ] Yes [X] No
17. Distance to the nearest building, public road, above ground utility or railroad: 271 ft
18. Distance to nearest property line: 180 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 830 ft

20.

LEASE, SPACING AND POOLING INFORMATION

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
Niobrara-Codell	NB-CD		160	GWA

21. Mineral Ownership: [X] Fee [ ] State [ ] Federal [ ] Indian Lease #: _____
22. Surface Ownership: [X] Fee [ ] State [ ] Federal [ ] Indian
23. Is the Surface Owner also the Mineral Owner? [X] Yes [ ] No Surface Surety ID#:
23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? [X] Yes [ ] No
23b. If 23 is No: [ ] Surface Owners Agreement Attached or [ ] $25,000 Blanket Surface Bond [ ] $2,000 Surface Bond [ ] $5,000 Surface Bond

24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):

W/2NW/4 Section 25 T6N-R67W- Lease date 4/11/11. Recorded 5/20/11 - Reception # 3769747. 80 Acres.

25. Distance to Nearest Mineral Lease Line: 180 ft 26. Total Acres in Lease: 80

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? ☐ Yes ☒ No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling? ☐ Yes ☒ No

29. Will salt (>15,000 ppm TDS CL) or oil based muds be used during drilling? ☐ Yes ☒ No

30. If questions 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? ☐ Yes ☒ No

If 28, 29, or 30 are "Yes" a pit permit may be required.

31. Mud disposal: ☒ Offsite ☐ Onsite

Method: ☒ Land Farming ☐ Land Spreading ☐ Disposal Facility Other: _____

Note: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify local fire officials.

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
SURF	12+1/4	8+5/8	24	0	700	581	700	0
1ST	7+7/8	4+1/2	11.6	0	7,525	267	7,525	6,729

32. BOP Equipment Type: ☒ Annular Preventer ☒ Double Ram ☐ Rotating Head ☐ None

33. Comments Conductor casing will not be set. A total of four wells will be drilled from this location, O-I 25-11-6 (Doc #400232975, O-I 23-44-22 (Doc #23-44-22), O-I 25-11 (Doc #400233240), and O-I 25-21 (Doc #400236796). Production cement will be 200' above the Niobrara. Request for Location Exception Rule 318A(a) has been submitted with this permit along with waiver letter. 30 day noticed waived in SUA.PROPOSED SPACING UNIT - Sec 25:W/2NW/4 & Sec 26:E/2NE/4.

34. Location ID: _____

35. Is this application in a Comprehensive Drilling Plan ? ☐ Yes ☒ No

36. Is this application part of submitted Oil and Gas Location Assessment ? ☒ Yes ☐ No

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Janni Keidel

Title: Permit& Reg. Analyst Date: 2/6/2012 Email: jkeidel@gwogco.com

---

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: _____ **Director of COGCC** Date: 2/29/2012

API NUMBER
05 123 35174 00

Permit Number: _____ Expiration Date: 2/27/2014

CONDITIONS OF APPROVAL, IF ANY:

All representations, stipulations and conditions of approval stated in the Form 2A for this location shall constitute representations, stipulations and conditions of approval for this Form 2 Permit-to-Drill and are enforceable to the same extent as all other representations, stipulations and conditions of approval stated in this Permit-to-Drill.

1) 2) Provide 24 hour notice of MIRU to COGCC inspector Jim Precup via e-mail at james.precup@state.co.us Indicate Spud Notice in the subject line and provide the following information: Operator Name, Well Name and Number, API #, Spud Date, Contact Name, Contact Phone #, E-mail Address. 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara and from 200' below Sussex to 200' above Sussex. Verify coverage with cement bond log. 3) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.
Operator must meet water well testing requirements per Rule 318A.

Attachment Check List

Att Doc Num	Name
1694767	WAIVERS
1694768	PROPOSED SPACING UNIT
1694769	PROPOSED SPACING UNIT
1771581	SURFACE CASING CHECK
400232975	FORM 2 SUBMITTED
400243214	LOCATION PICTURES
400243215	WELL LOCATION PLAT
400243216	OIL & GAS LEASE
400243217	SURFACE AGRMT/SURETY
400246057	TOPO MAP
400246424	LEASE MAP
400246545	DIRECTIONAL DATA
400248647	DEVIATED DRILLING PLAN
400248653	EXCEPTION LOC WAIVERS
400248668	EXCEPTION LOC REQUEST

Total Attach: 15 Files

General Comments

User Group	Comment	Comment Date
Permit	Final Review Completed. No LGD or public comment received.	2/29/2012 9:06:42 AM
Permit	Received and attached 30 day cert letter/proposed spacing unit map and signed waiver. Ok to pass.	2/29/2012 9:06:27 AM
Permit	ON HOLD: requesting 30 day cert letter and proposed spacing unit map and signed waiver. changed spacing unit to 160, GWA. Added "PROPOSED SPACING UNIT- Sec 25:W/2NW/4 & Sec 26:E/2NE/4." to operator comments.	2/13/2012 1:52:23 PM
Permit	Operator corrected BHL. This form has passed completeness.	2/7/2012 4:25:48 PM
Permit	Returned to draft. BHL does not match plat.	2/7/2012 10:07:15 AM

Total: 5 comment(s)

BMP

Type	Comment
Drilling/Completion Operations	Great Western Oil & Gas Company, LLC - Best Management Practices - Summary Storm water management Plans (SWMP) will be in place to address construction, drilling and operations associated with Oil and Gas development throughout the state of Colorado in accordance with Colorado Department of Public Health (CDPHE). BMP's will be constructed around the perimeter of the site prior to or at the beginning of construction; BMP's used will vary according to the location, and will remain in place until the pad reaches final reclamation. Spill Prevention Control and Counter Measures (SPCC) plans will be in place to address any possible spills associated with Oil and Gas operations throughout the state of Colorado in accordance with CFR 112. In accordance with COGCC Rule 1002.f. (2)A. & B., shall provide a designated storage area for dry bulk chemicals and miscellaneous fluids. The storage area shall be covered to prevent contact of precipitation with chemicals, shall be elevated above storm- or standing water, and shall provide sufficient containment to prevent release of spilled fluids or chemicals from impacting soil, surface water or groundwater and will prevent the co-mingling of spilled fluids or chemicals with other E & P Waste. Housekeeping will consist of neat and orderly storage of materials and fluids. Wastes will be temporarily stored in sealed containers and regularly collected and disposed of at offsite, suitable facilities. If spills occur prompt cleanup is required to minimize any commingling of waste materials with storm water runoff. Routine maintenance will be limited to fueling and lubrication of equipment. Drip pans will be used during routine fueling and maintenance to contain spills or leaks. Any waste product from maintenance will be containerized and transported offsite for disposal or recycling, There will be no major equipment overhauls conducted onsite. Equipment will be transported offsite for major overhauls. Cleanup will consist of patrolling the roadways, access areas, and other work areas to pick up trash, scrap debris, other discarded materials, and any contaminated soil. These materials will be disposed of properly and promptly.

Total: 1 comment(s)

FORM 2 Rev 12/05

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109

DE	ET	OE	ES

Document Number: 400233115

PluggingBond SuretyID 20090080

APPLICATION FOR PERMIT TO:

1. [X] **Drill,** [ ] Deepen, [ ] Re-enter, [ ] Recomplete and Operate

2. TYPE OF WELL
OIL [ ] GAS [X] COALBED [ ] OTHER _____
SINGLE ZONE [ ] MULTIPLE [X] COMMINGLE [X]

Refiling [ ]
Sidetrack [ ]

3. Name of Operator: GREAT WESTERN OIL & GAS COMPANY LLC 4. COGCC Operator Number: 10110
5. Address: 700 AUTOMATION DR - UNIT A
City: WINDSOR State: CO Zip: 80550-3119
6. Contact Name: Janni Keidel Phone: (970)686-8831 Fax: (866)742-1784
Email: jkeidel@gwogco.com
7. Well Name: O-I Well Number: 23-44-22
8. Unit Name (if appl): _____ Unit Number: _____
9. Proposed Total Measured Depth: 7440

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 23 Twp: 6N Rng: 67W Meridian: 6
Latitude: 40.465650 Longitude: -104.852080
Footage at Surface: 170 feet FNL/FSL FSL 180 feet FEL/FWL FEL
11. Field Name: LaPoudre Field Number: 48125
12. Ground Elevation: 4772 13. County: WELD

14. GPS Data:
Date of Measurement: 09/08/2011 PDOP Reading: 2.5 Instrument Operator's Name: C. Vanmatre

15. If well is [X] Directional [ ] Horizontal (highly deviated) **submit deviated drilling plan.**
Footage at Top of Prod Zone: 0 FNL/FSL FSL 1320 FEL/FWL FEL
Sec: 23 Twp: 6N Rng: 67W
Bottom Hole: 0 FNL/FSL FSL 1320 FEL/FWL FEL
Sec: 23 Twp: 6N Rng: 67W

16. Is location in a high density area? (Rule 603b)? [ ] Yes [X] No
17. Distance to the nearest building, public road, above ground utility or railroad: 241 ft
18. Distance to nearest property line: 170 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 993 ft

20.
LEASE, SPACING AND POOLING INFORMATION

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
Niobrara-Codell	NB-CD	407	160	GWA

21. Mineral Ownership: [X] Fee [ ] State [ ] Federal [ ] Indian Lease #: _____
22. Surface Ownership: [X] Fee [ ] State [ ] Federal [ ] Indian
23. Is the Surface Owner also the Mineral Owner? [X] Yes [ ] No Surface Surety ID#:
23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? [X] Yes [ ] No
23b. If 23 is No: [ ] Surface Owners Agreement Attached or [ ] $25,000 Blanket Surface Bond [ ] $2,000 Surface Bond [ ] $5,000 Surface Bond

24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):

Section 26 - W/2NE/4 - Lease date 1/22/08. Recorded 2/1/08 - Reception #3532996 - 80 Acres.

25. Distance to Nearest Mineral Lease Line: 170 ft 26. Total Acres in Lease: 80

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? ☐ Yes ☒ No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling? ☐ Yes ☒ No

29. Will salt (>15,000 ppm TDS CL) or oil based muds be used during drilling? ☐ Yes ☒ No

30. If questions 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? ☐ Yes ☒ No

If 28, 29, or 30 are "Yes" a pit permit may be required.

31. Mud disposal: ☒ Offsite ☐ Onsite

Method: ☒ Land Farming ☐ Land Spreading ☐ Disposal Facility Other: _____

Note: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify local fire officials.

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
SURF	12+1/4	8+5/8	24	0	700	581	700	0
1ST	7+7/8	4+1/2	11.6	0	7,440	267	7,440	6,644

32. BOP Equipment Type: ☒ Annular Preventer ☒ Double Ram ☐ Rotating Head ☐ None

33. Comments Conductor casing will not be set. A total of four wells will be drilled from this location, O-I 25-11-6 (Doc #400232975), O-I 25-11 (Doc #400233240), and O-I 25-21 (Doc #400236796). Production casing cement will be 200' above the Niobrara. Request for Location Exception Rule 318A(a) has been submitted with this permit along with waiver letter. 30 day notice waived in SUA. PROPOSED SPACING UNIT - Sec 23: S/2SE/4 7 Sec 26: N/2NE/4.

34. Location ID: _____

35. Is this application in a Comprehensive Drilling Plan ? ☐ Yes ☐ No

36. Is this application part of submitted Oil and Gas Location Assessment ? ☒ Yes ☐ No

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Janni Keidel

Title: Permit & Reg Analyst Date: 2/6/2012 Email: jkeidel@gwogco.com

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: _____ **Director of COGCC** Date: 2/29/2012

API NUMBER

05 123 35173 00

Permit Number: _____ Expiration Date: 2/27/2014

CONDITIONS OF APPROVAL, IF ANY:

All representations, stipulations and conditions of approval stated in the Form 2A for this location shall constitute representations, stipulations and conditions of approval for this Form 2 Permit-to-Drill and are enforceable to the same extent as all other representations, stipulations and conditions of approval stated in this Permit-to-Drill.

Received and attached 30 day cert letter/proposed spacing unit map and signed waiver. Ok to pass.
Operator must meet water well testing requirements per Rule 318A.
1) Provide 24 hour notice of MIRU to COGCC inspector Jim Precup via e-mail at james.precup@state.co.us Indicate Spud Notice in the subject line and provide the following information: Operator Name, Well Name and Number, API #, Spud Date, Contact Name, Contact Phone #, E-mail Address. 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara and from 200' below Sussex to 200' above Sussex. Verify coverage with cement bond log. 3) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Attachment Check List

Att Doc Num	Name
1694764	WAIVERS
1694765	PROPOSED SPACING UNIT
1694766	PROPOSED SPACING UNIT
400233115	FORM 2 SUBMITTED
400243342	LOCATION PICTURES
400243345	WELL LOCATION PLAT
400243347	TOPO MAP
400243350	SURFACE AGRMT/SURETY
400243353	OIL & GAS LEASE
400246058	DEVIATED DRILLING PLAN
400246384	LEASE MAP
400246548	DIRECTIONAL DATA
400248705	EXCEPTION LOC WAIVERS
400248706	EXCEPTION LOC REQUEST

Total Attach: 14 Files

General Comments

User Group	Comment	Comment Date
Permit	Final Review Completed. No LGD or public comment received.	2/29/2012 9:01:37 AM
Permit	ON HOLD: requesting 30 day cert letter and proposed spacing unit map and signed waiver. changed spacing unit to 160, GWA. Added "PROPOSED SPACING UNIT - Sec 23: S/2SE/4 7 Sec 26: N/2NE/4." to operator comments.	2/13/2012 1:16:18 PM
Permit	Operator corrected #36. This form has passed completeness.	2/8/2012 8:52:38 AM
Permit	Returned to draft. Missing #36.	2/8/2012 7:18:58 AM
Permit	Returned to draft. Missing #15 and #36.	2/7/2012 10:15:35 AM

Total: 5 comment(s)

BMP

Type	Comment
Drilling/Completion Operations	Great Western Oil & Gas Company, LLC - Best Management Practices - Summary Storm water management Plans (SWMP) will be in place to address construction, drilling and operations associated with Oil and Gas development throughout the state of Colorado in accordance with Colorado Department of Public Health (CDPHE). BMP's will be constructed around the perimeter of the site prior to or at the beginning of construction; BMP's used will vary according to the location, and will remain in place until the pad reaches final reclamation. Spill Prevention Control and Counter Measures (SPCC) plans will be in place to address any possible spills associated with Oil and Gas operations throughout the state of Colorado in accordance with CFR 112. In accordance with COGCC Rule 1002.f. (2)A. & B., shall provide a designated storage area for dry bulk chemicals and miscellaneous fluids. The storage area shall be covered to prevent contact of precipitation with chemicals, shall be elevated above storm- or standing water, and shall provide sufficient containment to prevent release of spilled fluids or chemicals from impacting soil, surface water or groundwater and will prevent the co-mingling of spilled fluids or chemicals with other E & P Waste. Housekeeping will consist of neat and orderly storage of materials and fluids. Wastes will be temporarily stored in sealed containers and regularly collected and disposed of at offsite, suitable facilities. If spills occur prompt cleanup is required to minimize any commingling of waste materials with storm water runoff. Routine maintenance will be limited to fueling and lubrication of equipment. Drip pans will be used during routine fueling and maintenance to contain spills or leaks. Any waste product from maintenance will be containerized and transported offsite for disposal or recycling, There will be no major equipment overhauls conducted onsite. Equipment will be transported offsite for major overhauls. Cleanup will consist of patrolling the roadways, access areas, and other work areas to pick up trash, scrap debris, other discarded materials, and any contaminated soil. These materials will be disposed of properly and promptly.

Total: 1 comment(s)

FORM 2A Rev 04/01

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109

DE	ET	OE	ES

Document Number: 400233213

Oil and Gas Location Assessment

[X] New Location [ ] Amend Existing Location Location#: _____

Submit original plus one copy. This form is to be submitted to the COGCC prior to any ground disturbance activity associated with oil and gas development operations. This Assessment may be approved as a standalone application or submitted as an informational report accompanying an Application for Permit-To-Drill, Form 2. Approval of this Assessment will allow for the construction of the below specified location; however, it does not supersede any land use rules applied by the local land use authority. This form may serve as notice to land owners and other interested parties, please see the COGCC web site at http://colorado.gov/cogcc/ for all accompanying information pertinent to this Oil and Gas Location Assessment.

Location ID: **427952**

Expiration Date: **02/27/2015**

[X] This location assessment is included as part of a permit application.

1. CONSULTATION

[ ] This location is included in a Comprehensive Drilling Plan. CDP # _____

[ ] This location is in a sensitive wildlife habitat area.

[ ] This location is in a wildlife restricted surface occupancy area.

[ ] This location includes a Rule 306.d.(1)A.ii. variance request.

2. Operator

Operator Number: 10110

Name: GREAT WESTERN OIL & GAS COMPANY LLC

Address: 700 AUTOMATION DR - UNIT A

City: WINDSOR State: CO Zip: 80550-3119

3. Contact Information

Name: Janni Keidel

Phone: (970) 686-8831

Fax: (866) 742-1784

email: jkeidel@gwogco.com

4. Location Identification:

Name: O-I Number: 23-44-22

County: WELD

QuarterQuarter: SESE Section: 23 Township: 6N Range: 67W Meridian: 6 Ground Elevation: 4772

Define a single point as a location reference for the facility location. This point should be used as the point of measurement in the drawings to be submitted with this application. When the location is to be used as a well site then the point shall be a well location.

Footage at surface: 170 feet FSL, from North or South section line, and 180 feet FEL, from East or West section line.

Latitude: 40.465650 Longitude: -104.852080 PDOP Reading: 2.5 Date of Measurement: 09/08/2011

Instrument Operator's Name: C. Vanmatre

5. Facilities (Indicate the number of each type of oil and gas facility planned on location):

Special Purpose Pits:		Drilling Pits:		Wells:	4	Production Pits:		Dehydrator Units:	
Condensate Tanks:		Water Tanks:	1	Separators:	2	Electric Motors:		Multi-Well Pits:	
Gas or Diesel Motors:		Cavity Pumps:		LACT Unit:		Pump Jacks:		Pigging Station:	
Electric Generators:		Gas Pipeline:		Oil Pipeline		Water Pipeline:		Flare:	
Gas Compressors:				VOC Combustor:	2	Oil Tanks:		Fuel Tanks:	

Other: _____

6. Construction:

Date planned to commence construction: 05/11/2012 Size of disturbed area during construction in acres: 2.50

Estimated date that interim reclamation will begin: 06/08/2012 Size of location after interim reclamation in acres: 0.50

Estimated post-construction ground elevation: 4772 Will a closed loop system be used for drilling fluids: Yes [X]

Will salt sections be encountered during drilling: Yes [ ] No [X] Is H2S anticipated? Yes [ ] No [X]

Will salt (>15,000 ppm TDS Cl) or oil based muds be used: Yes [ ] No [X]

Mud disposal: Offsite [X] Onsite [ ] Method: Land Farming [X] Land Spreading [ ] Disposal Facility [ ]

Other: _____

7. Surface Owner:

Name: _____ Phone: _____

Address: _____ Fax: _____

Address: _____ Email: _____

City: _____ State: _____ Zip: _____ Date of Rule 306 surface owner consultation: 09/08/2011

Surface Owner: [X] Fee [ ] State [ ] Federal [ ] Indian

Mineral Owner: [X] Fee [ ] State [ ] Federal [ ] Indian

The surface owner is: [X] the mineral owner [ ] committed to an oil and gas lease [ ] is the executer of the oil and gas lease [ ] the applicant

The right to construct the location is granted by: [ ] oil and gas lease [X] Surface Use Agreement [ ] Right of Way [ ] applicant is owner

Surface damage assurance if no agreement is in place: [ ] $2000 [ ] $5000 [ ] Blanket Surety ID _____

8. Reclamation Financial Assurance:

[X] Well Surety ID: 20090080 [ ] Gas Facility Surety ID: _____ [ ] Waste Mgnt. Surety ID: _____

9. Cultural:

Is the location in a high density area (Rule 603.b.): Yes [ ] No [X]

Distance, in feet, to nearest building: 460 , public road: 241 , above ground utilit: 470

, railroad: 492 , property line: 170

10. Current Land Use (Check all that apply):

Crop Land: [X] Irrigated [ ] Dry land [ ] Improved Pasture [ ] Hay Meadow [ ] CRP

Non-Crop Land: [ ] Rangeland [ ] Timber [ ] Recreational [ ] Other (describe): _____

Subdivided: [ ] Industrial [ ] Commercial [ ] Residential

11. Future Land Use (Check all that apply):

Crop Land: [X] Irrigated [ ] Dry land [ ] Improved Pasture [ ] Hay Meadow [ ] CRP

Non-Crop Land: [ ] Rangeland [ ] Timber [ ] Recreational [ ] Other (describe): _____

Subdivided: [ ] Industrial [ ] Commercial [ ] Residential

12. Soils:

List all soil map units that occur within the proposed location. Attach the National Resource Conservation Service (NRCS) report showing the "Map Unit Description" report listing the soil typical vertical profile. This data is to used when segregating topsoil.

The required information can be obtained from the NRCS web site at http://soildatamart.nrcs.usda.gov/ or from the COGCC web site GIS Online map page found at http://colorado.gov/cogcc. Instructions are provided within the COGCC web site help section.

NRCS Map Unit Name: Kim loan, 1 to 3 percent, #32

NRCS Map Unit Name: Olney Fine Sandy loam, 1 to 3 percent, #47

NRCS Map Unit Name:

13. Plant Community:

Complete this section only if any portion of the disturbed area of the location's current land use is on non-crop land.

Are noxious weeds present: Yes ☐ No ☒

Plant species from: ☐ NRCS or, ☐ field observation Date of observation: _____

List individual species: _____

Check all plant communities that exist in the disturbed area.

- ☐ Disturbed Grassland (Cactus, Yucca, Cheatgrass, Rye)
- ☐ Native Grassland (Bluestem, Grama, Wheatgrass, Buffalograss, Fescue, Oatgrass, Brome)
- ☐ Shrub Land (Mahogany, Oak, Sage, Serviceberry, Chokecherry)
- ☐ Plains Riparian (Cottonwood, Willow, Aspen, Maple, Poplar, Russian Olive, Tamarisk)
- ☐ Mountain Riparian (Cottonwood, Willow, Blue Spruce)
- ☐ Forest Land (Spruce, Fir, Ponderosa Pine, Lodgepole Pine, Juniper, Pinyon, Aspen)
- ☐ Wetlands Aquatic (Bullrush, Sedge, Cattail, Arrowhead)
- ☐ Alpine (above timberline)
- ☐ Other (describe): _____

14. Water Resources:

Rule 901.e. may require a sensitive area determination be performed. If this determination is performed the data is to be submitted with the Form 2A.

Is this a sensitive area: ☐ No ☒ Yes Was a Rule 901.e. Sensitive Areas Determination performed: ☒ No ☐ Yes

Distance (in feet) to nearest surface water: 2767 , water well: 1324 , depth to ground water: 33

Is the location in a riparian area: ☒ No ☐ Yes Was an Army Corps of Engineers Section 404 permit filed ☒ No ☐ Yes

Is the location within a Rule 317B Surface Water Suppl Area buffer zone:

☒ No ☐ 0-300 ft. zone ☐ 301-500 ft. zone ☐ 501-2640 ft. zone

If the location is within a Rule 317B Surface Water Supply Area buffer have all public water supply systems within 15 miles been notified: ☒ No ☐ Yes

15. Comments:

Conductor casing will not be set on any of the wells. A total of four wells will be drilled from this location, O-I 25-11-6 (Doc #400232975), O-I 23-44-22 (Doc #23-44-22), O-I 25-11 (Doc #400233240), and O-I 25-21 (Doc #400236796). Production casing cement will be 200' above the Niobrara. Request for Location Exception Rule 318A(a) has been submitted with this permit along with waiver letter. 30 day noticed waived in SUA. Tank Battery permit will be submitted on a separate 2A.

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct and complete.

Signed: _____ Date: 02/06/2012 Email: jkeidel@gwogco.com

Print Name: Janni Keidel Title: Permit & Reg. Analyst

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: _____ **Director of COGCC** Date: 2/29/2012

CONDITIONS OF APPROVAL, IF ANY:

All representations, stipulations and conditions of approval stated in this Form 2A for this location shall constitute representations, stipulations and conditions of approval for any and all subsequent operations on the location unless this Form 2A is modified by Sundry Notice, Form 4 or an Amended Form 2A.

Attachment Check List

Att Doc Num	Name
400233213	FORM 2A SUBMITTED
400243374	LOCATION PICTURES
400243376	WASTE MANAGEMENT PLAN
400243378	ACCESS ROAD MAP
400243384	MULTI-WELL PLAN
400243387	NRCS MAP UNIT DESC
400246552	LOCATION DRAWING
400246553	HYDROLOGY MAP
400248787	SURFACE AGRMT/SURETY

Total Attach: 9 Files

General Comments

User Group	Comment	Comment Date
Permit	Final Review Completed. No LGD or public comment received.	2/29/2012 8:50:47 AM
Permit	ON HOLD: w/o form 2's 30 day cert letter. Okay to pass pending public comment 3/07/12. Building Glass Manufacturing plant.	2/27/2012 9:49:38 AM
Permit	ON HOLD: checking on what type of building in case High Density.	2/13/2012 11:19:30 AM
OGLA	Changed the sensitive area designation to yes due to the likely presence of shallow ground water; Ready to Pass 2/28/2012	2/8/2012 8:25:21 AM
Permit	Operator corrected plugging bond and surface and minerals information. This form has passed completeness.	2/7/2012 10:00:46 AM
Permit	Returned to draft. Invalid plugging bond and surface and minerals information.	2/6/2012 12:21:04 PM

Total: 6 comment(s)

BMP

Type	Comment
Drilling/Completion Operations	Great Western Oil & Gas Company, LLC - Best Management Practices - Summary Storm water management Plans (SWMP) will be in place to address construction, drilling and operations associated with Oil and Gas development throughout the state of Colorado in accordance with Colorado Department of Public Health (CDPHE). BMP's will be constructed around the perimeter of the site prior to or at the beginning of construction; BMP's used will vary according to the location, and will remain in place until the pad reaches final reclamation. Spill Prevention Control and Counter Measures (SPCC) plans will be in place to address any possible spills associated with Oil and Gas operations throughout the state of Colorado in accordance with CFR 112. In accordance with COGCC Rule 1002.f. (2)A. & B., shall provide a designated storage area for dry bulk chemicals and miscellaneous fluids. The storage area shall be covered to prevent contact of precipitation with chemicals, shall be elevated above storm- or standing water, and shall provide sufficient containment to prevent release of spilled fluids or chemicals from impacting soil, surface water or groundwater and will prevent the co-mingling of spilled fluids or chemicals with other E & P Waste. Housekeeping will consist of neat and orderly storage of materials and fluids. Wastes will be temporarily stored in sealed containers and regularly collected and disposed of at offsite, suitable facilities. If spills occur prompt cleanup is required to minimize any commingling of waste materials with storm water runoff. Routine maintenance will be limited to fueling and lubrication of equipment. Drip pans will be used during routine fueling and maintenance to contain spills or leaks. Any waste product from maintenance will be containerized and transported offsite for disposal or recycling, There will be no major equipment overhauls conducted onsite. Equipment will be transported offsite for major overhauls. Cleanup will consist of patrolling the roadways, access areas, and other work areas to pick up trash, scrap debris, other discarded materials, and any contaminated soil. These materials will be disposed of properly and promptly.

Total: 1 comment(s)

1700 Broadway, Suite 650
Denver, CO 80290
Tel: 303.393.0033
Fax: 303.393.8636

1700 Automation, Unit A
Windsor, CO 80550
Tel: 970.686.8831
Fax: 970.686.2014

Great Western
OIL & GAS COMPANY

January 27th, 2012

Broe Land Acquisitions II, LLC
252 Clayton Street, Four Floor
Denver, Colorado 80206

Re: Request for Exception to Rule 318 A(a)
O-I 25-21, being 230' FSL and 180' FEL
O-I 25-11, being 210' FSL and 180' FEL
O-I 25-11-6, being 190' FSL and 180' FEL
O-I 23-44-22, being 170' FSL and 180' FELL

Township 6 North, Range 67 West, 6th P.M.
Section 23: SE/4SE/4
Weld County, Colorado

Dear Broe Land Acquisitions II, LLC:

Great Western Oil and Gas Company ("GWOG") plans to drill the above oil and gas wells from the above described surface location.

Rule 318A(a) of the Colorado Oil and Gas Conservation Commission ("COGCC") Rules and Regulations requiring that the wells drilled in a square with sides four hundred (400) feet in length , the center of which is the center of any quarter/quarter or a square with sides eight hundred (800) feet in length, the center if which is the center of the quarter section.

Please waive this requirement showing your approval of the new wells being drilled at the location referenced above.

Therefore, please evidence your request to waive ("COGCC") Rule 318A(a) by signing below. If you have any questions regarding this matter, please contact Gary P. Steele at (720) 494-1390 or (970) 686-8831.

Sincerely,

Gary P. Steele
Great Western Oil and Gas Company, LLC

SIGNED FOR IDENTIFICATION:

x _____ Date: 2/2/12

ACKNOWLEDGMENT

STATE OF COLORADO }
}ss.
COUNTY OF }

On this, the 2 day of February, 2012, before me, the undersigned notary public, personally appeared Rich Aurand, who acknowledged himself to be the CFO of Broe Land Acquisitions, II, LLC, and that he as such CFO, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of such corporation.

Witness my hand and notarial seal.

[SEAL]

V R. DOWNEY
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires Sept. 29, 2014

My commission Expires: 9/29/14

RETURN TO:
Great Western Oil and Gas Company
700 Automation Drive, Unit A
Windsor, CO 80550

Great Western
OIL & GAS COMPANY

1700 Broadway
Suite 650
Denver, CO 80290

Phone: 303.398.0302
Facsimile: 866.742.1784
www.gwogco.com

February 6, 2012

Colorado Oil and Gas Conservation Commission
The Chancery Building
1120 Lincoln Street, Suite # 801
Denver, Colorado 80203

Attn: Mr. David Neslin, Director

RE: **Request to the Director for 318A.a Surface Location Exception (Outside 318A Drilling Window)**
O-I 25-21 (Surface 230' FSL and 180' FEL)
O-I 25-11 (Surface 210' FSL and 180' FEL)
O-I 25-11-6 (Surface 190' FSL and 180' FEL)
O-I 23-44-22 (Surface 170' FSL and 180' FEL)
Niobrara/Codell New Drills
Township 6 North, Range 67 West, 6th P.M.
Section 23:SE/4SE/4
Weld County, Colorado

Mr. Neslin:

Great Western Oil and Gas Company, LLC is planning to drill the above mentioned wells to the Niobrara formation(s).

The surface location of Great Western's proposed wells has been staked outside of the 318A.a drilling window. The location is being permitted as an exception location. Great Western has obtained written permission contained in a waiver from the surface owner which is attached.

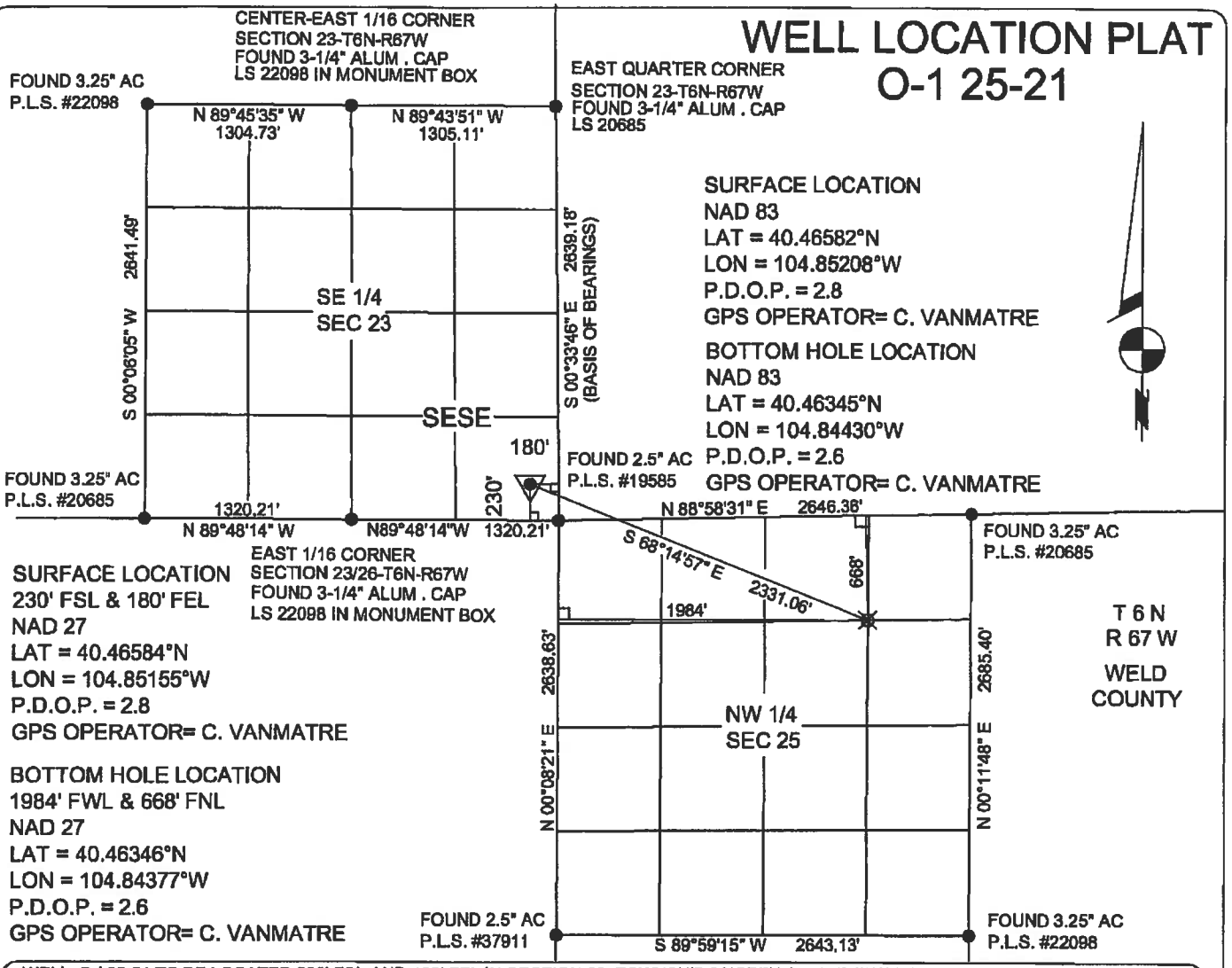
Great Western Oil and Gas Company, LLC respectfully requests that the COGCC review the enclosed information and approve the requested exception location waiver and Application for Permit to Drill the captioned well. Thank you for your attention to the enclosed.

Respectfully,

Janni Keidel

Janni Keidel
Permitting Technician
Great Western Oil and Gas Company, LLC
1700 Broadway, Suite #650
Denver, Colorado 80290

WELL LOCATION PLAT
O-1 25-21



SURFACE LOCATION
NAD 83
LAT = 40.46582°N
LON = 104.85208°W
P.D.O.P. = 2.8
GPS OPERATOR= C. VANMATRE

BOTTOM HOLE LOCATION
NAD 83
LAT = 40.46345°N
LON = 104.84430°W
P.D.O.P. = 2.6
GPS OPERATOR= C. VANMATRE

SURFACE LOCATION
230' FSL & 180' FEL
NAD 27
LAT = 40.46584°N
LON = 104.85155°W
P.D.O.P. = 2.8
GPS OPERATOR= C. VANMATRE

BOTTOM HOLE LOCATION
1984' FWL & 668' FNL
NAD 27
LAT = 40.46346°N
LON = 104.84377°W
P.D.O.P. = 2.6
GPS OPERATOR= C. VANMATRE

WELL: O-I 25-21 TO BE LOCATED 230' FSL AND 180' FEL IN SECTION 23, TOWNSHIP 6 NORTH, RANGE 67 WEST OF THE 6TH P.M.
LOCATION FALLS IN: CORN FIELD GROUND ELEVATION = 4772' IMPROVEMENTS: PROPOSED WELLS 20', 40', AND 60' SOUTH OF LOCATION

LEGEND:
- ● SECTION CORNER (AS NOTED)
- PROPOSED WELL LOCATION
- PROPOSED BOTTOM HOLE LOCATION

500 0 500 1000 1500 2500
SCALE 1"=1000'

NOTES:
1. THIS SURVEY WAS DONE BY GPS METHODS AND CONFORMS TO THE MINIMUM STANDARDS AS SET BY THE C.O.G.C.C. RULE NO. 215.
2. ELEVATIONS SHOWN AT THE WELL HEAD, AS WELL AS HORIZONTAL CONTROL, ARE BASED ON GPS-RTK VALUES DERIVED FROM DOING 2-HOUR STATIC GPS SESSIONS AND REDUCTIONS USING O.P.U.S. SOLUTIONS.
VERTICAL = NAVD88 HORIZONTAL = NAD83/92
3. THE BEARINGS AS SHOWN HEREON ARE BASED ON GPS OBSERVATIONS BETWEEN THE MONUMENTS SHOWN HEREON AS FOUND IN THE FIELD DATE BELOW.
4. DISTANCES SHOWN ARE AT GROUND LEVEL, AS MEASURED IN THE FIELD, WITH TIES TO WELLS MEASURED AT A PERPENDICULAR TO SECTION LINES.

COLORADO LICENSED
RICHARD BRUCE GABRIEL
37929
PROFESSIONAL LAND SURVEYOR
9-9-11

I, RICHARD B. GABRIEL, A LICENSED PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO DO HEREBY CERTIFY TO:
GREAT WESTERN OIL AND GAS COMPANY THAT THE SURVEY AND WELL LOCATION CERTIFICATE SHOWN HEREON WAS DONE BY ME OR UNDER MY DIRECT SUPERVISION AND THAT THE DRAWING SHOWN HEREON ACCURATELY DEPICTS THE PROPOSED LOCATION OF THE WELL O-I 25-21.
THIS CERTIFICATE DOES NOT REPRESENT A LAND SURVEY PLAT OR IMPROVEMENT SURVEY PLAT AS DEFINED BY C.R.S. 38-51-102 AND CANNOT BE RELIED UPON TO DETERMINE OWNERSHIP.

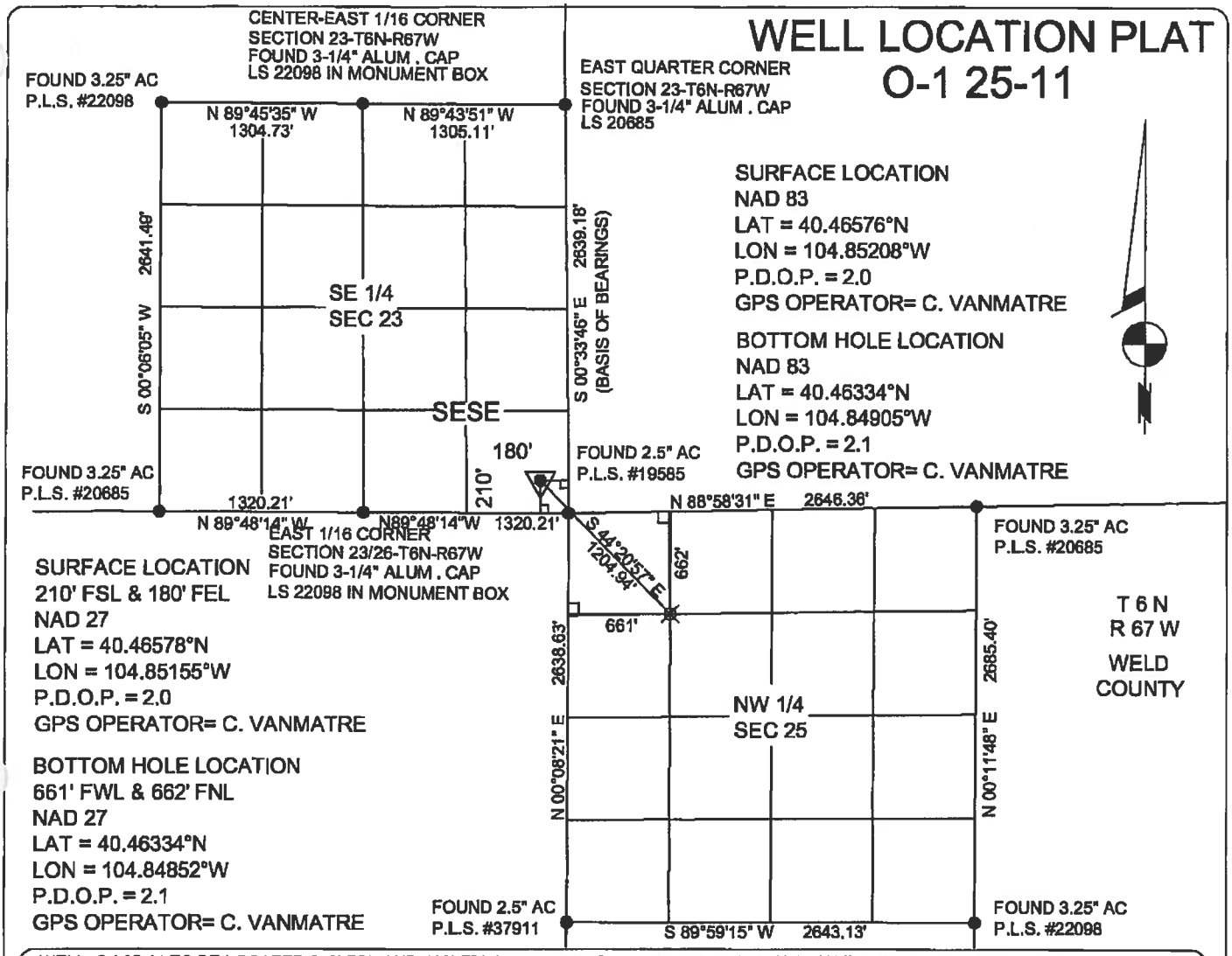
RICHARD B. GABRIEL P.L.S. #37929
COLORADO LICENSED PROFESSIONAL LAND SURVEYOR
FOR AND ON BEHALF OF POWER SURVEYING CO., INC.

NOTICE: ACCORDING TO COLORADO LAW YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT. IN NO EVENT MAY ANY ACTION BASED ON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS FROM THIS SAID DATE OF THIS CERTIFICATION SHOWN HEREON.

POWER™ Surveying Company, Inc.
Established 1978
120 W. 84TH AVENUE
THORNTON, COLORADO 80260
PH. 303-702-1617
FAX. 303-702-1488
WWW.POWERSURVEYING.COM

DATE OF FIELD WORK: 9-8-11
DATE OF COMPLETION: 9-9-11
PROJECT NUMBER: 501-11-145 REV1

WELL LOCATION PLAT
O-1 25-11



SURFACE LOCATION
NAD 83
LAT = 40.46576°N
LON = 104.85208°W
P.D.O.P. = 2.0
GPS OPERATOR= C. VANMATRE

BOTTOM HOLE LOCATION
NAD 83
LAT = 40.46334°N
LON = 104.84905°W
P.D.O.P. = 2.1
GPS OPERATOR= C. VANMATRE

SURFACE LOCATION
210' FSL & 180' FEL
NAD 27
LAT = 40.46578°N
LON = 104.85155°W
P.D.O.P. = 2.0
GPS OPERATOR= C. VANMATRE

BOTTOM HOLE LOCATION
661' FWL & 662' FNL
NAD 27
LAT = 40.46334°N
LON = 104.84852°W
P.D.O.P. = 2.1
GPS OPERATOR= C. VANMATRE

WELL: O-I 25-11 TO BE LOCATED 210' FSL AND 180' FEL IN SECTION 23, TOWNSHIP 6 NORTH, RANGE 67 WEST OF THE 6TH P.M.
LOCATION FALLS IN: CORN FIELD GROUND ELEVATION = 4772' IMPROVEMENTS: PROPOSED WELLS 20' N, 20', AND 40' S OF LOCATION

LEGEND:
- ● SECTION CORNER (AS NOTED)
- PROPOSED WELL LOCATION
- PROPOSED BOTTOM HOLE LOCATION

500 0 500 1000 1500 2500
SCALE 1"=1000'

NOTES:
1. THIS SURVEY WAS DONE BY GPS METHODS AND CONFORMS TO THE MINIMUM STANDARDS AS SET BY THE C.O.G.C.C. RULE NO. 215.
2. ELEVATIONS SHOWN AT THE WELL HEAD, AS WELL AS HORIZONTAL CONTROL, ARE BASED ON GPS-RTK VALUES DERIVED FROM DOING 2-HOUR STATIC GPS SESSIONS AND REDUCTIONS USING O.P.U.S. SOLUTIONS.
VERTICAL = NAVD88 HORIZONTAL = NAD83/92
3. THE BEARINGS AS SHOWN HEREON ARE BASED ON GPS OBSERVATIONS BETWEEN THE MONUMENTS SHOWN HEREON AS FOUND IN THE FIELD DATE BELOW.
4. DISTANCES SHOWN ARE AT GROUND LEVEL, AS MEASURED IN THE FIELD, WITH TIES TO WELLS MEASURED AT A PERPENDICULAR TO SECTION LINES.

COLORADO LICENSED
RICHARD BRUCE GABRIEL
37929
PROFESSIONAL LAND SURVEYOR
9-9-11

I, RICHARD B. GABRIEL, A LICENSED PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO DO HEREBY CERTIFY TO:
GREAT WESTERN OIL AND GAS COMPANY THAT THE SURVEY AND WELL LOCATION CERTIFICATE SHOWN HEREON WAS DONE BY ME OR UNDER MY DIRECT SUPERVISION AND THAT THE DRAWING SHOWN HEREON ACCURATELY DEPICTS THE PROPOSED LOCATION OF THE WELL O-I 25-11.
THIS CERTIFICATE DOES NOT REPRESENT A LAND SURVEY PLAT OR IMPROVEMENT SURVEY PLAT AS DEFINED BY C.R.S. 38-51-102 AND CANNOT BE RELIED UPON TO DETERMINE OWNERSHIP.

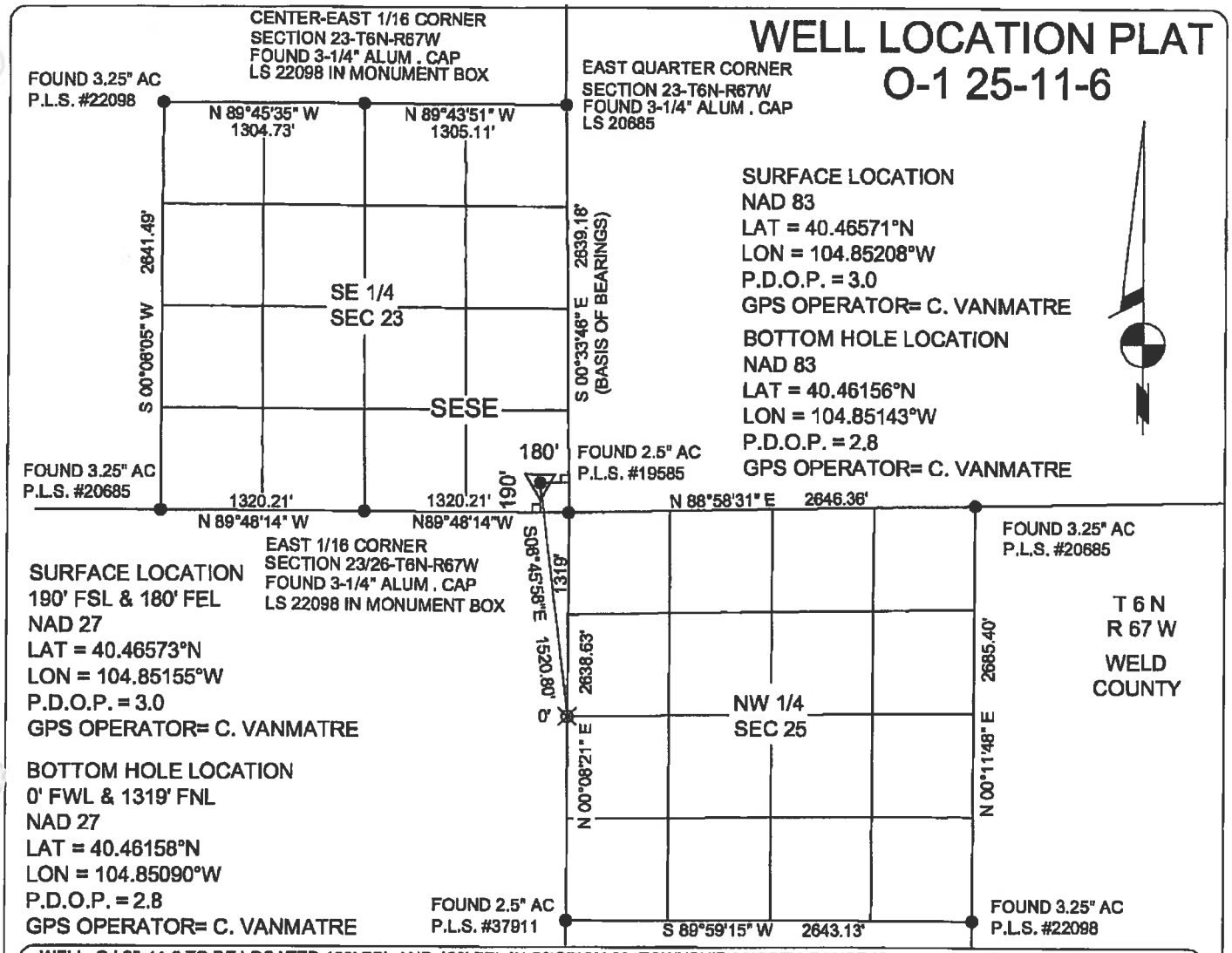
RICHARD B. GABRIEL P.L.S. #37929
COLORADO LICENSED PROFESSIONAL LAND SURVEYOR
FOR AND ON BEHALF OF POWER SURVEYING CO., INC.

NOTICE: ACCORDING TO COLORADO LAW YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT. IN NO EVENT MAY ANY ACTION BASED ON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS FROM THIS SAID DATE OF THIS CERTIFICATION SHOWN HEREON.

POWER™ Surveying Company, Inc.
Established 1968
120 W. 84TH AVENUE
THORNTON, COLORADO 80260
PH. 303-702-1617
FAX. 303-702-1468
WWW.POWERSURVEYING.COM

DATE OF FIELD WORK: 9-8-11
DATE OF COMPLETION: 9-9-11
PROJECT NUMBER: 501-11-145 REV1

WELL LOCATION PLAT
O-1 25-11-6



WELL: O-I 25-11-6 TO BE LOCATED 190' FSL AND 180' FEL IN SECTION 23, TOWNSHIP 6 NORTH, RANGE 67 WEST OF THE 6TH P.M.
LOCATION FALLS IN: CORN FIELD GROUND ELEVATION = 4772' IMPROVEMENTS: PROPOSED WELLS 20' S, 20', AND 40' N OF LOCATION

LEGEND:
- ● SECTION CORNER (AS NOTED)
- PROPOSED WELL LOCATION
- PROPOSED BOTTOM HOLE LOCATION

500 0 500 1000 1500 2500
SCALE 1"=1000'

NOTES:
1. THIS SURVEY WAS DONE BY GPS METHODS AND CONFORMS TO THE MINIMUM STANDARDS AS SET BY THE C.O.G.C.C. RULE NO. 215.
2. ELEVATIONS SHOWN AT THE WELL HEAD, AS WELL AS HORIZONTAL CONTROL, ARE BASED ON GPS-RTK VALUES DERIVED FROM DOING 2-HOUR STATIC GPS SESSIONS AND REDUCTIONS USING O.P.U.S. SOLUTIONS.
VERTICAL = NAVD88 HORIZONTAL = NAD83/92
3. THE BEARINGS AS SHOWN HEREON ARE BASED ON GPS OBSERVATIONS BETWEEN THE MONUMENTS SHOWN HEREON AS FOUND IN THE FIELD DATE BELOW.
4. DISTANCES SHOWN ARE AT GROUND LEVEL, AS MEASURED IN THE FIELD, WITH TIES TO WELLS MEASURED AT A PERPENDICULAR TO SECTION LINES.

COLORADO LICENSED
RICHARD BRUCE GABRIEL
37929
PROFESSIONAL LAND SURVEYOR
9-9-11

I, RICHARD B. GABRIEL, A LICENSED PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO DO HEREBY CERTIFY TO:
GREAT WESTERN OIL AND GAS COMPANY THAT THE SURVEY AND WELL LOCATION CERTIFICATE SHOWN HEREON WAS DONE BY ME OR UNDER MY DIRECT SUPERVISION AND THAT THE DRAWING SHOWN HEREON ACCURATELY DEPICTS THE PROPOSED LOCATION OF THE WELL O-I 25-11-6.
THIS CERTIFICATE DOES NOT REPRESENT A LAND SURVEY PLAT OR IMPROVEMENT SURVEY PLAT AS DEFINED BY C.R.S. 38-51-102 AND CANNOT BE RELIED UPON TO DETERMINE OWNERSHIP.

RICHARD B. GABRIEL P.L.S. #37929
COLORADO LICENSED PROFESSIONAL LAND SURVEYOR
FOR AND ON BEHALF OF POWER SURVEYING CO., INC.

NOTICE: ACCORDING TO COLORADO LAW YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT. IN NO EVENT MAY ANY ACTION BASED ON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS FROM THIS SAID DATE OF THIS CERTIFICATION SHOWN HEREON.

POWER™ Surveying Company, Inc.
Established 1948
120 W. 84TH AVENUE
THORNTON, COLORADO 80260
PH. 303-702-1617
FAX. 303-702-1488
WWW.POWERSURVEYING.COM

DATE OF FIELD WORK: 9-8-11
DATE OF COMPLETION: 9-9-11
PROJECT NUMBER: 501-11-145 REV1

WELL LOCATION PLAT
O-1 23-44-22

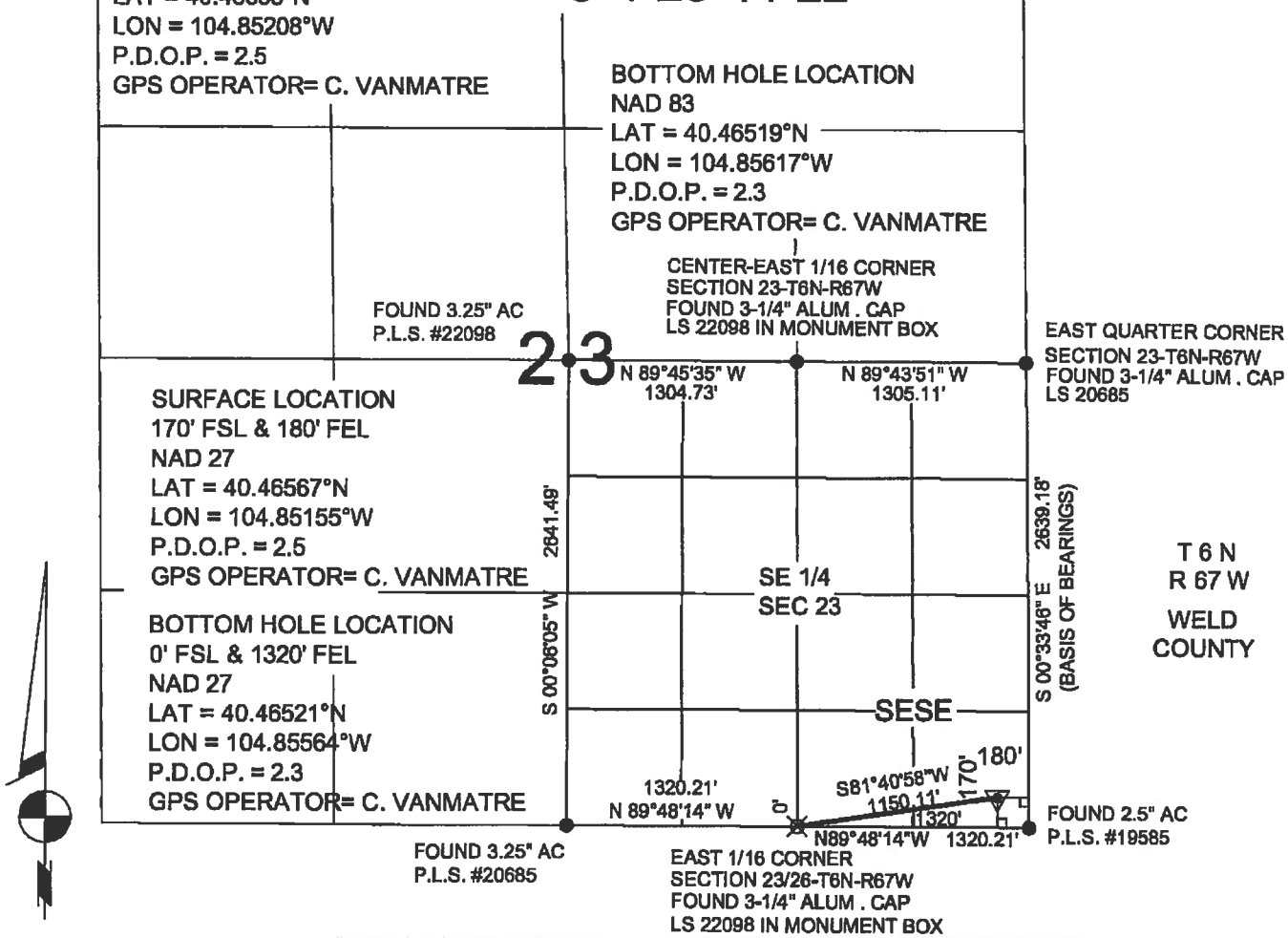
SURFACE LOCATION
NAD 83
LAT = 40.46565°N
LON = 104.85208°W
P.D.O.P. = 2.5
GPS OPERATOR= C. VANMATRE

BOTTOM HOLE LOCATION
NAD 83
LAT = 40.46519°N
LON = 104.85617°W
P.D.O.P. = 2.3
GPS OPERATOR= C. VANMATRE

CENTER-EAST 1/16 CORNER
SECTION 23-T6N-R67W
FOUND 3-1/4" ALUM . CAP
LS 22098 IN MONUMENT BOX

FOUND 3.25" AC
P.L.S. #22098

EAST QUARTER CORNER
SECTION 23-T6N-R67W
FOUND 3-1/4" ALUM . CAP
LS 20685



WELL: O-I 23-44-22 TO BE LOCATED 170' FSL AND 180' FEL IN SECTION 23, TOWNSHIP 6 NORTH, RANGE 67 WEST OF THE 6TH P.M.
LOCATION FALLS IN: CORN FIELD GROUND ELEVATION = 4772' IMPROVEMENTS: PROPOSED WELLS 20', 40', AND 60' NORTH OF LOCATION

LEGEND:
- SECTION CORNER (AS NOTED)
- PROPOSED WELL LOCATION
- PROPOSED BOTTOM HOLE LOCATION

500 0 500 1000 1500 2500
SCALE 1"=1000'

NOTES:
1. THIS SURVEY WAS DONE BY GPS METHODS AND CONFORMS TO THE MINIMUM STANDARDS AS SET BY THE C.O.G.C.C. RULE NO. 215.
2. ELEVATIONS SHOWN AT THE WELL HEAD, AS WELL AS HORIZONTAL CONTROL, ARE BASED ON GPS-RTK VALUES DERIVED FROM DOING 2-HOUR STATIC GPS SESSIONS AND REDUCTIONS USING O.P.U.S. SOLUTIONS.
VERTICAL = NAVD88 HORIZONTAL = NAD83/92
3. THE BEARINGS AS SHOWN HEREON ARE BASED ON GPS OBSERVATIONS BETWEEN THE MONUMENTS SHOWN HEREON AS FOUND IN THE FIELD DATE BELOW.
4. DISTANCES SHOWN ARE AT GROUND LEVEL, AS MEASURED IN THE FIELD, WITH TIES TO WELLS MEASURED AT A PERPENDICULAR TO SECTION LINES.

COLORADO LICENSED
RICHARD BRUCE GABRIEL
37929
PROFESSIONAL LAND SURVEYOR
9-9-11

I, RICHARD B. GABRIEL, A LICENSED PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO DO HEREBY CERTIFY TO:
GREAT WESTERN OIL AND GAS COMPANY THAT THE SURVEY AND WELL LOCATION CERTIFICATE SHOWN HEREON WAS DONE BY ME OR UNDER MY DIRECT SUPERVISION AND THAT THE DRAWING SHOWN HEREON ACCURATELY DEPICTS THE PROPOSED LOCATION OF THE WELL O-I 23-44-22.
THIS CERTIFICATE DOES NOT REPRESENT A LAND SURVEY PLAT OR IMPROVEMENT SURVEY PLAT AS DEFINED BY C.R.S. 38-51-102 AND CANNOT BE RELIED UPON TO DETERMINE OWNERSHIP.

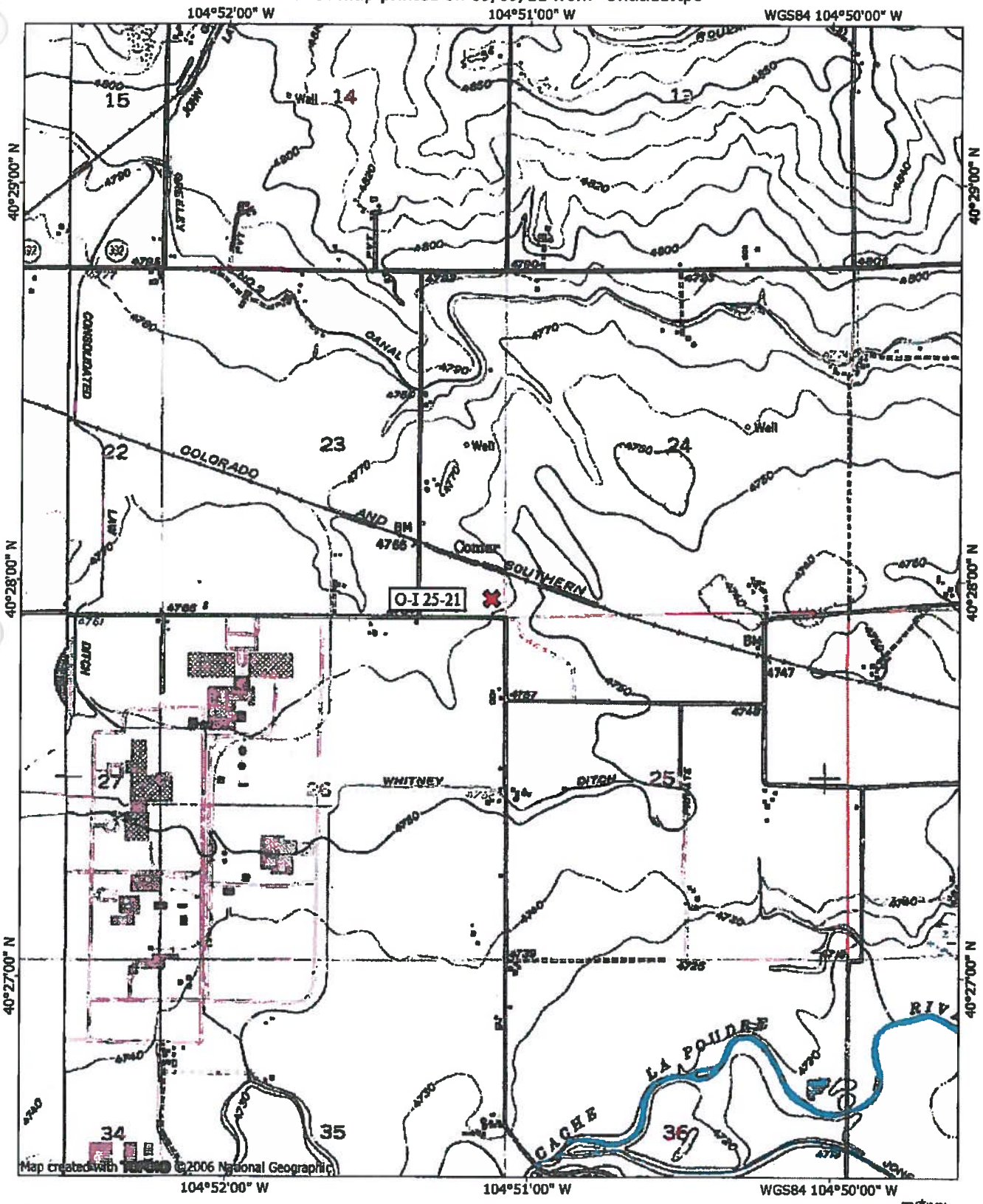
RICHARD B. GABRIEL P.L.S. #37929
COLORADO LICENSED PROFESSIONAL LAND SURVEYOR
FOR AND ON BEHALF OF POWER SURVEYING CO., INC.

NOTICE: ACCORDING TO COLORADO LAW YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT. IN NO EVENT MAY ANY ACTION BASED ON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS FROM THE SAID DATE OF THIS CERTIFICATION SHOWN HEREON.

POWER™ Surveying Company, Inc.
Established 1948
120 W. 84TH AVENUE
THORNTON, COLORADO 80260
PH. 303-702-1617
FAX. 303-702-1488
WWW.POWERSURVEYING.COM

DATE OF FIELD WORK: 9-8-11
DATE OF COMPLETION: 9-9-11
PROJECT NUMBER: 501-11-145 REV1

TOPO! map printed on 09/09/11 from "Untitled.tpo"

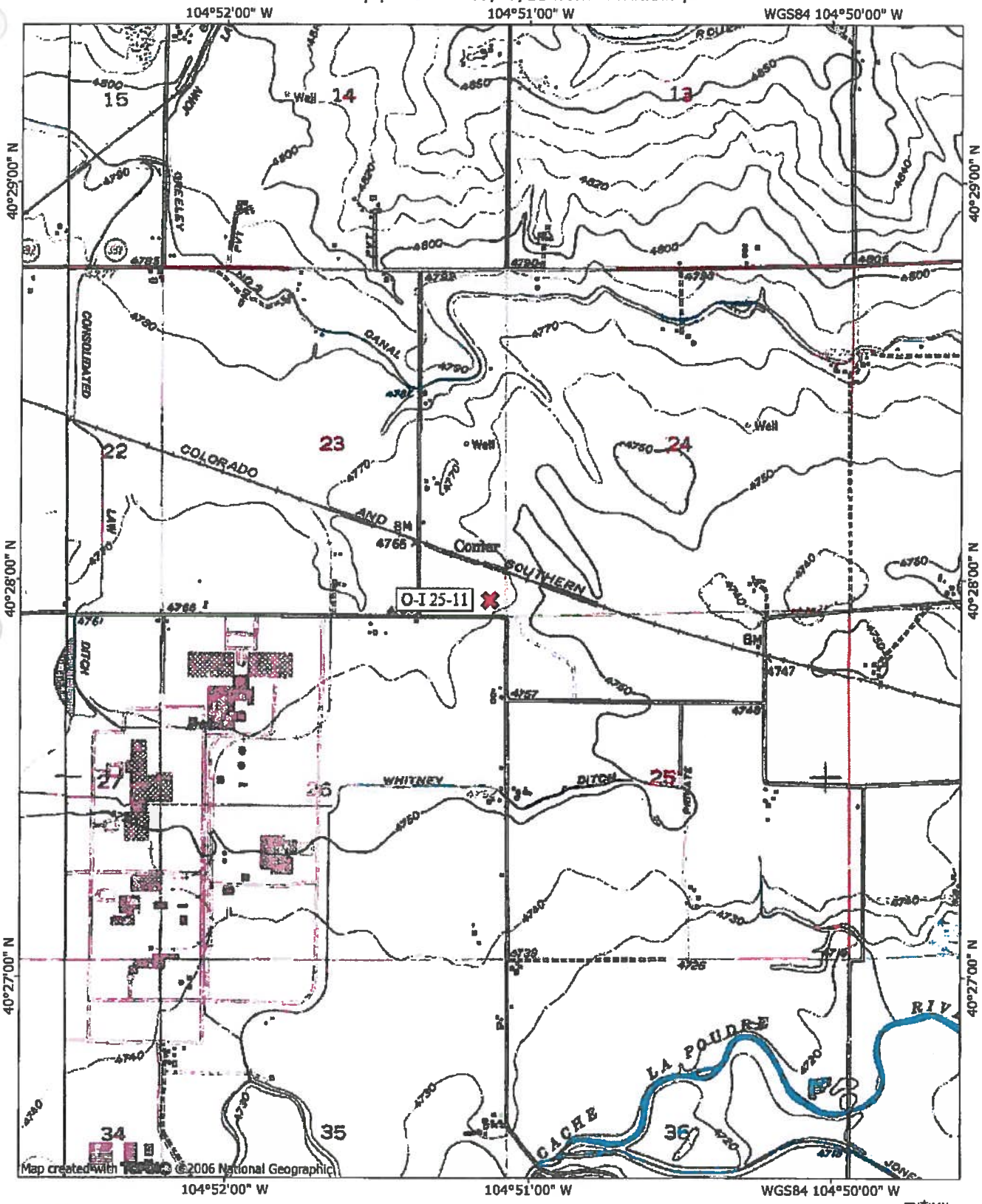


NATIONAL GEOGRAPHIC

0.0 0.5 miles
0.0 0.5 1.0 km

TN MN
9½°
09/09/11

TOPO! map printed on 09/09/11 from "Untitled.tpo"

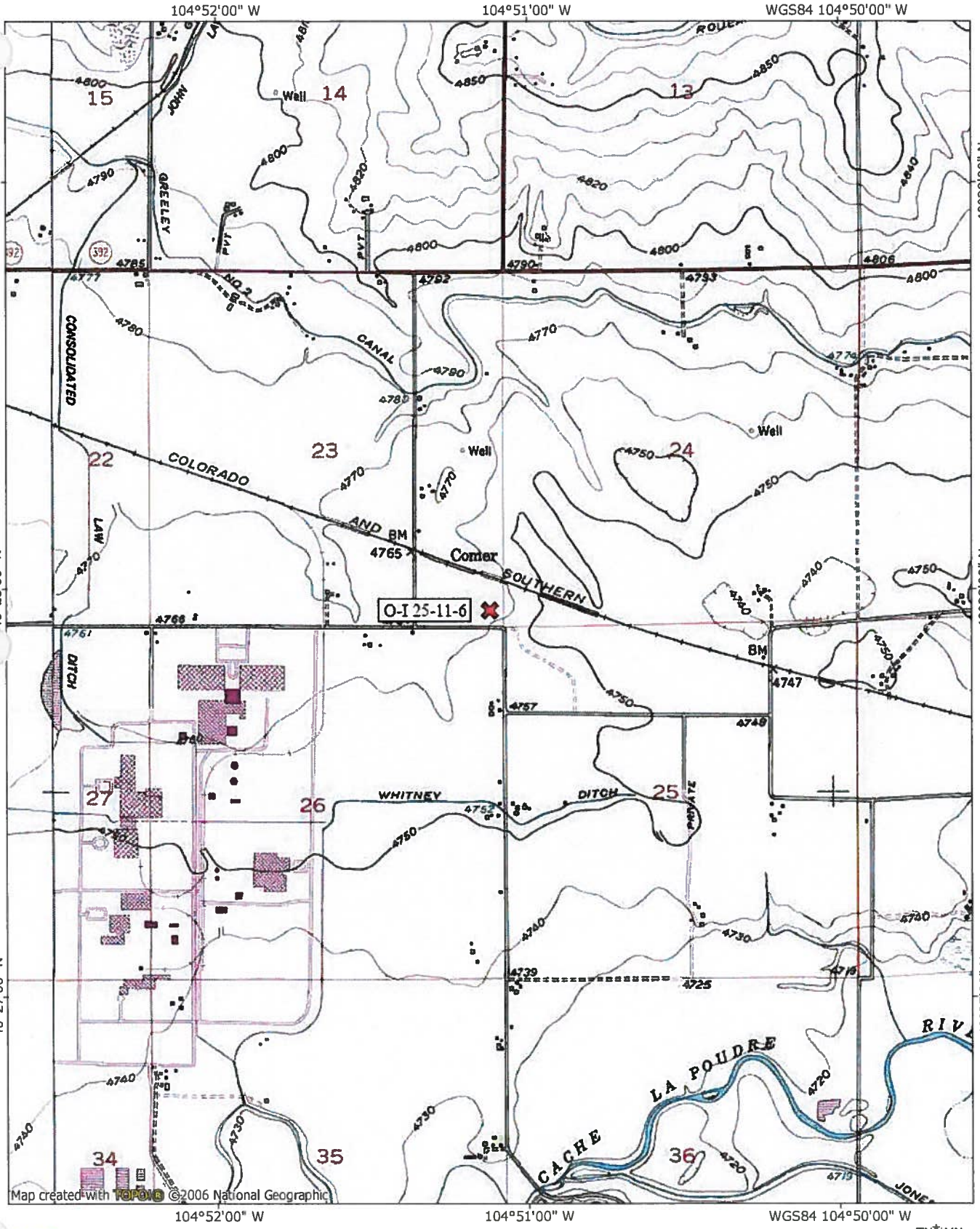


NATIONAL GEOGRAPHIC

0.0 0.5 miles
0.0 0.5 1.0 km

TN MN
9½°
09/09/11

TOPO! map printed on 09/09/11 from "Untitled.tpo"

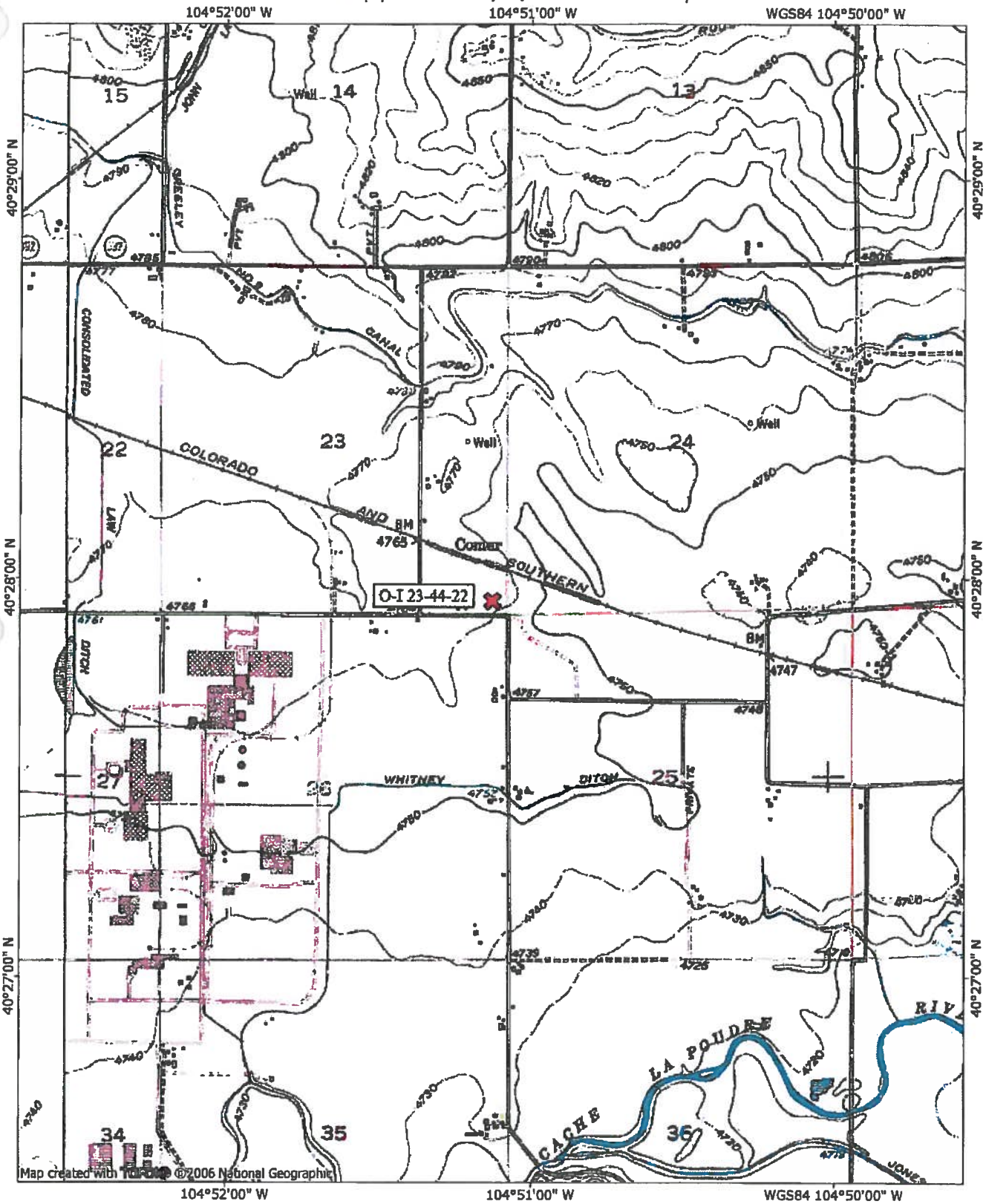


NATIONAL GEOGRAPHIC

0.0 0.5 miles
0.0 0.5 1.0 km

TN MN
9½°
09/09/11

TOPO! map printed on 09/09/11 from "Untitled.tpo"



NATIONAL GEOGRAPHIC

0.0 0.5 miles
0.0 0.5 1.0 km

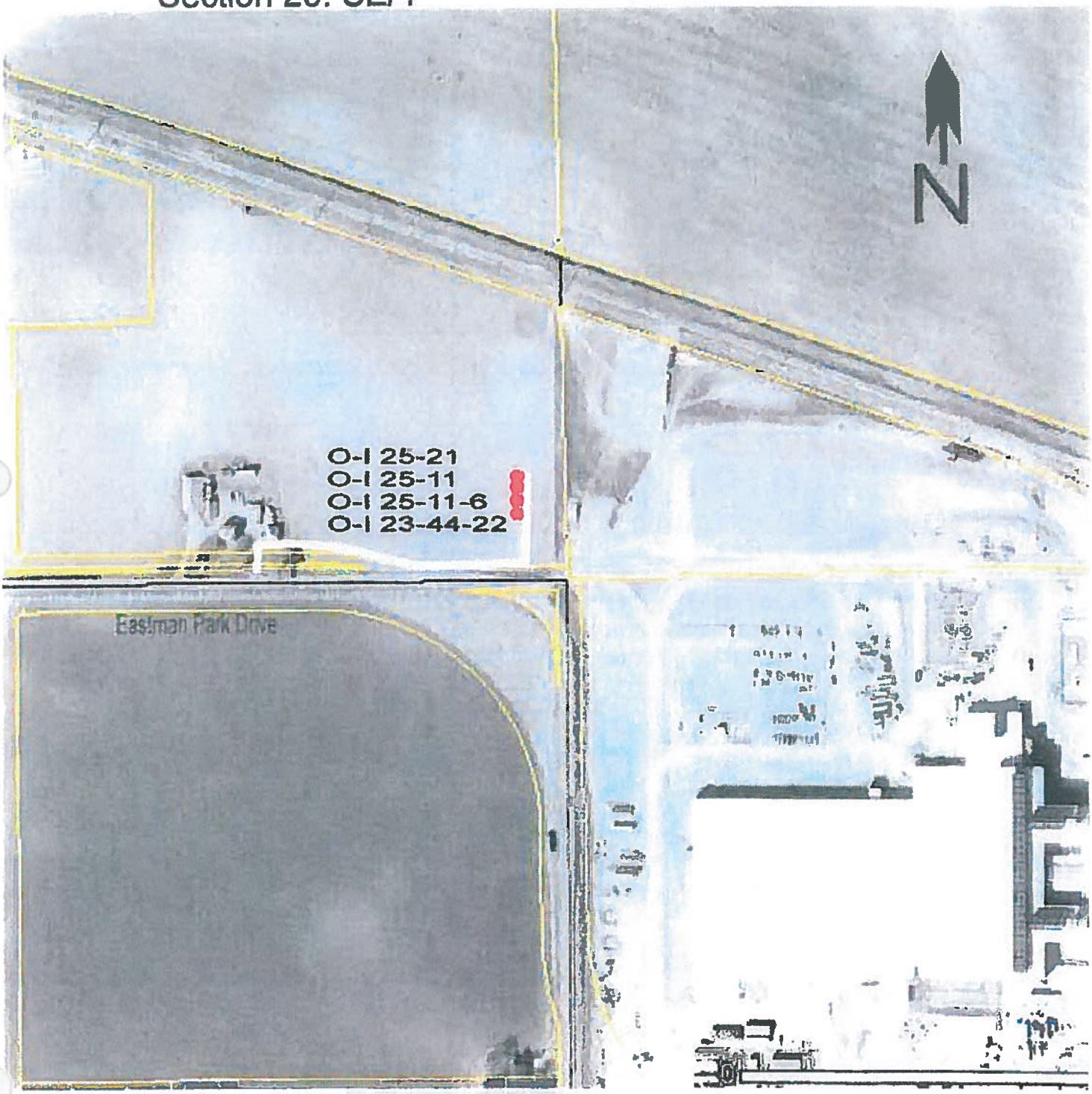
TN MN
9½°
09/09/11

O-I 25-21, O-I 25-11, O-I 25-11-6 and O-I 23-44-22

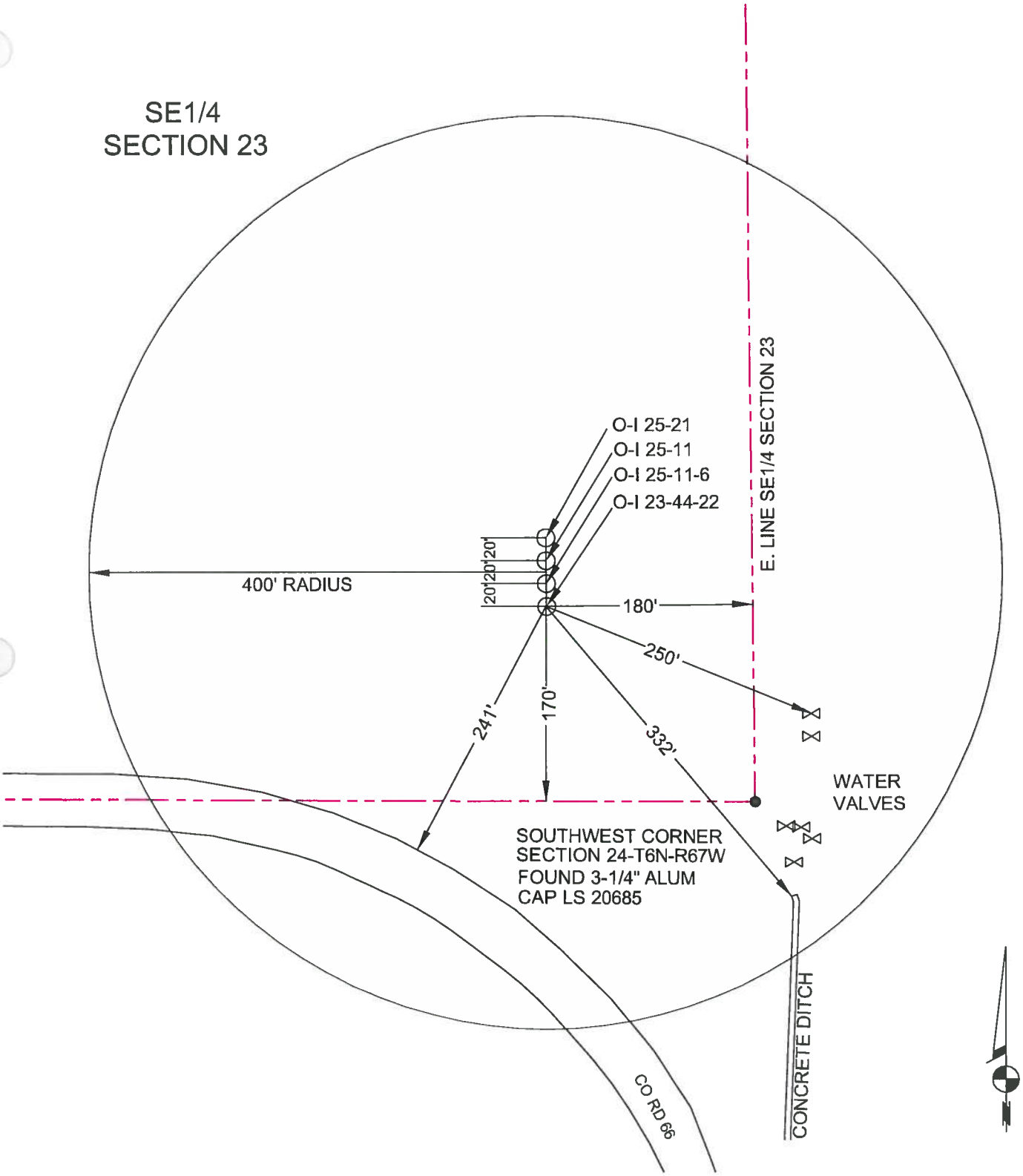
ACCESS MAP

TOWNSHIP 6 NORTH, RANGE 67 WEST, 6th P.M.

Section 23: SE/4



Access Road



Great Western
OIL & GAS COMPANY

0 120 240
SCALE 1"=120'

IMPROVEMENTS WITHIN 400'
O-I 25-21, O-I 25-11, O-I 25-11-6, O-I 23-44-22
SECTION 23, T 6 N, R 67 W

POWER™ Surveying Company, Inc.
Established 1948
123 W. 84TH AVENUE
THORNTON, COLORADO 80229
PH. 303-703-1617
FAX. 303-703-1483
WWW.POWERSURVEYING.COM

REV1 501-11-145

Map Unit Description

Weld County, Colorado, Southern Part

32 Kim loam, 1 to 3 percent slopes

Setting

Elevation: 4900 to 5250 feet
Mean annual precipitation: 13 to 17 inches
Mean annual air temperature: 46 to 52 degrees F
Frost-free period: 125 to 150 days

Composition

Kim and similar soils: 90 percent
Minor components: 10 percent

Description of Kim

Setting

Landform: Alluvial fans, plains
Down-slope shape: Linear
Across-slope shape: Linear
Parent material: Mixed eolian deposits derived from sedimentary rock

Properties and Qualities

Slope: 1 to 3 percent
Drainage class: Well drained
Capacity of the most limiting layer to transmit water (Ksat): Moderately high or high (0.57 to 5.95 in/hr)
Frequency of flooding: None
Frequency of ponding: None
Calcium carbonate maximum: 15 percent
Gypsum maximum: 0 percent
Available water capacity: Moderate (about 9.0 inches)

Interpretive Groups

Land capability classification (irrigated): 3e
Land capability (non irrigated): 4e
Ecological site: Loamy Plains (R067BY002CO)

Typical Profile

0 to 12 inches: loam
12 to 40 inches: loam
40 to 60 inches: fine sandy loam

Minor Components

Otero

Percent of map unit: 10 percent

Map Unit Description

Weld County, Colorado, Southern Part

47 Olney fine sandy loam, 1 to 3 percent slopes

Setting

Elevation: 4600 to 5200 feet
Mean annual precipitation: 11 to 15 inches
Mean annual air temperature: 46 to 54 degrees F
Frost-free period: 125 to 175 days

Composition

Olney and similar soils: 85 percent
Minor components: 15 percent

Description of Olney

Setting

Landform: Plains
Down-slope shape: Linear
Across-slope shape: Linear
Parent material: Mixed deposit outwash

Properties and Qualities

Slope: 1 to 3 percent
Drainage class: Well drained
Capacity of the most limiting layer to transmit water (Ksat): Moderately high or high (0.57 to 2.00 in/hr)
Frequency of flooding: None
Frequency of ponding: None
Calcium carbonate maximum: 15 percent
Gypsum maximum: 0 percent
Available water capacity: Moderate (about 7.0 inches)

Interpretive Groups

Land capability classification (irrigated): 3e
Land capability (non irrigated): 4c
Ecological site: Sandy Plains (R067BY024CO)

Typical Profile

0 to 10 inches: fine sandy loam
10 to 20 inches: sandy clay loam
20 to 25 inches: sandy clay loam
25 to 60 inches: fine sandy loam

Minor Components

Zigweid

Percent of map unit: 10 percent

Vona

Percent of map unit: 5 percent

Great Western
OIL & GAS COMPANY

0 300 600

SCALE 1"=300'

HYDROLOGY WITHIN 1000'

O-I 25-21, O-I 25-11, O-I 25-11-6, O-I 23-44-22

SECTION 23, T 6 N, R 67 W

POWER™ Surveying Company, Inc.
Established 1998
120 W. 84TH AVENUE
THORNTON, COLORADO 80260
PH. 303-703-1617
FAX. 303-702-1488
WWW.POWERSURVEYING.COM

REV1 501-11-145

O-I 25-21

Township 6 North, Range 67 West, 6th P.M.

Section 23: SE/4

O-I 25-21 Looking South

O-I 25-21 Looking West

Pictures Taken 10/12/2011

O-I 25-21

Township 6 North, Range 67 West, 6th P.M.

Section 23: SE/4

O-I 25-21 Looking East

O-I 25-21 Looking North

Pictures Taken 10/12/2011

O-I 25-11

Township 6 North, Range 67 West, 6th P.M.

Section 23: SE/4

O-I 25-11 Looking East

O-I 25-11 Looking North

Pictures Taken 10/12/2011

O-I 25-11

Township 6 North, Range 67 West, 6th P.M.

Section 23: SE/4

O-I 25-11 Looking South

O-I 25-11 Looking West

Pictures Taken 10/12/2011

O-I 25-11-6

Township 6 North, Range 67 West, 6th P.M.

Section 23: SE/4

O-I 25-11-6 Looking East

O-I 25-11-6 Looking North

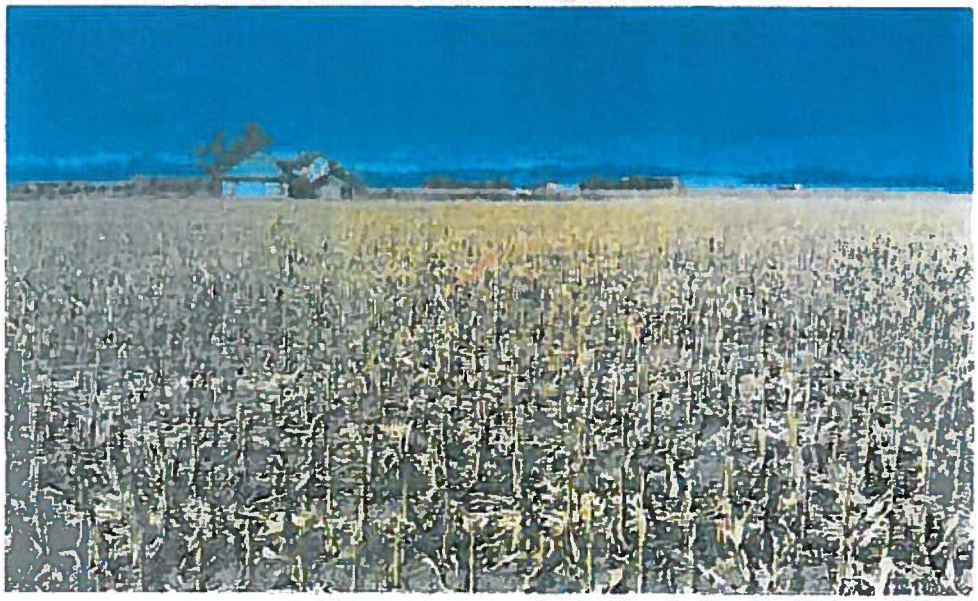
Pictures Taken 10/12/2011

O-I 25-11-6

Township 6 North, Range 67 West, 6th P.M.

Section 23: SE/4

O-I 25-11-6 Looking South



O-I 25-11-6 Looking West

Pictures Taken 10/12/2011

O-I 23-44-22

Township 6 North, Range 67 West, 6th P.M.

Section 23: SE/4

O-I 23-44-22 Looking West

O-I 23-44-22 Looking North

Pictures Taken 10/12/2011

O-I 23-44-22

Township 6 North, Range 67 West, 6th P.M.

Section 23: SE/4

O-I 23-44-22 Looking East

O-I 23-44-22 Looking South

Pictures Taken 10/12/2011

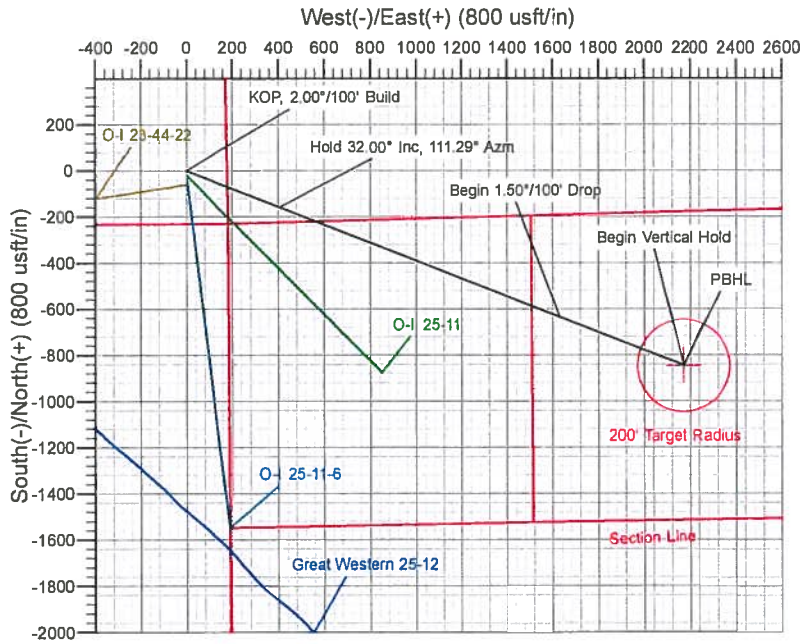
Great Western

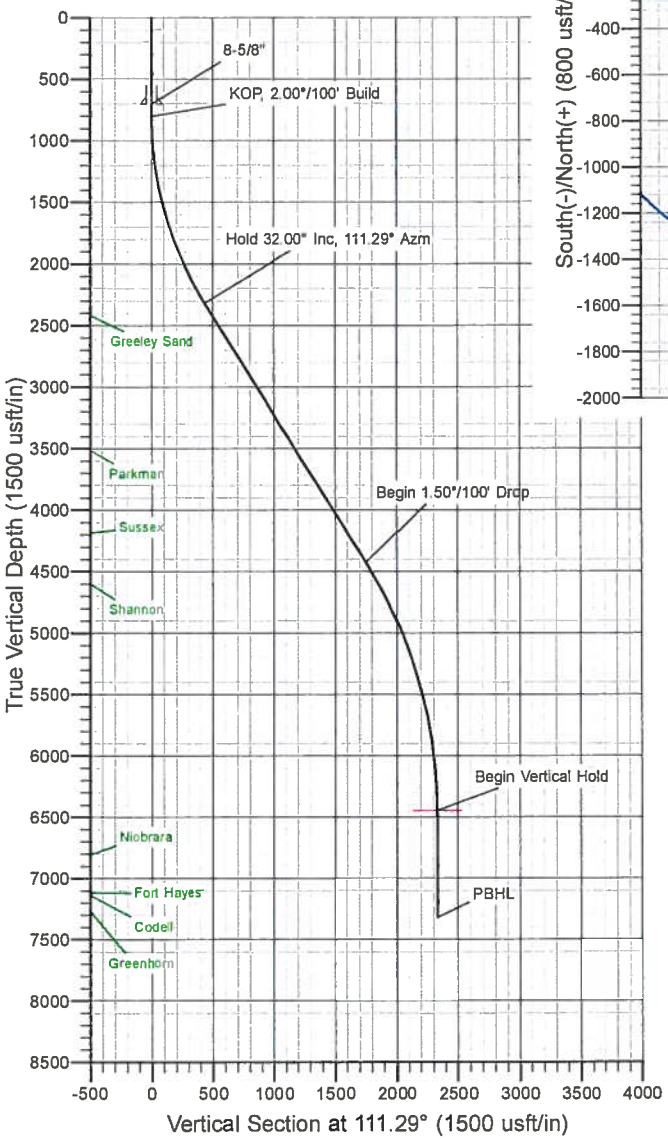
Company: Great Western
Site: O-I
Well: 25-21
Project: Weld County, Colorado (NAD 83)
Rig Name: Cade 22

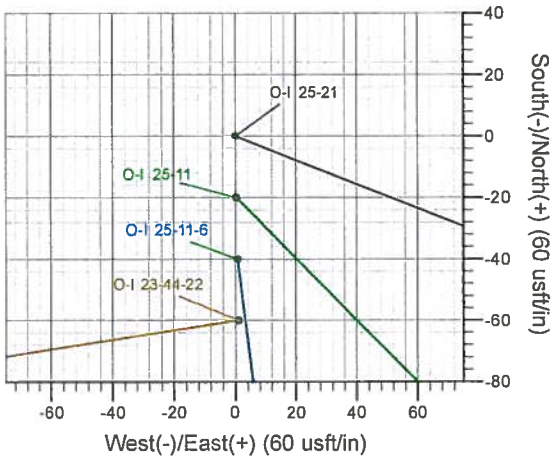
MS Energy Services
WWW.MSENERGYSERVICES.COM
Planning: 936.442.2510 Fax: 936.442.2515
Operations: 936.442.2500 Fax: 936.442.2599

ANNOTATIONS

MD	Inc	Azi	TVD	+N/-S	+E/-W	VSect	Departure	Annotation
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	KOP, 2.00°/100' Build
2399.84	32.00	111.29	2317.97	-158.05	405.51	435.23	435.23	Hold 32.00° Inc, 111.29° Azm
4881.41	32.00	111.29	4422.54	-635.56	1630.66	1750.14	1750.14	Begin 1.50°/100' Drop
7014.53	0.00	0.00	6446.50	-846.29	2171.35	2330.44	2330.44	Begin Vertical Hold
7884.03	0.00	0.00	7316.00	-846.29	2171.35	2330.44	2330.44	PBHL







Azimuths to Grid North
True North: -0.42°
Magnetic North: 8.43°

Magnetic Field
Strength: 53120 2snT
Dip Angle: 67.07°
Date: 11/21/2011
Model: WMM_2010

US State Plane 1983
Colorado Northern Zone

Created By: Allen Slack
Date: 17:45, November 21 2011
Plan: Design #1

The customer should only rely on this document after independently verifying all paths, targets, coordinates, lease and hard lines represented.
Any decisions made or wells drilled utilizing this or any other information supplied by MS Energy are at the sole risk and responsibility of the customer.
MS Energy is not responsible for the accuracy of this schematic or the information contained herein.

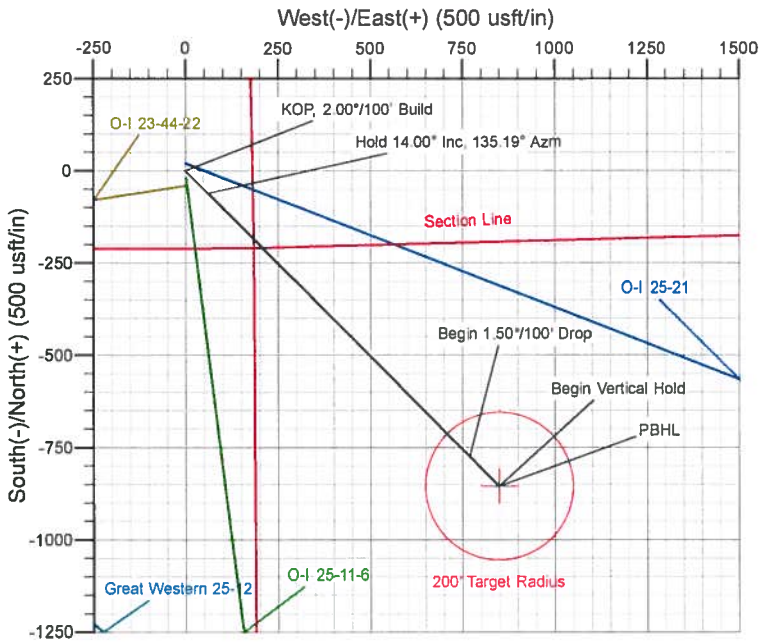
Great Western

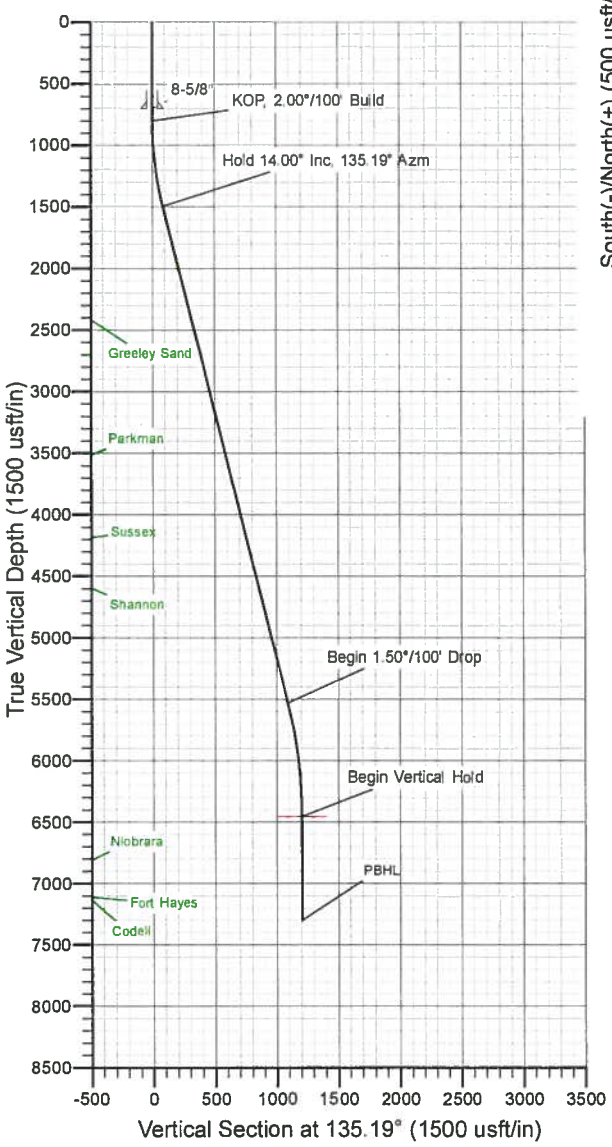
Company: Great Western
Site: O-I
Well: 25-11
Project: Weld County, Colorado (NAD 83)
Rig Name: Cade 22

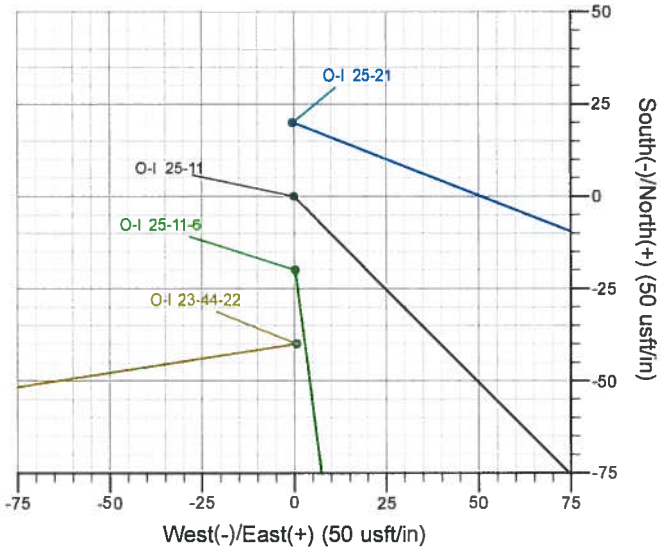
MS Energy Services
WWW.MSENERGYSERVICES.COM
Planning: 936.442.2510 Fax: 936.442.2515
Operations: 936.442.2500 Fax: 936.442.2599

ANNOTATIONS

MD	Inc	Azi	TVD	+N/-S	+E/-W	VSect	Departure	Annotation
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	KOP, 2.00°/100' Build
1499.87	14.00	135.19	1492.93	-60.35	59.95	85.06	85.06	Hold 14.00° Inc, 135.19° Azm
5659.55	14.00	135.19	5529.09	-774.20	768.98	1091.20	1091.20	Begin 1.50°/100' Drop
6592.71	0.00	0.00	6453.00	-854.67	848.91	1204.62	1204.62	Begin Vertical Hold
7435.71	0.00	0.00	7296.00	-854.67	848.91	1204.62	1204.62	PBHL







Azimuths to Grid North
True North: -0.42°
Magnetic North: 8.43°

Magnetic Field
Strength: 53120.2snT
Dip Angle: 67.07°
Date: 11/21/2011
Model: WMM_2010

US State Plane 1983
Colorado Northern Zone

Created By: Allen Slack
Date: 16:03, November 21 2011
Plan: Design #1

The customer should only rely on this document after independently verifying all paths, targets, coordinates, lease and hard lines represented.
Any decisions made or wells drilled utilizing this or any other information supplied by MS Energy are at the sole risk and responsibility of the customer.
MS Energy is not responsible for the accuracy of this schematic or the information contained herein.

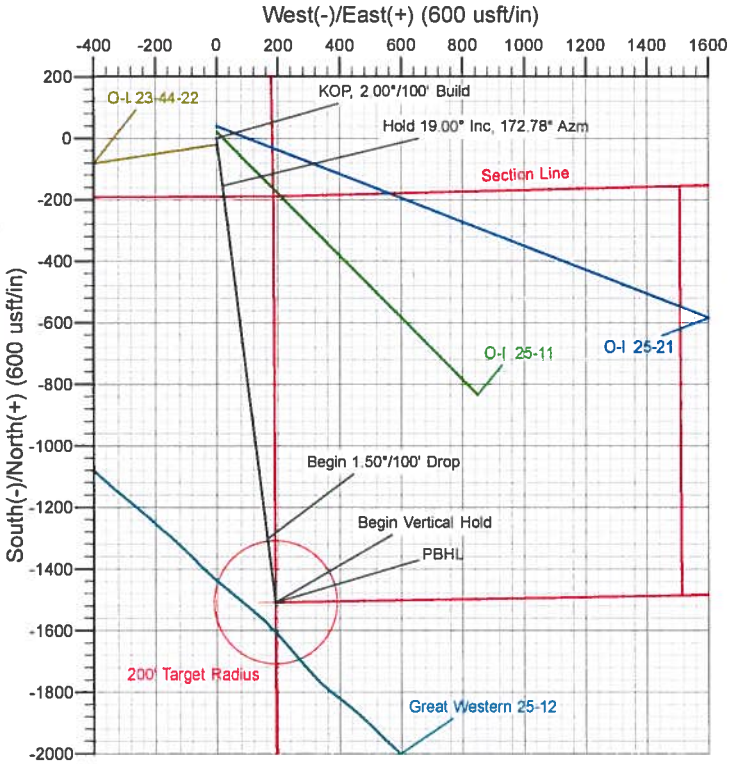
Great Western

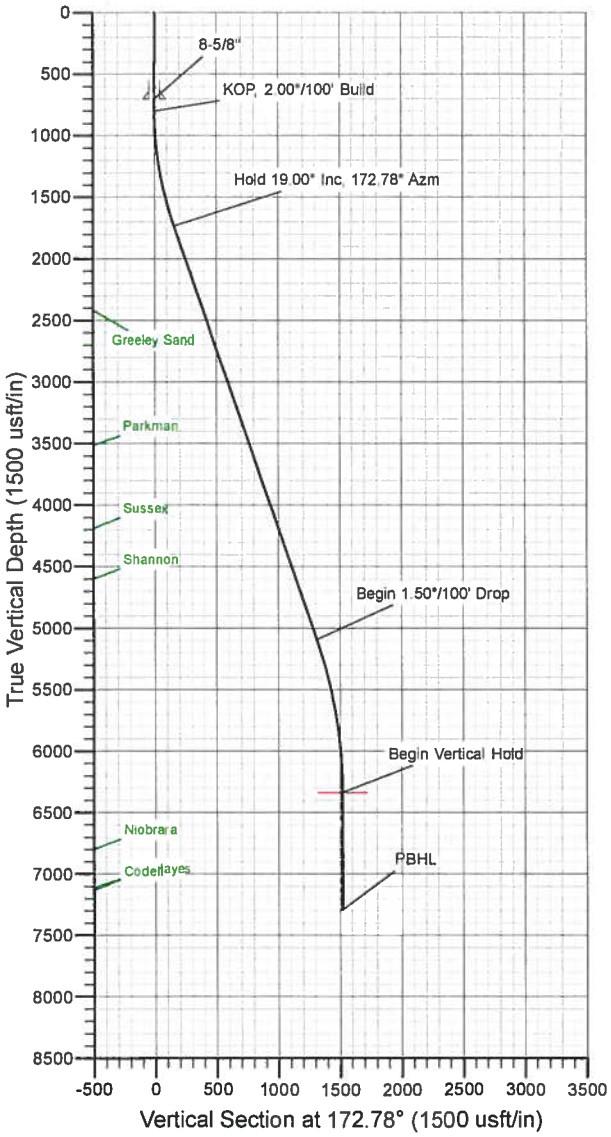
Company: Great Western
Site: O-I
Well: 25-11-6
Project: Weld County, Colorado (NAD 83)
Rig Name: Cade 22

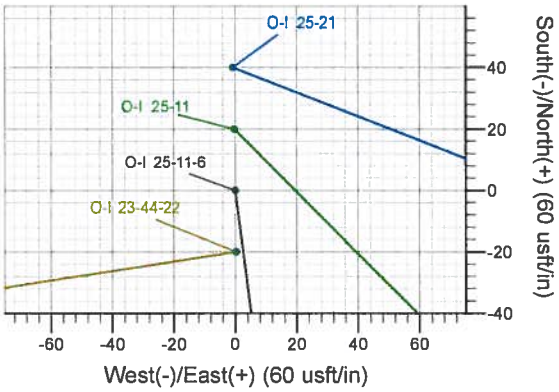
MS Energy Services
WWW.MSENERGYSERVICES.COM
Planning: 936.442.2510 Fax: 936.442.2515
Operations: 936.442.2500 Fax: 936.442.2599

ANNOTATIONS

MD	Inc	Azi	TVD	+N/-S	+E/-W	VSect	Departure	Annotation
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	KOP, 2.00°/100' Build
1749.78	19.00	172.78	1732.48	-154.77	19.62	156.01	156.01	Hold 19.00° Inc, 172.78° Azm
5302.47	19.00	172.78	5091.70	-1301.97	165.02	1312.39	1312.39	Begin 1.50°/100' Drop
6568.84	0.00	0.00	6335.00	-1508.33	191.18	1520.40	1520.40	Begin Vertical Hold
7524.84	0.00	0.00	7291.00	-1508.33	191.18	1520.40	1520.40	PBHL







Azimuths to Grid North
True North: -0.42°
Magnetic North: 8.43°

Magnetic Field
Strength: 53120.2snT
Dip Angle: 67.07°
Date: 11/21/2011
Model: WMM_2010

US State Plane 1983
Colorado Northern Zone

Created By: Allen Slack
Date: 16:34, November 21 2011
Plan: Design #1

The customer should only rely on this document after independently verifying all paths, targets, coordinates, lease and hard lines represented.
Any decisions made or wells drilled utilizing this or any other information supplied by MS Energy are at the sole risk and responsibility of the customer.
MS Energy is not responsible for the accuracy of this schematic or the information contained herein.

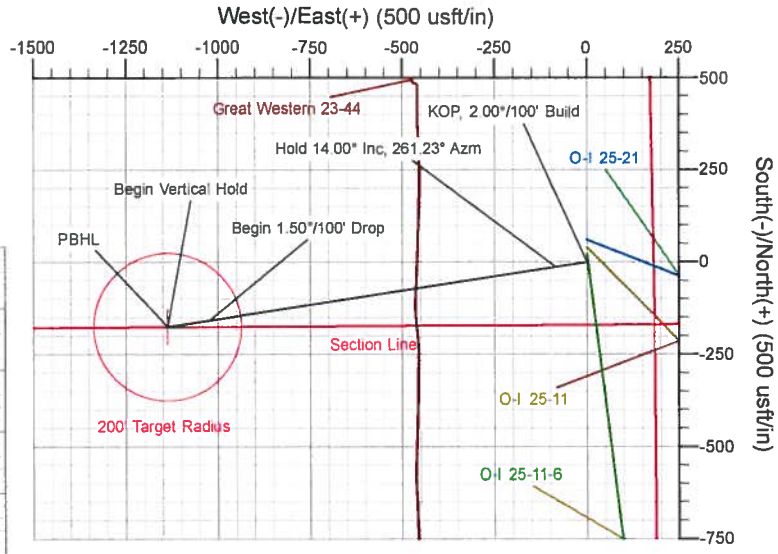
Great Western

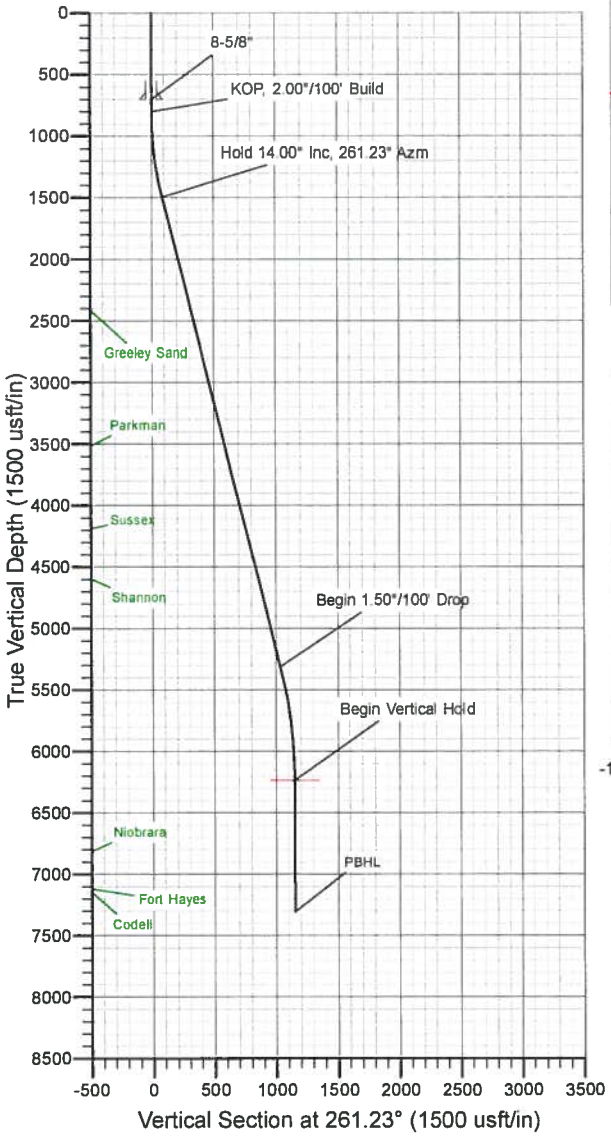
Company: Great Western
Site: O-I
Well: 23-44-22
Project: Weld County, Colorado (NAD 83)
Rig Name: Cade 22

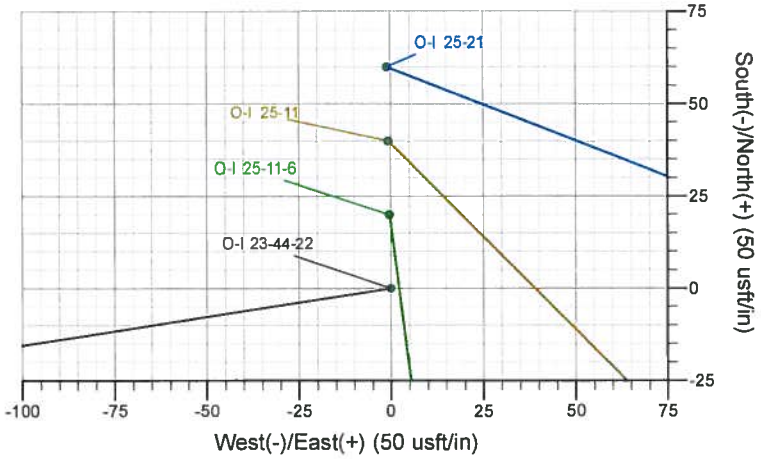
MS Energy Services
WWW.MSENERGYSERVICES.COM
Planning: 936.442.2510 Fax: 936.442.2515
Operations: 936.442.2500 Fax: 936.442.2599

ANNOTATIONS

MD	Inc	Azi	TVD	+N/-S	+E/-W	VSect	Departure	Annotation
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	KOP, 2.00°/100' Build
1499.89	14.00	261.23	1492.95	-12.98	-84.07	85.07	85.07	Hold 14.00° Inc, 261.23° Azm
5432.80	14.00	261.23	5309.07	-158.10	-1024.25	1036.38	1036.38	Begin 1.50°/100' Drop
6365.98	0.00	0.00	6233.00	-175.40	-1136.35	1149.81	1149.81	Begin Vertical Hold
7439.98	0.00	0.00	7307.00	-175.40	-1136.35	1149.81	1149.81	PBHL







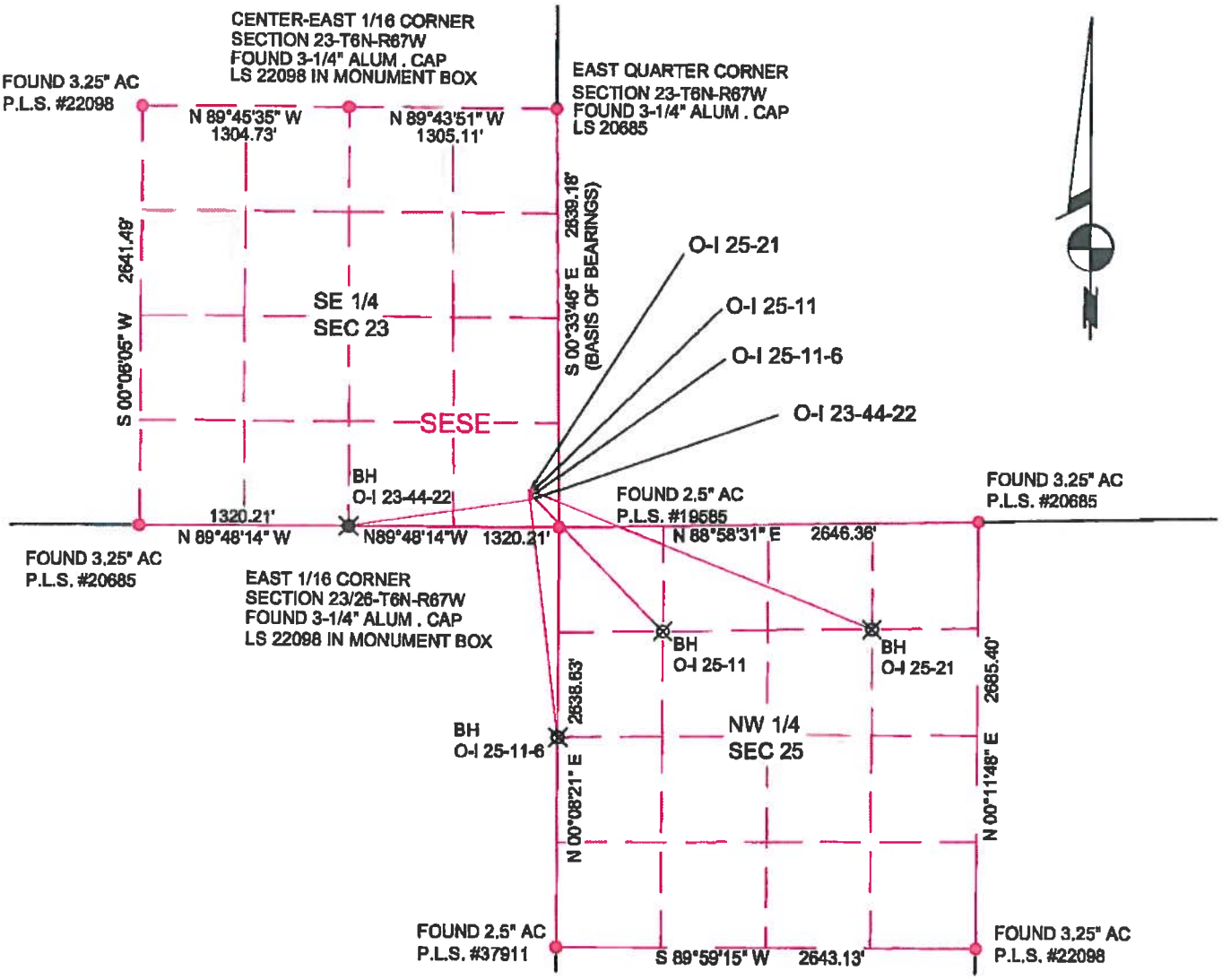
Azimuths to Grid North
True North: -0.42°
Magnetic North: 8.43°

Magnetic Field
Strength: 53120.1snT
Dip Angle: 67.07°
Date: 11/21/2011
Model: WMM_2010

US State Plane 1983
Colorado Northern Zone

Created By: Allen Slack
Date: 16:12, November 21 2011
Plan: Design #1

The customer should only rely on this document after independently verifying all paths, targets, coordinates, lease and hard lines represented.
Any decisions made or wells drilled utilizing this or any other information supplied by MS Energy are at the sole risk and responsibility of the customer.
MS Energy is not responsible for the accuracy of this schematic or the information contained herein.



SHEET 1 OF 2

Great Western
OIL & GAS COMPANY

500 0 500 1000 1500 2000

SCALE 1"=1000'

MULTI WELL PLAN
O-I 25-21, O-I 25-11, O-I 25-11-6, O-I 23-44-22
SECTION 23, T 6 N, R 67 W

POWER™
Surveying Company, Inc.
Established 1988

120 W. 84TH AVENUE
THORNTON, COLORADO 80260

PH. 303-702-1617
FAX. 303-702-1488
WWW.POWERSURVEYING.COM

REV1 1/17/12

501-11-145

O-I 25-21

SURFACE LOCATION	BOTTOM HOLE LOCATION
230' FSL & 180' FEL	1984' FWL & 668' FNL
NAD 83	NAD 83
LAT = 40.46582°N	LAT = 40.46345°N
LON = 104.85208°W	LON = 104.84430°W
P.D.O.P. = 2.8	P.D.O.P. = 2.6
GPS OPERATOR= C. VANMATRE	GPS OPERATOR= C. VANMATRE

O-I 25-21

SURFACE LOCATION	BOTTOM HOLE LOCATION
230' FSL & 180' FEL	1984' FWL & 668' FNL
NAD 27	NAD 27
LAT = 40.46584°N	LAT = 40.46346°N
LON = 104.85155°W	LON = 104.84377°W
P.D.O.P. = 2.8	P.D.O.P. = 2.6
GPS OPERATOR= C. VANMATRE	GPS OPERATOR= C. VANMATRE

O-I 25-11

SURFACE LOCATION	BOTTOM HOLE LOCATION
210' FSL & 180' FEL	661' FWL & 662' FNL
NAD 83	NAD 83
LAT = 40.46576°N	LAT = 40.46334°N
LON = 104.85208°W	LON = 104.84905°W
P.D.O.P. = 2.0	P.D.O.P. = 2.1
GPS OPERATOR= C. VANMATRE	GPS OPERATOR= C. VANMATRE

O-I 25-11

SURFACE LOCATION	BOTTOM HOLE LOCATION
210' FSL & 180' FEL	661' FWL & 662' FNL
NAD 27	NAD 27
LAT = 40.46578°N	LAT = 40.46334°N
LON = 104.85155°W	LON = 104.84852°W
P.D.O.P. = 2.0	P.D.O.P. = 2.1
GPS OPERATOR= C. VANMATRE	GPS OPERATOR= C. VANMATRE

O-I 25-11-6

SURFACE LOCATION	BOTTOM HOLE LOCATION
190' FSL & 180' FEL	0' FWL & 1319' FNL
NAD 83	NAD 83
LAT = 40.46571°N	LAT = 40.46156°N
LON = 104.85208°W	LON = 104.85143°W
P.D.O.P. = 3.0	P.D.O.P. = 2.8
GPS OPERATOR= C. VANMATRE	GPS OPERATOR= C. VANMATRE

O-I 25-11-6

SURFACE LOCATION	BOTTOM HOLE LOCATION
190' FSL & 180' FEL	0' FWL & 1319' FNL
NAD 27	NAD 27
LAT = 40.46573°N	LAT = 40.46158°N
LON = 104.85155°W	LON = 104.85090°W
P.D.O.P. = 3.0	P.D.O.P. = 2.8
GPS OPERATOR= C. VANMATRE	GPS OPERATOR= C. VANMATRE

O-I 23-44-22

SURFACE LOCATION	BOTTOM HOLE LOCATION
170' FSL & 180' FEL	0' FSL & 1320' FEL
NAD 83	NAD 83
LAT = 40.46565°N	LAT = 40.46519°N
LON = 104.85208°W	LON = 104.85617°W
P.D.O.P. = 2.5	P.D.O.P. = 2.3
GPS OPERATOR= C. VANMATRE	GPS OPERATOR= C. VANMATRE

O-I 23-44-22

SURFACE LOCATION	BOTTOM HOLE LOCATION
170' FSL & 180' FEL	0' FSL & 1320' FEL
NAD 27	NAD 27
LAT = 40.46567°N	LAT = 40.46521°N
LON = 104.85155°W	LON = 104.85564°W
P.D.O.P. = 2.5	P.D.O.P. = 2.3
GPS OPERATOR= C. VANMATRE	GPS OPERATOR= C. VANMATRE

Great Western
OIL & GAS COMPANY

MULTI WELL PLAN
O-I 25-21, O-I 25-11, O-I 25-11-6, O-I 23-44-22
SECTION 23, T 6 N, R 67 W

POWER™ Surveying Company, Inc.
Established 1948
120 W. 84TH AVENUE
THORNTON, COLORADO 80260
PH. 303-702-1617
FAX. 303-702-1486
WWW.POWERSURVEYING.COM

REV1 1/17/12

501-11-145

SECTION 3 SUMMARY OF PROPOSED OPERATIONS

The proposed drill site disturbance will be about 2.5 acres in size. Construction of this site includes leveling the site. The attached Rig Plan Layout shows the maximum area to be disturbed by drilling operations. The tank battery and wellhead access road will be constructed of a 6" bed of gravel compacted to minimum density of 95% and will be graded to provide drainage from the roadway surface. Any grading will have all topsoil horizons segregated per COGCC regulations to facilitate proper backfilling.

In addition Great Western Oil & Gas Company, LLC shall clean up all gravel, mud, dirt etc. that is on the streets due to the oil and gas well vehicles driving between the street and the unpaved drive within 48 hours in accordance with Section 7-2-30 of the Municipal Code which pertains to littering and states that: "No person shall throw, deposit or scatter or leave upon any sidewalk, alley street or other public place or on any private property any loose paper, rags, rubbish, waster materials, refuse, garbage, trash, debris or any other foreign substances, nor shall any person owning or occupying any lot of ground allow or permit any such material which may be liable to be blown or scattered by the wind or otherwise to remain upon such lot or grounds."

SERIES DRILLING, DEVELOPMENT, PRODUCTION AND ABANDONMENT

301. RECORDS, REPORTS, NOTICES-GENERAL

Any written notice of intention to do work or to change plans previously approved must be filed with the Director, and must reach the Director and receive approval before the work is begun, or such approval may be given orally and, if so given, shall thereafter be confirmed to the Director in writing.

In case of emergency, or any situation where operations might be unduly delayed, any notice or information required by these rules and regulations to be given to the Director may be given orally or by wire, and if approval is obtained the transaction shall be promptly confirmed in writing to the Director, as a matter of record.

Immediate notice shall be given to the Director when public health or safety is in jeopardy. Notice shall also be given to the Director of any other significant downhole problem or mechanical failure in any well within ten (10) days.

The owner shall keep on the leased premises, or at the owner's headquarters in the field, or otherwise conveniently available to the Director, accurate and complete records of the drilling, redrilling, deepening, repairing, plugging or abandoning of all wells, and of all other well operations, and of all alterations to casing. These records shall show all the formations penetrated, the content and quality of oil, gas or water in each formation tested, and the grade, weight and size, and landed depth of casing used in drilling each well on the leased premises, and any other information obtained in the course of well operation. Such records on each well shall be maintained by any subsequent owner.

Whenever a person has been designated as an operator by an owner or owners of the lease or well, such an operator may submit the reports as herein required by the Commission.

302. COGCC Form 1. REGISTRATION FOR OIL AND GAS OPERATIONS

a. Prior to the commencement of its operations, all producers, operators, transporters, refiners, gasoline or other extraction plant operators, and initial purchasers who are conducting operations subject to this Act in the State of Colorado, shall, for purposes of the Act, file a Registration For Oil and Gas Operations, Form 1, with the Director in the manner and form approved by the Commission. Any producer, operator, transporter, refiner, gasoline or other extraction plant operator, and initial purchaser conducting operations subject to the Act who has not previously filed a Registration For Oil and Gas Operations, Form 1, shall do so. Any person providing financial assurance for oil and gas operators in Colorado shall file a Form 1 with the Director. All changes of address of the parties required to file a Form 1 shall be immediately reported by submitting a new Form 1.

b. **Designation of Agent, Form 1A.** Operator employees approved to submit documents shall be listed on a completed Designation of Agent, Form 1A. A company/individual other than the operator may be designated as an agent, and its representatives shall be listed on a completed Designation of Agent, Form 1A. This agency shall remain in effect until it is terminated in writing by submitting a new Designation of Agent, Form 1A. All changes to reported agent information shall be immediately reported by submitting a new Designation of Agent, Form 1A.

303. REQUIREMENTS FOR FORM 2, APPLICATION FOR PERMIT-TO-DRILL, DEEPEN, RE-ENTER, OR RECOMPLETE, AND OPERATE; FORM 2A, OIL AND GAS LOCATION ASSESSMENT.

a. **FORM 2. APPLICATION FOR PERMIT-TO-DRILL, DEEPEN, RE-ENTER, OR RECOMPLETE, AND OPERATE.**

(1) **Approval by Director.** Before any person shall commence operations for the drilling or re-entry of any well, such person shall file with the Director an application on Form 2 for a Permit-to-Drill, a completed (or, where it has been approved in advance, an approved) Oil and Gas Location Assessment, Form 2A, pay a filing and service fee established by the Commission (see Appendix III), and obtain the Director's approval before commencement of operations with heavy equipment.

(2) **Operational conflicts.** The Permit-to-Drill shall be binding with respect to any operationally conflicting local governmental permit or land use approval process.

(3) **Exemptions.** Wells drilled for stratigraphic information only shall be exempt from paying the filing and service fee. The re-entry of a well in a unitized, storage, or secondary recovery operation shall be exempt from the filing of Form 2 and from paying the filing and service fee. The notice of such intent to re-enter a well shall be filed on a Sundry Notice, Form 4.

b. A request to recomplete or deepen a well to a different reservoir or to side-track a well shall be filed on an Application for Permit-to-Drill, Form 2, with a filing and service fee established by the Commission (see Appendix III), along with a Sundry Notice, Form 4, detailing the work, and a wellbore diagram.

c. Attached to and part of the Permit-to-Drill, Form 2, as filed shall be a current 8½" by 11" scaled drawing of the entire section(s) containing the proposed well location with the following minimum information:

(1) Dimensions on adjacent exterior section lines sufficient to completely describe the quarter section containing the proposed well shall be indicated. If dimensions are not field measured, state how the dimensions were determined.

(2) The latitude and longitude of the proposed well location shall be provided on the drawing with a minimum of five (5) decimal places of accuracy and precision using the North American Datum (NAD) of 1983 (e.g.; latitude 37.12345 N, longitude 104.45632 W). If GPS technology is utilized to determine the latitude and longitude, all GPS data shall meet the requirements set forth in Rule 215. a. through h.

(3) For directional drilling into an adjacent section, that section shall also be shown on the location plat and dimensions on exterior section lines sufficient to completely describe the quarter section containing the proposed productive interval and bottom hole location shall be indicated. (Additional requirements related to directional drilling are found in Rule 321.)

(4) For irregular, partial or truncated sections, dimensions will be furnished to completely describe the entire section containing the proposed well.

(5) The field-measured distances from the nearer north/south and nearer east/west section lines shall be measured at ninety (90) degrees from said section lines to the well location and referenced on the plat. For unsurveyed land grants and other areas where an official public land survey system does not exist, the well locations shall be spotted as footages on a protracted section plat using Global Positioning System (GPS) technology and reported as latitude and longitude in accordance with Rule 215.

(6) A map legend.

(7) A north arrow.

(8) A scale expressed as an equivalent (e.g. - 1" = 1000').

(9) A bar scale.

(10) The ground elevation.

(11) The basis of the elevation (how it was calculated or its source).

(12) The basis of bearing or interior angles used.

(13) Complete description of monuments and/or collateral evidence found; all aliquot corners used shall be described.

(14) The legal land description by section, township, range, principal meridian, baseline and county.

(15) Operator name.

(16) Well name and well number.

(17) Date of completion of scaled drawing.

d. **FORM 2A, OIL AND GAS LOCATION ASSESSMENT.**

(1) A completed Oil and Gas Location Assessment, Form 2A, shall be submitted for any new oil and gas location, unless exempted as set forth below. For purposes of this section, "new oil and gas location" shall mean surface disturbance at a previously undisturbed site or surface disturbance for purposes of modifying or expanding an oil and gas location in existence on May 1, 2009 on federal land or April 1, 2009 on all other land.

(2) **Exemptions.** A new Form 2A shall not be required for the following:

A. Surface disturbance, other than drilling a new well or constructing a drilling or production pit, occurring at an existing oil and gas facility within the originally disturbed area, even if interim reclamation has been performed;

B. For an oil and gas location covered by an approved Comprehensive Drilling Plan and where such Comprehensive Drilling Plan contains information substantially equivalent to that which would be required for a Form 2A for the proposed oil and gas location and the Comprehensive Drilling Plan has been subject to procedures substantially equivalent to those

required for a Form 2A, including but not limited to consultation with surface owners, local governments, the Colorado Department of Public Health and Environment or Colorado Division of Wildlife, where applicable, and public notice and opportunity to comment, and where the operator does not seek a variance from the Comprehensive Drilling Plan or a provision of these rules that is not addressed in the Plan;

C. Gathering lines;

D. Seismic operations;

E. Pipelines for oil, gas, or water; or

F. Roads.

(3) **Information requirements.** In all instances, the Form 2A requires the attachment of the following information. Where the information required under this section has been included in a federal Surface Use Plan of Operations meeting the requirements of Onshore Oil and Gas Order Number 1 (72 Fed. Reg. 10308 (March 7, 2007)), or for a federal Right of Way, Form 299, then the operator may attach the completed pertinent information and identify on the Form 2A where the information required under this section may be found therein.

A. A minimum of four (4) color photographs, one (1) of the staked location from each cardinal direction. Each photograph shall be identified by: date taken, well or location name, and direction of view.

B. A list of major equipment components to be used in conjunction with drilling and operating the well(s), including all tanks, pits, flares, combustion equipment, separators, and other ancillary equipment and a description of any pipelines for oil, gas, or water.

C. A scaled drawing showing all visible improvements within four hundred (400) feet of the proposed oil and gas location, with a horizontal distance and approximate bearing from the oil and gas location. Visible improvements shall include, but not be limited to, all buildings or residences, publicly maintained roads and trails, major above-ground utility lines, railroads, pipelines, mines, oil wells, gas wells, injection wells, water wells known to the operator and those registered with the Colorado State Engineer, known springs, plugged wells, known sewers with manholes, standing bodies of water, and natural channels including permanent canals and ditches through which water may flow. A description of surface uses within the four hundred (400) foot radius of a proposed oil and gas location, if any, shall be attached to the scaled drawing. If there are no visible improvements within four hundred (400) feet of a proposed oil and gas location, it shall be so noted on the Form 2A.

D. A topographic map showing all surface waters and riparian areas within one thousand (1,000) feet of the proposed oil and gas location, with a horizontal distance and approximate bearing from the oil and gas location.

E. An 8 1/2" by 11" vicinity or U.S. Geological Survey topographic map showing the access road from the highway or county road providing access to the proposed oil and gas location.

F. Designation of the current land use(s) and landowner's designated final land use(s) and basis for setting reclamation standards.

i. If the final land use includes residential, industrial/commercial, or cropland and does not include any other uses, the land use should be indicated and no further information is needed.

ii. If the final land use includes rangeland, forestry, recreation, or wildlife habitat, then a reference area shall be selected and the following information shall be submitted:

aa. A topographic map showing the location of the site, and the location of the reference area; and

bb. Four (4) color photographs of the reference area, taken during the growing season of vegetation and facing each cardinal direction. Each photograph shall be identified by date taken, well or oil and gas location name, and direction of view. Provided that these photographs may be submitted at any time up to twelve (12) months after the Form 2A.

G. Natural Resources Conservation Service (NRCS) soil map unit description.

H. If the oil and gas location disturbance is to occur on lands with a slope ten percent (10%) or greater, or one (1) foot of elevation gain or more in ten (10) foot distance, then the following shall be required:

i. Construction layout drawing (construction and operation); and

ii. Location cross-section plot (construction and operation).

I. Where the proposed oil and gas location is for multiple wells on a single pad, a drawing showing proposed wellbore trajectory with bottom-hole locations.

J. A description of any applicant-proposed Best Management Practices or, where a variance from a provision of these rules is sought, any applicant-proposed measures to meet the standards for such a variance. With the consent of the surface owner, this may include mitigation measures contained in the relevant surface use agreement.

K. Where the proposed oil and gas location is covered by a Comprehensive Drilling Plan accepted pursuant to Rule 216, a list of any conditions of approval.

L. Contact information for the surface owner(s) and an indication as to whether there is a surface use agreement(s) or any other agreement(s) between the applicant and the surface owner(s) for the proposed oil and gas location.

M. Designation of whether the proposed oil and gas location is within sensitive wildlife habitat or a restricted surface occupancy area.

N. Where the proposed oil and gas location is within a zone defined in Rule 317B, Table 1, documentation that the applicant has provided notification of the application submittal to potentially impacted public water systems within fifteen (15) stream miles downstream.

O. Any additional data as reasonably required by the Commission as a result of consultation with the Colorado Department of Public Health and Environment or the Colorado Division of Wildlife.

(4) **Form 2A requiring approval.**

A. The Oil and Gas Location Assessment, Form 2A, requires Commission or Director approval prior to approval of Permits-to-Drill, Form 2, or other permit applications, in the following circumstances:

i. The proposed oil and gas location will disturb more than one (1) acre and is located in one of the following counties in Colorado:

aa. Garfield;

bb. Mesa;

cc. Gunnison; or

dd. Rio Blanco.

ii. The proposed oil and gas location requires consultation with the Colorado Division of Wildlife or the Colorado Department of Public Health and Environment, pursuant to Rules 306.c and 306.d, respectively;

iii. The local governmental designee requests consultation on the proposed oil and gas location pursuant to Rule 306.b; or

iv. Where the proposed oil and gas location requires submittal of a Form 2A and the proposed oil and gas facility:

aa. Is a production facility;

bb. Is servicing multiple wells; and

cc. Would not require any other Commission permit or facility registration.

B. Where the Oil and Gas Location Assessment, Form 2A, requires approval, the operator shall file the Form 2A prior to or concurrent with a Permit-to-Drill, Form 2, for individual wells to be constructed at the oil and gas location.

(5) **Form 2A informational report.**

Where a proposed oil and gas location is outside those situations described in Rule 303.d.(4), the Oil and Gas Location Assessment, Form 2A, is a report that does not require approval prior to approval of Permits-to-Drill, Form 2.

In these circumstances, the Form 2A shall be submitted concurrently with the Application for Permit-to-Drill, Form 2, or other permit applications, and it will be subject to completeness review pursuant to Rule 303.h.

e. Processing time for approvals under this section.

(1) In accordance with Rule 216.f.(3), where a proposed oil and gas location is covered by an approved Comprehensive Drilling Plan and no variance is sought from such Plan or these rules not addressed in the Comprehensive Drilling Plan, the Director shall give priority to and approve or deny an Application for Permit-to-Drill, Form 2, or, where applicable, Oil and Gas Location Assessment, Form 2A, within thirty (30) days of a determination that such application is complete pursuant to Rule 303.h, unless significant new information is brought to the attention of the Director.

(2) If the Director has not issued a decision on an Application for Permit-to-Drill, Form 2, or, where approval is required, an Oil and Gas Location Assessment, Form 2A, within seventy-five (75) days of a determination that such application is complete, the operator may request a hearing before the Commission on the permit application. Such a hearing shall be expedited but will be held only after both the 20 days' notice and the newspaper notice are given as required by Section 34-60-108, C.R.S. However, the hearing can be held after the newspaper notice if all of the entities listed under Rule 503.b waive the 20-day notice requirement.

f. **Oil and gas locations in wetlands.** In the event that an operator, otherwise required to file a Form 2A, acquires an Army Corps of Engineers permit pursuant to 33 U.S.C.A. §1342 and 1344 of the Water Pollution and Control Act (Section 404 of the federal "Clean Water Act") for construction of an oil and gas location, the operator shall so indicate on the Oil and Gas Location Assessment, Form 2A.

g. **Revisions to Form 2 or Form 2A.** Prior to approval of the Form 2 or Form 2A permit application, minor revisions or requested information may be provided by contacting the COGCC staff. After approval, any substantive changes shall be submitted for approval on a Form 2 or Form 2A. A Sundry Notice, Form 4, shall be submitted, along with supplemental information requested by the Director, when non-substantive revisions are made after approval, and no additional fee shall be imposed.

h. **Incomplete applications**. Applications for Permit-to-Drill, Form 2, or Oil and Gas Location Assessments, Form 2A, which are submitted without the required information and attachments, the proper signature, or the required information, shall be considered incomplete and shall not be reviewed or approved. The COGCC staff shall notify the applicant in not more than ten (10) days of its receipt of the application of such inadequacies, except that the Director shall notify the applicant of inadequacies within three (3) business days of its receipt where the proposed oil and gas location is covered by an accepted Comprehensive Drilling Plan. The applicant shall then have thirty (30) days from the date that it was contacted to correct or provide requested information, otherwise the application shall be considered withdrawn and the fee shall not be refunded.

i. **Information requests after completeness determination.** Subsequent to deeming an Application for Permit-to-Drill, Form 2, or Oil and Gas Location Assessment, Form 2A, complete, the Director may request from the operator additional information needed to complete review of and make a decision on such an application. Such an information request shall not affect an operator's ability to request a hearing pursuant to Rule 303.e seventy-five (75) days from the date the Form 2 or Form 2A was originally determined to be complete pursuant to Rule 303.h.

j. **Permit expiration.**

(1) **For Applications for Permit-to-Drill, Form 2.** Approval of a Form 2 for a well permitted pursuant to an application submitted on or after July 1, 2009 on federal land or April 1, 2009 on all other land, and for which a Form 2A was also submitted in compliance with the rules as amended in December 2008, shall become null and void if drilling operations on the permitted well are not commenced within two (2) years after the date of approval. Approval of a Form 2 for a well permitted pursuant to an application submitted before July 1, 2009 on federal land or April 1, 2009 on all other land, or for which a Form 2A was not submitted in compliance with the rules as amended in December 2008, shall become null and void if drilling operations are not commenced on the permitted well within one (1) year after the date of approval. The Director shall not approve extensions to applications for Permit-to-Drill, Form 2.

(2) **For Oil and Gas Location Assessments, Form 2A.** If construction operations are not commenced on an approved oil and gas location within three (3) years after the date of approval, then the approval shall become null and void. The Director shall not approve extensions to Oil and Gas Location Assessments, Form 2A.

k. **Permits in areas pending Commission hearing.** The Director may withhold the issuance of a permit and the granting of approval of any Permit-to-Drill, Form 2, for any well or proposed well that is located in an area for which an application has been filed, or which the Commission has sought, by its own motion, to establish drilling units or to designate any tract of land as a high density area, in which case the hearing thereon shall be held at the next meeting of the Commission at which time the matter can be legally heard.

l. **Special circumstances for permit issuance without notice or consultation.** The Director may issue a permit at any time in the event that an operator files a sworn statement and demonstrates therein to the Director's satisfaction that:

(1) The operator had the right or obligation under the terms of an existing contract to drill a well; and the owner or operator has a leasehold estate or a right to acquire a leasehold estate under said contract which will be terminated unless the operator is permitted to immediately commence the drilling of said well; or

(2) Due to exigent circumstances (including a recent change in geological interpretation), significant economic hardship to a drilling contractor will result or significant economic hardship to an operator in the form of drilling standby charges will result.

In the event the Director issues a permit under this rule, the operator shall not be required to meet obligations to surface owners, local governmental designees, the Colorado Department of Public Health and Environment, or the Colorado Division of Wildlife under Rule 305 (except Rules 305.e.(4) and 305.e.(6), for which compliance will still be required) and 306. The Director shall report permits granted in such manner to the Commission at regularly scheduled monthly hearings.

m. **Special circumstances for withholding approval of Application for Permit-to-Drill, Form 2, or Oil and Gas Location Assessment, Form 2A.**

(1) The Director may withhold approval of any Application for Permit-to-Drill, Form 2, or Oil and Gas Location Assessment, Form 2A, for any proposed well or oil and gas

location when, based on information supplied in a written complaint submitted by any party with standing under Rule 522.a.(1), other than a local governmental designee, or by staff analysis, the Director has reasonable cause to believe the proposed well or oil and gas location is in material violation of the Commission's rules, regulations, orders or statutes, or otherwise presents an imminent threat to public health, safety and welfare, including the environment, or a material threat to wildlife resources. Any such withholding of approval shall be limited to the minimum period of time necessary to investigate and dismiss the complaint, or to resolve the alleged violation or issue. If the complaint is dismissed or the matter resolved to the dissatisfaction of the complainant, such person may consult with the parties identified in Rule 503.b.(7).

(2) In the event the Director withholds approval of any Application for Permit-To-Drill, Form 2, or Oil and Gas Location Assessment, Form 2A, under this Rule 303.m., an operator may ask the Commission to issue an emergency order rescinding the Director's decision.

n. **Suspending approved Permit-To-Drill, Form 2.** Prior to the spudding of the well, the Director shall suspend an approved Permit-to-Drill, Form 2, if the Director has reasonable cause to believe that information submitted on the Permit-to-Drill, Form 2 was materially incorrect. Under the circumstances described in Rule 303.l.(1) or (2), an operator may ask the Commission to issue an emergency order rescinding the Director's decision.

o. **Reclassification of stratigraphic well.** If a test for productivity is made in a stratigraphic well, the well must be reclassified as a well drilled for oil or gas and is subject to all of the rules and regulations for well drilled for oil or gas, including filing of reports and mechanical logs.

p. **Provisions for avoiding mine sites.** Any person holding, or who has applied for, a permit issued or to be issued under §34-33-101 to 137, C.R.S., may at their election, notify the Director of such permit or application. Such notice shall include the name, mailing address and facsimile number of such person and designate by legal description the life-of-mine area permitted, or applied for, with the Division of Reclamation, Mining, and Safety. As soon as practicable after receiving such notice and designation, the Director shall inform the party designated therein each time that a Permit-to-Drill, Form 2, is filed with the Director which pertains to a well or wells located or to be located within said life-of-mine area as designated. The provisions of Rule 303.l.(1) and (2) will not be applicable to this rule.

304. FINANCIAL ASSURANCE REQUIREMENTS

Prior to drilling or assuming the operations for a well an operator shall provide financial assurance in accordance with the 700 Series rules. When an operator's existing wells are not in compliance with the 700 Series, the Director may withhold action on an Application for Permit-to-Drill, Form 2, or Oil and Gas Location Assessment, Form 2A, until such time as a hearing on the permit application is held by the Commission. Such hearing shall be held at the next regularly scheduled Commission hearing at which time the matter can be legally heard.

305. NOTICE, COMMENT, APPROVAL

a. **Applicability.** The provisions of Rule 305.e regarding surface owners shall not apply to federal or Indian-owned surface lands.

b. **Posting.**

(1) **Form 2A.** Upon receipt of an Oil and Gas Location Assessment, Form 2A, the Director shall, as provided by Rule 303.h, determine if the application is complete and, if so, post such Form 2A on the Commission's website. The Commission shall provide concurrent electronic notice of such posting to the relevant local governmental designee (LGD) and the Colorado Division of Wildlife (where consultation is triggered pursuant to Rule 306.c) and the Colorado Department of Public Health and Environment (where consultation is triggered pursuant to Rule 306.d). The website posting shall clearly indicate:

A. The date on which the Form 2A was posted;

B. The date by which public comments must be received to be considered;

C. The address(es) to which the public may direct comments; and

D. Where the proposed oil and gas location is covered by an accepted Comprehensive Drilling Plan, directions for review of the Plan.

(2) **Form 2.** If an Application for Permit-to-Drill, Form 2, is concurrently filed with a Form 2A, that fact shall be noted in the posting provided herein. If a Form 2 is subsequently filed, only a summary notice of such filing, indicating that a Form 2A covering the well has been previously accepted or approved, shall be posted, with concurrent notice to the local governmental designee and, where consultation with one of those agencies is triggered, the Colorado Division of Wildlife or Colorado Department of Public Health and Environment.

c. **Comment period.** The Director shall not approve the Form 2A, or any associated Form 2, for twenty (20) days from posting pursuant to Rule 305.b, and shall accept and post on the Commission's website immediately upon their receipt any comments received from the public, the local governmental designee, the Colorado Department of Public Health and Environment, or the Colorado Division of Wildlife regarding the proposed oil and gas location. The Director shall extend the comment period to thirty (30) days upon the written request during the twenty (20) day comment period by the local governmental designee, the Colorado Department of Public Health and Environment, the Colorado Division of Wildlife, the surface owner, or an owner of surface property who receives notice under Rule 305.e. The Director shall post the extension on the COGCC website within twenty-four (24) hours of receipt of the extension request.

d. **Conditions of approval; issuance of permit.** Upon the conclusion of the comment period and, where applicable, consultation with the Colorado Division of Wildlife or Colorado Department of Public Health and Environment pursuant to Rules 306.c. or 306.d, respectively, the Director may attach technically feasible and economically practicable conditions of approval to the Form 2 or Form 2A as the Director deems necessary to implement the provisions of the Act or these rules pursuant to Commission staff analysis or to respond to legitimate concerns expressed during the comment period. Provided, that an applicant under Rule 503 who claims that such a condition is not technically feasible, economically practicable, or necessary to implement the provisions of the Act or these rules, or to respond to legitimate concerns shall have the burden of proof on that issue before the Commission.

(1) **Notice of decision.** Upon making a decision on an Application for Permit-to-Drill, Form 2, or Oil and Gas Location Assessment, Form 2A, the Director shall promptly provide notification of the decision and any conditions of approval to the

operator and to any party with standing to request a hearing before the Commission pursuant to Rule 503.b, unless such a party has waived in writing its right to such notice and the Director has been provided a copy of such waiver.

(2) **Suspension of approval.** If a party with standing to do so requests a hearing before the Commission pursuant to Rule 503.b on an Application for Permit-to-Drill, Form 2, or Oil and Gas Location Assessment, Form 2A, then it shall notify the Director in writing within ten (10) days after the issuance of the decision, setting forth the basis for the objection. Upon receipt of such an objection, the Director shall suspend the approval of the Form 2 or Form 2A and set the matter for an expedited adjudicatory hearing. Such a hearing shall be expedited but will only be held after both the 20 days' notice and the newspaper notice are given as required by Section 34-60-108, C.R.S. However, the hearing can be held after the newspaper notice if all of the entities listed under Rule 503.b waive the 20-day notice requirement. If such an objection is not received, the permit shall issue as proposed by the Director.

(3) **Appeal.** If the approval of a Form 2 or Form 2A is not suspended as provided for herein, the issuance of the approved Form 2 or Form 2A by the Director shall be deemed a final decision of the Commission, subject to judicial appeal.

e. **Landowner notice; copy of advance notice to Local Governmental Designee.** An operator making application for approval of an Oil and Gas Location Assessment, Form 2A, shall, upon receipt of a completeness determination from the Director, promptly provide the surface owner and owners of surface property within five hundred (500) feet of the proposed oil and gas location with the information set out in Rule 305.e.(1).A, below ("landowner notice"); provided that notice to the owners of surface property within five hundred (500) feet of the proposed oil and gas location shall not be required in an area covered by Rules 318A or 318B. This notice is in addition to the statutorily required notice to surface owners ("advance notice"), which must be provided thirty (30) days in advance of commencement of operations with heavy equipment for the drilling of a well. The operator may rely on the tax records of the assessor for the county in which the affected lands are located to identify the surface owner and the owners of surface property within five hundred (500) feet of the proposed oil and gas location for purposes of this section. A copy of the advance notice shall also be provided to the local government in whose jurisdiction the well is to be drilled, if such local government has registered its local governmental designee with the Commission. The notices required herein shall be accomplished by hand delivery or by certified mail, return-receipt requested.

(1) **Content of notices.**

A. **Landowner Notice**. The landowner notice shall include the Form 2A itself (without attachments), a copy of the information required under Rule 303.d.(3).B, 303.d.(3).C, 303.d.(3).E, the COGCC's information sheet on hydraulic fracturing treatments and any additional information the operator deems appropriate and inform the recipient that the complete application (including attachments) may be reviewed on the COGCC website and that he or she may submit comments to the Director, as provided on the COGCC website. The operator need not provide the COGCC's information sheet on hydraulic fracturing treatments where hydraulic fracturing treatments are not going to be applied to the well in question. For the surface owner, this notice shall include a copy of the COGCC Informational Brochure for Surface Owners, a postage-paid, return-addressed post card whereby the surface owner may request consultation pursuant to Rule 306, and, where the oil and gas location is

not subject to a surface-use agreement, a copy of the COGCC Onsite Inspection Policy (See Appendix or COGCC website).

B. **Advance Notice.** The advance notice must provide the operator's name and contact information for a representative who may be contacted, describe on a site diagram or plat the proposed location of the well and any associated roads and production facilities, and indicate the expected date of commencement of operations with heavy equipment.

(2) **Appointment of agent.** The surface owner may appoint an agent, including its tenant, for purposes of subsequent notice and for consultation under Rule 306. Such appointment shall be made in writing to the operator and must provide the agent's name, address, and telephone number.

(3) **Tenants.** With respect to notices given under this Rule 305, it shall be the responsibility of the notified surface owner to give notice of the proposed operation to the tenant farmer, lessee, or other party that may own or have an interest in any crops or surface improvements that could be affected by such proposed operation.

(4) **Notice of subsequent well operations.** An operator shall provide to the surface owner or agent at least seven (7) days advance notice of subsequent well operations with heavy equipment that will materially impact surface areas beyond the existing access road or well site, such as recompletion or refracturing of the well.

(5) **Notice during irrigation season.** If a well is to be drilled on irrigated crop lands between March 1 and October 31, the operator shall contact the surface owner or agent at least fourteen (14) days prior to commencement of operations with heavy equipment to coordinate drilling operations to avoid unreasonable interference with irrigation plans and activities.

(6) **Final reclamation notice.** Not less than thirty (30) days before any final reclamation operations are to take place pursuant to Rule 1004, the operator shall notify the surface owner. Final reclamation operations shall mean those reclamation operations to be undertaken when a well is to be plugged and abandoned or when production facilities are to be permanently removed. Such notice is required only where final reclamation operations commence more than thirty (30) days after the completion of a well.

(7) **Waiver.** Any of the notices required herein may be waived in writing by the surface owner, its agent, or the local governmental designee, provided that a waiver by a surface owner or its agent shall not prevent the surface owner or any successor-in-interest to the surface owner from rescinding that waiver if such rescission is in accordance with applicable law.

f. **Posting.** The operator shall, concurrent with the advance notice, post a sign at the intersection of the lease road and the public road providing access to the well site, of not less than two-feet by two-feet, providing the name of the proposed well, the legal location thereof, and the estimated date of commencement. Such sign shall be maintained until completion operations at the well are concluded.

306. CONSULTATION.

The operator shall consult in good faith, as provided below.

a. **Consultation with surface owner**. In locating roads, production facilities, and well sites, or other oil and gas operations, and in preparation for reclamation and abandonment, the operator shall consult in good faith with the surface owner, or the surface owner's appointed agent as provided for in Rule 305. Such consultation shall occur at a time mutually agreed to by the parties prior to the commencement of operations with heavy equipment upon the lands of the surface owner.

(1) **Information provided by operator**. When consulting with the surface owner or appointed agent, the operator shall furnish a description or diagram of the proposed drilling location; dimensions of the drill site; topsoil management practices to be employed; and, if known, the location of associated production or injection facilities, pipelines, roads and any other areas to be used for oil and gas operations (if not previously furnished to such surface owner or if different from what was previously furnished).

(2) **Good faith consultation**. Such good faith consultation shall allow the surface owner or appointed agent the opportunity to provide comments to the operator regarding preferences for the timing of oil and gas operations and preferred locations for wells and associated facilities.

(3) **Waiver.** The requirement to consult with the surface owner may be waived by the affected surface owner or the surface owner's appointed agent at any time by submittal to the operator in writing.

b. **Consultation with local government**.

(1) Local governments that have appointed a local governmental designee and have indicated to the Director a desire for consultation shall be given an opportunity to engage in such consultation concerning an application for Permit-to-Drill, Form 2, or an Oil and Gas Location Assessment, Form 2A, for the location of roads, production facilities and well sites prior to the commencing of operations with heavy equipment.

(2) Within fourteen (14) days of its notification pursuant to Rule 305, the local governmental designee may notify the Commission and the Colorado Department of Public Health and Environment by electronic mail of its desire to have the Colorado Department of Public Health and Environment consult on a proposed oil and gas location, based on concerns regarding public health, safety, welfare, or impacts to the environment.

c. **Consultation with the Colorado Division of Wildlife.**

(1) **Consultation to occur.**

A. Subject to the provisions of Rule 1202.d, the Colorado Division of Wildlife shall consult with the Commission, the surface owner, and the operator on an Oil and Gas Location Assessment, Form 2A, where:

i. Consultation is required pursuant to a provision in the 1200-Series of these rules;

ii. The operator seeks a variance from a provision in the 1200-Series of these rules; or

iii. The Colorado Division of Wildlife requests consultation because the proposed oil and gas location would be within areas of known occurrence or habitat of a federally threatened or endangered species, as shown on the Colorado Division of Wildlife Species Activity Mapping (SAM) system.

B. The Commission shall consult with the Colorado Division of Wildlife when an operator requests a modification of an existing Commission order to increase well density or otherwise proposes to increase well density to more than one (1) well per forty (40) acres, or the Commission develops a basin-wide order involving wildlife or wildlife-related environmental concerns or protections.

C. Notwithstanding the foregoing, the requirement to consult with the Colorado Division of Wildlife may be waived by the Colorado Division of Wildlife at any time.

(2) **Procedure for consultation.**

A. The operator shall provide:

i. A description of the oil and gas operation to be considered, including location;

ii. Any other relevant available information on the oil and gas operation, the affected wildlife resource, or the provision(s) of the 1200-Series Rules upon which the consultation is based; and

iii. Proposed mitigation for the affected wildlife resource.

B. The Commission shall take into account the information submitted by the operator consistent with Rule 1202.c.

C. The operator, the Commission, the surface owner, and the Colorado Division of Wildlife shall have forty (40) days to conduct the consultation called for in this section. Such consultation shall begin concurrent with the start of the public comment period. If no consultation occurs within such 40-day period, the requirement to consult shall be deemed waived, and the Director shall consider the operator's application on the basis of the materials submitted by the operator.

(3) **Results of consultation under Rule 306.c.**

A. As a result of consultation called for in this subsection, the Colorado Division of Wildlife may make written recommendations to the Commission on conditions of approval necessary to minimize adverse impacts to wildlife resources. Where applicable, the Colorado Division of Wildlife may also make written recommendations on whether a variance request should be granted, under what conditions, and the reasons for any such recommendations.

B. **Agreed-upon conditions of approval.** Where the operator, the Director, the Colorado Division of Wildlife, and the surface owner agree to conditions of approval for oil and gas locations as a result of consultation, these conditions of approval shall be incorporated into approvals of an Oil and Gas Location Assessment, Form 2A, or Application for Permit-to-Drill, Form 2, where applicable.

C. **Permit-specific conditions.** Where the consultation called for in this subsection results in permit-specific conditions of approval to minimize adverse impacts to wildlife resources, the Director shall attach such permit-specific conditions only with the consent of the affected surface owner.

D. **Standards for consultation and initial decision.** Following consultation and subject to subsection C above and Rule 1202.c, the Director shall decide whether to attach conditions of approval to a Form 2A or Form 2, where applicable. In making this decision, the Director shall apply the criteria of Rule 1202.

E. **Notification of decision to consulting agency.** Where consultation occurs under Rule 306.c, the Director shall provide to the Colorado Division of Wildlife the conditions of approval for the Application for Permit-to-Drill, Form 2, or Oil and Gas Location Assessment, Form 2A, on the same day that he or she announces a decision to approve the application.

d. **Consultation with the Colorado Department of Public Health and Environment.**

(1) **Consultation to occur.**

A. The Commission shall consult with the Colorado Department of Public Health and Environment on an Oil and Gas Location Assessment, Form 2A, where:

i. The local governmental designee requests, within fourteen (14) days of notice, the participation of the Colorado Department of Public Health and Environment in the Commission's consideration of an Application for Permit-to-Drill, Form 2, or Oil and Gas Location Assessment, Form 2A, based on concerns regarding public health, safety, welfare, or impacts to the environment;

ii. The operator seeks from the Director a variance from, or consultation is otherwise required or permitted under, a provision of one of the following rules intended for the protection of public health, safety, welfare, or the environment:

aa. Rule 317B. Public Water System Protection;

bb. Rule 325. Underground Disposal of Water;

cc. Rule 603. Drilling and Well Servicing Operations and High Density Area Rules;

dd. Rule 608. Coalbed Methane Wells;

ee. Rule 805. Odors and Dust.

ff. 900-Series E&P Waste Management; or

gg. Rule 1002.f. Stormwater Management.

All requests for variances from these rules must be made at the time an operator submits a Form 2A.

B. The Commission shall consult with the Colorado Department of Public Health and Environment when an operator requests a modification of an existing Commission order to increase well density or otherwise proposes to increase well density to more than one (1) well per forty (40) acres, or the Commission develops a basin-wide order that can reasonably be anticipated to have impacts on public health, welfare, safety, or environmental concerns or protections.

C. Notwithstanding the foregoing, the requirement to consult with the Colorado Department of Public Health and Environment may be waived by the Colorado Department of Public Health and Environment at any time.

(2) **Procedure for consultation.**

A. Where required, the Commission and the Colorado Department of Public Health and Environment shall have forty (40) days to conduct the consultation called for in this section. Such consultation shall begin concurrent with the start of the public comment period. If no consultation occurs within such 40-day period, the requirement to consult shall be waived, and the Director shall consider the operator's application on the basis of the materials submitted by the operator.

B. The consultation called for in this section shall focus on identifying potential impacts to public health, safety, welfare, or the environment from activities associated with the proposed oil and gas location, and development of conditions of approval or other measures to minimize adverse impacts.

C. Where consultation occurs pursuant to Rule 306.d.(1).A, it may include:

i. Review of the permit application;

ii. Discussions with the local governmental designee to better understand local government's concerns;

iii. Discussions with the Commission, operator, surface owner, or those potentially affected; and

iv. Review of public comments.

D. Where consultation occurs pursuant to Rule 306.d.(1).A.ii, the Colorado Department of Public Health and Environment shall have the opportunity to:

i. Review the permit application, the request for variance, and the basis for the request; and

ii. Discuss the request with the operator, the surface owner, and the Commission.

E. Where consultation occurs pursuant to Rule 306.d.(1).B, the Colorado Department of Public Health and Environment shall have the opportunity to:

i. Review the well-density increase application or draft Commission order; and

ii. Discuss the request with the operator or proponent, the Commission, and the local governmental designee.

(3) **Results of consultation under Rule 306.d.**

A. As a result of consultation called for in this subsection, the Colorado Department of Public Health and Environment may make written recommendations to the Commission on conditions of approval necessary to protect public health, safety, and welfare or the environment. Such recommendations may include, but are not limited to, monitoring requirements or best management practices. Where applicable, the Colorado Department of Public Health and Environment may also make written recommendations on whether a variance request should be granted, under what conditions, and the reasons for any such recommendations.

B. **Agreed-upon conditions of approval.** Where the operator, the Director, the Colorado Department of Public Health and Environment, and the surface owner agree to conditions of approval for oil and gas locations as a result of consultation, these conditions of approval shall be incorporated into approvals of an Oil and Gas Location Assessment, Form 2A, or Applications for Permit-to-Drill, Form 2, where applicable.

C. **Standards for consultation and Director decision.** Following consultation, the Director shall decide whether to attach conditions of approval recommended by the Colorado Department of Public Health and Environment to a Form 2A or Form 2, where applicable. This decision shall minimize significant adverse impacts to public health, safety, and welfare, including the environment, consistent with other statutory obligations.

D. **Notification of decision to consulting agency.** Where consultation occurs under Rule 306.d, the Director shall provide to the Colorado Department of Public Health and Environment the conditions of approval for the Application for Permit-to-Drill, Form 2, or Oil and Gas Location Assessment, Form 2A, on the same day that he or she announces a decision to approve the application.

e. **Final reclamation consultation.** In preparing for final reclamation and plugging and abandonment, the operator shall use its best efforts to consult in good faith with the affected surface owner (or the tenant when the surface owner has requested that such consultation be made with the tenant). Such good faith consultation shall allow the surface owner (or appointed agent) the opportunity to provide comments concerning preference for timing of such operations and all aspects of final reclamation, including, but not limited to, the desired final land use and seed mix to be applied.

f. **Tenants.** Operators shall have no obligation to consult with tenant farmers, lessees, or any other party that may own or have an interest in any crops or surface improvements that could be affected by the proposed operation unless the surface owner appoints such person as its agent for such purposes. Nothing shall prevent the surface owner from including a tenant in any consultation, whether or not appointed as the surface owner's agent.

307. COGCC Form 4. SUNDRY NOTICES AND REPORTS ON WELLS

The Sundry Notice, Form 4, is a multipurpose form which shall be used by an operator to request approval from or provide notice to the Director as required by rule or when no other specific form exists, i.e., well name or number change. The rules requiring the use of the Sundry Notice, Form 4, are listed in Appendix I.

308A. COGCC Form 5. DRILLING COMPLETION REPORT

Within thirty (30) days of the setting of production casing, the plugging of a dry hole, the deepening or sidetracking of a well, or any time the wellbore configuration is changed, the operator shall transmit to the Director the Drilling Completion Report, Form 5, and two (2) copies of all logs run, be they mechanical, mud, or other, submitted as one (1) paper copy and, as available, one (1) digital LAS (log ASCII) formatted copy, or a format approved by the Director. Additionally, if drill stem tests, core analyses, or directional surveys are run, they shall be submitted at the same time and together with this completion report. All Sections 1 - 22 (if applicable) and the attachment checklist shall be completely filled out. The latitude and longitude coordinates in decimal degrees to an accuracy and precision of five (5) decimals of a degree using the North American Datum (NAD) of 1983 (e.g.; latitude 37.12345 N, longitude 104.45632 W), Position Dilution of Precision (PDOP) reading, instrument operator's name and the date of the measurement of the "as drilled" well location shall be reported on the Form 5. If GPS technology is utilized to determine the latitude and longitude, all GPS data shall meet the requirements set forth in Rule 215. a. through h.

Within thirty (30) days of the suspension of commenced drilling activities prior to reaching total depth, the operator shall file a Drilling Completion Report, Form 5, notifying the Director of the date of such suspension of drilling activity stating the reason for suspension and the anticipated date and method of resumption of drilling, showing the details of all work performed to date. In cases of an uncompleted well, the initial Drilling Completion Report, Form 5, shall state "preliminary" at the top of the form. A supplementary Form 5 shall be submitted within thirty (30) days of reaching total depth.

308B. COGCC Form 5A. COMPLETED INTERVAL REPORT

The Completed Interval Report, Form 5A, shall be submitted within thirty (30) days of completing a formation (successful or not), when a formation is temporarily abandoned or permanently abandoned, for a recompletion, reperforation or restimulation, or when a formation is commingled.

In order to resolve completed interval information uncertainties, the Director may require an operator to submit a Completed Interval Report, Form 5A.

308C. CONFIDENTIALITY

Upon submittal of a Sundry Notice, Form 4, request by the operator, completion reports, including Drilling Completion Reports, Form 5 and Completed Interval Reports, Form 5A, and mechanical logs of exploratory or wildcat wells shall be marked "confidential" by the Director and kept

confidential for six (6) months after the date of completion, unless the operator gives written permission to release such logs at an earlier date.

309. COGCC Form 7. OPERATOR'S MONTHLY PRODUCTION REPORT

Each producer or operator of an oil or gas well shall file with the Commission, within forty-five (45) days after the month in which production occurs, a report on Operator's Monthly Production Report, Form 7, containing all information required by said form. In addition, all fluids produced during the initial testing and completion shall be reported on Operator's Monthly Production Report, Form 7 within forty-five (45) days after the month in which testing and completion occurs.

310. COGCC Form 8. MILL LEVY

On or before March 1, June 1, September 1 and December 1 of each year, every producer or purchaser, whichever disburses funds directly to each and every person owning a working interest, a royalty interest, an overriding royalty interest, a production payment and other similar interests from the sale of oil or natural gas subject to the charge imposed by §34-60-122(1) (a) C.R.S., 1973, as amended, shall file a return with the Director showing by operator, the volume of oil, gas or condensate produced or purchased during the preceding calendar quarter, including the total consideration due or received at the point of delivery. No filing shall be required when the charge imposed is zero mill ($0.0000) per dollar value.

The levy shall be an amount fixed by order of the Commission. The levy amount may, from time to time, be reduced or increased to meet the expenses chargeable against the oil and gas conservation and environmental response fund. The present charge imposed, as of July 1, 2007, is seven tenths of a mill ($0.0007) per dollar value.

311. COGCC Form 6. WELL ABANDONMENT REPORT

Notice shall be given to the Director, and approval obtained in advance of the time the operator expects to abandon a well on Form 6. When filing an intent to abandon, the form shall be completed and attachments included to fully describe the proposed operations. This includes the proposed depths of mechanical plugs and casing cuts, the proposed depths and volumes of all cement plugs, the amount, size and depth of casing and junk to be left in the well, the volume and weight of fluid to be left in the wellbore and the nature and quantities of any other materials to be used in the plugging. If the well is not plugged within six (6) months of intent approval a new intent shall be filed.

Within thirty (30) days after abandonment, the Well Abandonment Report, Form 6, shall be filed with the Director. The abandonment details shall include an account of the manner in which the abandonment or plugging work was performed. Additionally, plugging verification reports detailing all procedures are required. A Plugging Verification Report shall be submitted for each person or contractor actually setting the plugs. The Well Abandonment Report, Form 6, and the Plugging Verification Reports shall detail the depths of mechanical plugs and casing cuts, the depths and volumes of all cement plugs, the amount, size and depth of casing and junk left in the well, the volume and weight of fluid left in the wellbore and the nature and quantities of any other materials used in the plugging. Plugging Verification Reports shall conform with the operator's report and both shall show that plugging procedures are at least as extensive as those approved by the Director. When filing a subsequent report of abandonment, the entire form shall be completed except for the second block, background information. (See Rule 319 for well abandonment requirements and procedures.)

312. COGCC Form 10. CERTIFICATE OF CLEARANCE AND/OR CHANGE OF OPERATOR

a. Each operator of any oil or gas well completed after April 30, 1956, shall file with the Director, within thirty (30) days after initial sale of oil or gas a Certificate of Clearance and/or Change of Operator, Form 10, in accordance with the instructions appearing on such form, for each well producing oil or gas or both oil and gas. A Certificate of Clearance shall be filed for any well from which oil, gas or other hydrocarbon is being produced.

   A Certificate of Clearance shall be filed within thirty (30) days should the oil transporter (first purchaser) and/or the gas gatherer (first purchaser) change. In addition, within fifteen (15) days of an operator change for any well, a Change of Operator, Form 10, shall be filed with a filing and service fee as set by the Commission. (See Appendix III)

b. Each operator of a Class II injection well shall file a new Form 10 with the Director within fifteen (15) days of the transfer of ownership.

c. Whenever there shall occur a change in the producer or operator filing the certificate under Rule 310.a hereof, or whenever there shall occur a change of transporter from any well within the State, a new Form 10 shall be executed and filed within fifteen (15) days in accordance with the instructions appearing on such form. In the case of temporary use of oil for well treating or stimulating purposes, no new form need be executed. In the case of other temporary change in transporter involving the production of less than one (1) month, the producer or operator may, in lieu of filing a new certificate, notify the Commission and the transporter authorized by the certificate on file with the Commission by letter of the estimated amount to be moved by the temporary transporter and the name of such temporary transporter. A copy of such notice shall also be furnished such temporary transporter.

d. In no instance shall the temporary transporter move any quantity greater than the estimated amount shown in said notice.

e. The certificate, when properly executed and approved by the Commission, shall constitute authorization to the pipeline or other transporter to transport the authorized volume from the well named therein; provided that this section shall not prevent the production or transportation in order to prevent waste, pending execution and approval of said certificate. Permission for the transportation of such production shall be granted in writing to the producer and transporter.

f. The certificate shall remain in force and effect until:

   (1) The producer or operator filing the certificate is changed; or

   (2) The transporter is changed; or

   (3) The certificate is canceled by the Commission.

g. A copy of each Form 10 to be filed hereunder shall be sent by the Director to those local governmental designees who so request.

h. It is the operator's responsibility to mail approved copies of the Certificate of Clearance and/or Change of Operator, Form 10, to the transporter and/or gatherer for each well listed.

i. A completed Form 10 shall be required for any change of operator for all oil and gas facilities, excluding gathering systems, gas-processing plants, and gas storage facilities as those shall be changed with a Form 12, Gas Facility Registration/Change of Operator.

313. COGCC Form 11. MONTHLY REPORT OF GASOLINE OR OTHER EXTRACTION PLANTS

All operators of gasoline or other extraction plants shall make monthly reports to the Director on Form 11 Such forms shall contain all information required thereon and shall be filed with the Director on or before the twenty-fifth (25th) day of each month covering the preceding month.

314. COGCC Form 17. BRADENHEAD TEST REPORT

Results of bradenhead tests, as required by Rule 207.b., shall be submitted to the Director within ten (10) days of completion. A wellbore diagram shall be submitted if not previously submitted or if the wellbore configuration has changed. If sampled, then the results of any gas and liquid analysis shall be submitted.

315. REPORT OF RESERVOIR PRESSURE TEST

Where the Director believes it is necessary to prevent waste, protect correlative rights, or prevent a significant adverse impact, the Director may require subsurface pressure measurements. Whenever such measurements are made, results shall be reported on Sundry Notice, Form 4, within twenty (20) days after completion of tests, or submitted on any company form approved by the Director containing the same information.

316A. COGCC Form 14. MONTHLY REPORT OF FLUIDS INJECTED

Except for fluids involved with fracturing, acidizing or other similar treatment elsewhere required to be reported on a Completed Interval Report, Form 5A, all operators engaged in the injection of fluids into any formation in dedicated injection wells shall file monthly with the Commission a detailed account of such operation on Form 14, or any company form containing the same information previously approved by the Director. Types of chemicals used to treat injection water, as well as the date of initial fluid injection for new injection wells, are to be reported on said form under Remarks. The type and amount of fluids received from transporters shall be included on the report. Operators of simultaneous injection wells shall, by March 1 of each year, report to the Director the calculated injected volume for the previous year by month on Form 14. Operators of gas storage projects shall, by March 1 of each year, report to the Director the amount of gas injected and withdrawn for the previous year and the amount of gas remaining in the reservoir as of December 31 of that year.

316B. COGCC Form 21. MECHANICAL INTEGRITY TEST

Results of mechanical integrity tests of injection wells or shut-in wells shall be submitted on Form 21, within thirty (30) days after the test. A pressure chart shall accompany this report. Not less than ten (10) days prior to the performance of any mechanical integrity test the Director shall be notified, in writing, of the scheduled date on which the test will be performed. The form shall be completely filled out except for Part II, which is required only if the well is a permitted or pending injection well.

316C. NOTICE OF INTENT TO CONDUCT HYDRAULIC FRACTURING TREATMENT.

Operators shall give at least 48 hours advance written notice to the Commission of a hydraulic fracturing treatment at any well. Such notice shall be provided on a Form 42 notice of hydraulic fracturing treatment. The Commission shall provide prompt electronic notice of such intention to the relevant local governmental designee (LGD).

317. GENERAL DRILLING RULES

Unless altered, modified, or changed for a particular field or formation upon hearing before the Commission the following shall apply to the drilling or deepening of all wells.

a. **Blowout prevention equipment ("BOPE").** The operator shall take all necessary precautions for keeping a well under control while being drilled or deepened. BOPE, if any, shall be indicated on the Application for Permit to Drill, Deepen, Re-enter, or Recomplete and Operate (Form 2), as well as any known subsurface conditions (e.g. under or over-pressured formations). The working pressure of any BOPE shall exceed the anticipated surface pressure to which it may be subjected, assuming a partially evacuated hole with a pressure gradient of 0.22 psi/ft. [For BOPE requirements in high density areas see Rule 603.b.(4)B. For statewide BOPE specification, inspection, operation and testing requirements see Rule 603.f.]

(1) The Director shall have the authority to designate specific areas, fields or formations as requiring certain BOPE. Any such proposed designation shall occur by notice describing the area, field or formation in question and shall be given to all operators of record within such area or field and by publication. The proposed designation, if no protest is timely filed, shall be placed on the Commission consent agenda for its next regularly scheduled meeting following the month in which such notice was given. The matter shall be approved or heard by the Commission in accordance with Rule 520. Such designation shall be effective immediately upon approval by the Commission, except as to any previously-approved Form 2.

(2) The Director shall have the authority, outside areas designated pursuant to Rule 317.a.(1), to condition approval of any application for permit to drill by requiring BOPE which the Director determines to be necessary for keeping the well under control. Should the operator object to such condition of approval, the matter shall be heard at the next regularly scheduled meeting of the Commission, subject to the notice requirements of Rule 507.

b. **Bottom hole location.** Unless authorized by the provisions of Rule 321., all wells shall be so drilled that the horizontal distance between the bottom of the hole and the location at the top of the hole shall be at all times a practical minimum.

c. **Requirement to post permit at the rig and provide spud notice.** A copy of the approved Application for Permit to Drill, Deepen, Re-enter, or Recomplete and Operate, Form 2, shall be posted in a conspicuous place on the drilling rig or workover rig. A notice shall be provided to the Director on a Sundry Notice, Form 4, no later than five (5) days following the spudding of a well. The Director may apply a condition of approval for Application for Permit to Drill, Deepen, Re-enter, or Recomplete and Operate, Form 2 requiring not less than twenty-four (24) hours nor more than seventy-two (72) hours verbal or written notice prior to spud.

d. **Casing program to protect hydrocarbon horizons and ground water.** The casing program adopted for each well must be so planned and maintained as to protect any potential oil or gas bearing horizons penetrated during drilling from infiltration of injurious waters from other sources, and to prevent the migration of oil, gas or water from one (1) horizon to another, that may result in the degradation of ground water. A Sundry Notice, Form 4, including a detailed work plan and a wellbore diagram, shall be submitted and approved by the Director prior to any routine or planned casing repair operations. During well operations, prior verbal approval for unforeseen casing repairs followed by the filing of a Sundry Notice, Form 4, after completion of operations shall be acceptable.

e. **Surface casing where subsurface conditions are unknown.** In areas where pressure and formations are unknown, sufficient surface casing shall be run to reach a depth below all known or reasonably estimated utilizable domestic fresh water levels and to prevent blowouts or uncontrolled flows, and shall be of sufficient size to permit the use of an intermediate string or strings of casings. Surface casing shall be set in or through an impervious formation and shall be cemented by pump and plug or displacement or other approved method with sufficient cement to fill the annulus to the top of the hole, all in accordance with reasonable requirements of the Director. In the D–J Basin Fox Hills Protection Area surface casing will be set in accordance with Rule 317A. (See also subparagraph g.).

f. **Surface casing where subsurface conditions are known.** For wells drilled in areas where subsurface conditions have been established by drilling experience, surface casing, size at the owner's option, shall be set and cemented to the surface by the pump and plug or displacement or other approved method at a depth and in a manner sufficient to protect all fresh water and to ensure against blowouts or uncontrolled flows. In the D–J Basin Fox Hills Protection Area surface casing shall be set in accordance with Rule 317A. (See also subparagraph g.).

g. **Alternate aquifer protection by stage cementing.** In areas where fresh water aquifers are of such depth as to make it impractical or uneconomical to set the full amount of surface casing necessary to comply fully with the requirement to cover or isolate all fresh water aquifers as required in subparagraph e. and f., the owner may, at its option, comply with this requirement by stage cementing the intermediate and/or production string so as to accomplish the required result. If unanticipated fresh water aquifers are encountered after setting the surface pipe they shall be protected or isolated by stage cementing the intermediate and/or production string with a solid cement plug extending from fifty (50) feet below each fresh water aquifer to fifty (50) feet above said fresh water aquifer or by other methods approved by the Director in each case. In the D–J Basin Fox Hills Protection Area any stage cementing shall occur only in accordance with Rule 317A. If the stage cement is not circulated to surface, a temperature log or cement bond log shall be run to determine the top of the stage cement to ensure aquifers are protected.

h. **Surface and intermediate casing cementing.** The operator shall ensure that all surface and intermediate casing cement required under this rule shall be of adequate quality to achieve a minimum compressive strength of three hundred (300) psi after twenty-four (24) hours and eight hundred (800) psi after seventy-two (72) hours measured at ninety-five degrees fahrenheit (95 °F) and at eight hundred (800) psi. All surface casing shall be cemented with a continuous column from the bottom of the casing to the surface. After thorough circulation of the wellbore, cement shall be pumped behind the intermediate casing to at least two hundred (200) feet above the top of the shallowest known production horizon and as required in 317.g. Cement placed behind the surface and intermediate casing shall be allowed to set a minimum of eight (8) hours, or until three hundred (300) psi calculated compressive strength is developed, whichever occurs first, prior to commencing drilling operations. If the surface casing cement level falls below the surface, to the extent safety or aquifer protection is compromised, remedial cementing operations shall be performed.

i. **Production casing cementing.** The operator shall ensure that all cement required under this rule placed behind production casing shall be of adequate quality to achieve a minimum compressive strength of at least three hundred (300) psi after twenty-four (24) hours and eight hundred (800) psi after seventy-two (72) hours measured at ninety-five degrees fahrenheit (95 °F) and at eight hundred (800) psi. After thorough circulation of a wellbore, cement shall be pumped behind the production casing (200) feet above the top of the shallowest known producing horizon. All fresh water aquifers which are exposed below the surface casing shall be cemented behind the production casing. All such cementing

around an aquifer shall consist of a continuous cement column extending from at least fifty (50) feet below the bottom of the fresh water aquifer which is being protected to at least fifty (50) feet above the top of said fresh water aquifer. Cement placed behind the production casing shall be allowed to set seventy-two (72) hours, or until eight hundred (800) psi calculated compressive strength is developed, whichever occurs first, prior to the undertaking of any completion operation.

j. **Production casing pressure testing.** The installed production casing shall be adequately pressure tested for the conditions anticipated to be encountered during completion and production operations.

k. **Protection of aquifers and production stratum and suspension of drilling operations before running production casing.** In the event drilling operations are suspended before production string is run, the Director shall be notified immediately and the operator shall take adequate and proper precautions to assure that no alien water enters oil or gas strata, nor potential fresh water aquifers during such suspension period or periods. If alien water is found to be entering the production stratum or to be causing significant adverse environmental impact to fresh water aquifers during completion testing or after the well has been put on production, the condition shall be promptly remedied.

l. **Flaring of gas during drilling and notice to local emergency dispatch.** Any gas escaping from the well during drilling operations shall be, so far as practicable, conducted to a safe distance from the well site and burned. The operator shall notify the local emergency dispatch as provided by the local governmental designee of any such flaring. Such notice shall be given prior to the flaring if the flaring can be reasonably anticipated, and in all other cases as soon as possible but in no event more than two (2) hours after the flaring occurs.

m. **Protection of productive strata during deepening operations.** If a well is deepened for the purpose of producing oil and gas from a lower stratum, such deepening to and completion in the lower stratum shall be conducted in such a manner as to protect all upper productive strata.

n. **Requirement to evaluate disposal zones for hydrocarbon potential.** If a well is drilled as a disposal well then the disposal zone shall be evaluated for hydrocarbon potential. The proposed hydrocarbon evaluation method shall be submitted in writing and approved by the Director prior to implementation. The productivity results shall be submitted to the Director upon completion of the well.

o. **Requirement to log well.** For all new drilling operations, the operator shall be required to run a minimum of a resistivity log with gamma-ray or other petrophysical log(s) approved by the Director that adequately describe the stratigraphy of the wellbore. A cement bond log shall be run on all production casing or, in the case of a production liner, the intermediate casing, when these casing strings are run. These logs and all other logs run shall be submitted with the Well Completion or Recompletion Report and Log, Form 5. Open hole logs shall be run at depths that adequately verify the setting depth of surface casing and any aquifer coverage. These requirements shall not apply to the unlogged open hole completion intervals, or to wells in which no open hole logs are run.

p. **Remedial cementing during recompletion.** The Director may apply a condition of approval for Application for Permit to Drill, Deepen, Re-enter, or Recomplete and Operate, Form 2, to require remedial cementing during recompletion operations consistent with the provisions for protecting aquifers and hydrocarbon bearing zones in this Rule 317.

317A. SPECIAL DRILLING RULES - D–J BASIN FOX HILLS PROTECTION AREA

The following special drilling rules shall apply to wells in the D–J Basin Fox Hills Protection Area as defined in the 100 Series of the Rules and Regulations:

a. **Surface Casing - Minimum Requirements for Well Control.** In all wells drilled within the D–J Basin Fox Hills Protection Area, surface casing shall be run to a minimum depth of five percent (5%) of the projected total depth to which the well is to be drilled, provided that in no event shall the surface casing be run to a depth less than two hundred (200) feet. The Director may, on a case-by-case basis, grant variances in this five percent (5%) requirement where the Director finds that the well is a development well in which pressures can be accurately predicted and finds that, based upon those predictions, the five percent (5%) requirement should be varied to achieve effective well control. In all cases, however, the actual depth at which the surface casing is set shall be calculated to position the casing seat to a depth within a competent formation (preferably shale) which will contain the maximum pressure to which the casing will be exposed during normal drilling operations.

b. **Surface Casing - Aquifer Protection.** For purposes of aquifer protection, surface casing must be set as follows in wells which are not exploratory wells:

   (1) Surface casing shall be run to a depth at least fifty (50) feet below the Fox Hills transition zone in wells drilled within Townships 5 South through 5 North, Ranges 65 West through 70 West or within Townships 3 North through 5 North, Range 64 West.

   (2) With respect to Townships 5 South through 5 North, Ranges 58 West through 63 West, Townships 5 South through 2 North, Range 64 West; and Township 6 South, Ranges 65 West through 70 West, in all wells located within one (1) mile of a permitted producing water well, surface casing shall be set to a depth sufficient to protect the deepest permitted producing water well within such one mile area. Said depth shall be at least fifty (50) feet below the depth of the base of the aquifer from which said deepest water well is producing, or fifty (50) feet below the base of the Fox Hills Transition Zone if such deepest water well produces from the Fox Hills Aquifer.

   Upon the request of the operator, the Director (or the Commission upon appeal) may grant a variance to the requirements of this subparagraph b. upon a showing to the Director, or the Commission upon appeal, that the variance does not violate the basic intent of said requirements. For such variance purpose, the basic intent of said requirements is stated to be to provide reasonable aquifer protection for the water well(s) which are permitted by the State of Colorado Division of Water Resources and are currently producing in the area potentially affected by the oil or gas well to be drilled.

c. **Exploratory Wells.** For purposes of the D–J Basin Fox Hills Protection Area only, the term exploratory well means any well:

   (1) Which targets the classically demonstrated zones with limited geographic extent such as channel, bar, valley fill and levee type sandstones that were deposited prior to the x-bentonite time stratigraphic event; or

   (2) Which can be demonstrated to be separated from a known producing horizon by a dry hole; or

(3) Which can be demonstrated to be targeted to a horizon which is geologically separate from the producing horizon in an offsetting producing well, or

(4) Which the Director, or the Commission upon appeal, may define as an exploratory well by variance, it being the basic intent of this definition that the requirements of subparagraph b. not operate to discourage the drilling of high risk wells.

317B. PUBLIC WATER SYSTEM PROTECTION

a. **Definitions.** For purposes of this Rule 317B:

(1) **Drilling, Completion, Production and Storage ("DCPS") Operations** shall mean operations at (i) well sites for the drilling, completion, recompletion, workover, or stimulation of wells or chemical and production fluid storage, and (ii) any other oil and gas location at which production facilities are operated. DCPS Operations shall exclude roads, gathering lines, pipelines, and routine operations and maintenance.

(2) **Existing Oil and Gas Location** shall mean an oil and gas location, excluding roads, pipelines, and gathering lines, permitted or constructed prior to the later of May 1, 2009 for federal land or April 1, 2009 for all other land or the date that the oil and gas location becomes subject to Rule 317B by virtue of its proximity to a Classified Water Supply Segment.

(3) **New Oil and Gas Location** shall mean an oil and gas location, excluding roads, pipelines, and gathering lines, that is not an existing oil and gas location.

(4) **New Surface Disturbance** shall mean surface disturbance that expands the area of surface covered by an oil and gas location beyond that initially disturbed in the construction of the oil and gas location.

(5) **Non-Exempt Linear Feature** shall mean a road, gathering line, or pipeline that is not necessary to cross a stream or connect or access a well or a gathering line.

b. **Applicability Determination.**

(1) Rule 317B is applicable to DCPS Operations within Surface Water Supply Areas. The applicability of Rule 317B will be determined by reviewing the Public Water System Surface Water Supply Area Map, attached as part of Appendix VI, or by entering information into the Public Water System Surface Water Supply Area Applicability Determination Tool, also located on the Commission website.

(2) The Public Water Systems subject to the protections of this Rule 317B are those listed in Appendix VI. Any additions or deletions to the Public Water Systems listed in Appendix VI or the Public Water System Surface Water Supply Area Map, also located in Appendix VI, shall be by Commission rulemaking, as provided in Rule 529.

(3) DCPS Operations at New Oil and Gas Locations within a Surface Water Supply Area will be subject to the requirements in Rules 317B.c, 317B.d, or 317B.e based on the buffer zones defined in Table 1, below. DCPS Operations at Existing Oil and Gas Locations within a Surface Water Supply Area at which no new surface disturbance has occurred after the date Rule 317B became applicable to that oil and gas location will be subject to the requirements in Rule 317B.f.(1) based on the buffer zones defined in Table 1. DCPS Operations at Existing Oil and Gas

Locations within a Surface Water Supply Area at which new surface disturbance has occurred after the date Rule 317B became applicable to that oil and gas location will be subject to the requirements in Rule 317B.f.(2) based on the buffer zones defined in Table 1.

(4) For Classified Water Supply Segments that are perennial and intermittent streams, buffer zones shall be determined by measuring from the ordinary high water line of each bank to the near edge of the disturbed area at the oil and gas location at which the DCPS Operations will occur.

(5) The buffer zones shall apply only to DCPS Operations located on the surface. The buffer zones shall not apply to subsurface boreholes and equipment or materials contained therein. The buffer zones shall not apply to DCPS Operations located in an area that does not drain to a classified water supply segment protected by this Rule 317B.

TABLE 1. Buffer Zones Associated with DCPS Operations.

Zone	Classified Water Supply Segments (ft)
Internal Buffer	0 - 300
Intermediate Buffer	301 - 500
External Buffer	501 - 2,640

c. **Requirements for DCPS Operations Conducted at New Oil and Gas Locations in the Internal Buffer Zone.**

DCPS Operations conducted and Non-Exempt Linear Features located at New Oil and Gas Locations within a Surface Water Supply Area may not occur in whole or in part within the Internal Buffer Zone identified in Table 1 unless a variance is granted pursuant to Rule 502.b and consultation with the Colorado Department of Public Health and Environment occurs pursuant to Rule 306.d and a Form 2A or Form 2 with appropriate conditions of approval has been approved, or the Director has approved a Comprehensive Drilling Plan pursuant to Rule 216 that covers the operation. In determining appropriate conditions of approval for such operations, the Director shall consider the extent to which the conditions of approval are required to prevent impacts to the Public Water System.

(1) The Commission shall grant a variance if the operator demonstrates that:

A. The proposed DCPS Operations and applicable best management practices and operating procedures will result in substantially equivalent protection of drinking water quality in the Surface Water Supply area; and

B. Either:

i. Conducting the DCPS Operation outside the Internal Buffer Zone would pose a greater risk to public health, safety, or welfare, including the environment and wildlife resources, such as may be the case where conducting the DCPS Operations outside the

Internal Buffer Zone would require construction in steep or erosion-prone terrain or result in greater surface disturbance due to an inability to use infrastructure already constructed such as roads, well sites, or pipelines; or

ii. Conducting DCPS Operations beyond the Internal Buffer Zone is technically infeasible and prevents the operator from exercising its mineral rights.

(2) At a minimum, for any DCPS Operation at a New Oil and Gas Location within the Internal Buffer Zone, the Director shall include as conditions of approval in the Form 2A, Form 2, or Comprehensive Drilling Plan, the requirements of Rule 317B.d.

d. **Requirements for DCPS Operations at New Oil and Gas Locations in the Intermediate Buffer Zone.**

The following shall be required for all DCPS Operations at New Oil and Gas Locations within a Surface Water Supply Area and in the Intermediate Buffer Zone as defined in Table 1.

(1) Pitless drilling systems;

(2) Flowback and stimulation fluids contained within tanks that are placed on a well pad or in an area with downgradient perimeter berming;

(3) Berms or other containment devices shall be constructed in compliance with Rule 603.e.(12) around crude oil, condensate, and produced water storage tanks; and

(4) When sufficient water exists in the Classified Water Supply Segment, collection of baseline surface water data consisting of a pre-drilling surface water sample collected immediately downgradient of the oil and gas location and follow-up surface water data consisting of a sample collected at the same location three (3) months after the conclusion of any drilling activities and operations or completion. The sample parameters shall include:

A. pH;

B. Alkalinity;

C. Specific conductance;

D. Major cations/anions (chloride, fluoride, sulfate, sodium);

E. Total dissolved solids;

F. BTEX/GRO/DRO;

G. TPH;

H. PAH's (including benzo(a)pyrene); and

I. Metals (arsenic, barium, calcium, chromium, iron, magnesium, selenium).

Current applicable EPA-approved analytical methods for drinking water must be used and analyses must be performed by laboratories that maintain state or nationally accredited programs.

Copies of all test results described above shall be provided to the Commission and the potentially impacted Public Water System(s) within three (3) months of collecting the samples. In addition, the analytical results and surveyed sample locations shall be submitted to the Commission in an electronic data deliverable format.

(5) Notification of potentially impacted Public Water Systems within fifteen (15) stream miles downstream of the DCPS Operation prior to commencement of new surface disturbing activities at the site.

(6) An emergency spill response program that includes employee training, safety, and maintenance provisions and current contact information for downstream Public Water System(s) located within fifteen (15) stream miles of the DCPS Operation, as well as the ability to notify any such downstream Public Water System(s) with intake(s) within fifteen (15) stream miles downstream of the DCPS operations.

In the event of a spill or release, the operator shall immediately implement the emergency response procedures in the above-described emergency response program.

If a spill or release impacts or threatens to impact a Public Water System, the operator shall notify the affected or potentially affected Public Water System(s) immediately following discovery of the release, and the spill or release shall be reported to the Commission in accordance with Rule 906.b.(3), and to the Environmental Release/Incident Report Hotline (1-877-518-5608) in accordance with Rule 906.b.(4).

e. **Requirements for DCPS Operations at New Oil and Gas Locations within the External Buffer Zone.**

The following shall be required when DCPS Operations are conducted at New Oil and Gas Locations within a Surface Water Supply Area and in the External Buffer Zone as defined in Table 1.

(1) Pitless drilling systems or containment of all drilling flowback and stimulation fluids pursuant to Rule 904; and

(2) When sufficient water exists in the Classified Water Supply Segment, collection of baseline surface water data consisting of a pre-drilling surface water sample collected immediately downgradient of the oil and gas location and follow-up surface water data consisting of a sample collected at the same location three (3) months after the conclusion of any drilling activities and operations or completion. The sample parameters shall include:

A. pH;

B. Alkalinity;

C. Specific conductance;

D. Major cations/anions (chloride, fluoride, sulfate, sodium);

E. Total dissolved solids;

F. BTEX/GRO/DRO;

G. TPH;

H. PAH's (including benzo(a)pyrene); and

I. Metals (arsenic, barium, calcium, chromium, iron, magnesium, selenium).

Current applicable EPA-approved analytical methods for drinking water must be used and analyses must be performed by laboratories that maintain state or nationally accredited programs.

Copies of all test results described above shall be provided to the Commission and the potentially impacted Public Water System(s) within three (3) months of collecting the samples. In addition, the analytical results and surveyed sample locations shall be submitted to the Commission in an electronic data deliverable format.

(3) Notification of potentially impacted Public Water Systems within fifteen (15) stream miles downstream of the DCPS Operation prior to commencement of new surface disturbing activities at the site.

(4) An emergency spill response program that includes employee training, safety, and maintenance provisions and current contact information for downstream Public Water System(s) located within fifteen (15) stream miles of the DCPS Operation, as well as the ability to notify any such downstream Public Water System(s) with intake(s) within fifteen (15) stream miles downstream of the DCPS operations.

In the event of a spill or release, the operator shall immediately implement the emergency response procedures in the above-described emergency response program.

If a spill or release impacts or threatens to impact a Public Water System, the operator shall notify the affected or potentially affected Public Water System(s) immediately following discovery of the release, and the spill or release shall be reported to the Commission in accordance with Rule 906.b.(3), and to the Environmental Release/Incident Report Hotline (1-877-518-5608) in accordance with Rule 906.b.(4).

f. **Requirements for DCPS Operations at Existing Oil and Gas Locations.**

(1) Existing Oil and Gas Locations and DCPS Operations at Existing Oil and Gas Locations within a Surface Water Supply Area and within zones specified in Table 1 shall be subject to the following requirements instead of the requirements of Rules 317B.c, 317B.d, or 317B.e provided that no new surface disturbance at the Existing Oil and Gas Location occurs after the later of May 1, 2009 for federal land or April 1, 2009 for all other land or the date Rule 317B became applicable to the oil and gas location:

A. Collection of surface water data from a Classified Water Supply Segment consisting of a sample collected immediately downgradient of the oil and gas operation will occur by the latest of June 1, 2009, within six (6)

months after the date Rule 317B became applicable to the oil and gas location, or when sufficient water exists in the stream:

i. pH;

ii. Alkalinity;

iii. Specific conductance;

iv. Major cations/anions (chloride, fluoride, sulfate, sodium);

v. Total dissolved solids;

vi. BTEX/GRO/DRO;

vii. TPH;

viii. PAH's (including benzo(a)pyrene); and

ix. Metals (arsenic, barium, calcium, chromium, iron, magnesium, selenium).

Current applicable EPA-approved analytical methods for drinking water must be used and analyses must be performed by laboratories that maintain state or nationally accredited programs.

Copies of all test results described above shall be provided to the Commission and the potentially impacted Public Water System(s) within three (3) months of collecting the samples. In addition, the analytical results and surveyed sample locations shall be submitted to the Commission in an electronic data deliverable format.

B. An emergency spill response program that includes employee training, safety, and maintenance provisions and current contact information for downstream Public Water System(s) located within fifteen (15) stream miles of the DCPS Operation, as well as the ability to notify any such downstream Public Water System(s) with intake(s) within fifteen (15) stream miles downstream of the DCPS Operations.

In the event of a spill or release, the operator shall immediately implement the emergency response procedures in the above-described emergency response program.

If a spill or release impacts or threatens to impact a Public Water System, the operator shall notify the affected or potentially affected Public Water System(s) immediately following discovery of the release, and the spill or release shall be reported to the Commission in accordance with Rule 906.b.(3), and to the Environmental Release/Incident Report Hotline (1-877-518-5608) in accordance with Rule 906.b.(4).

C. Operators shall employ and maintain Best Management Practices, as necessary, to comply with this rule.

(2) Existing Oil and Gas Locations and DCPS Operations at Existing Oil and Gas Locations within a Surface Water Supply Area and within zones specified in Table 1 for which new surface disturbance occurs on or after the later of May 1, 2009 for federal land or on or after April 1, 2009 for all other land or the date Rule 317B became applicable to the oil and gas location shall be subject to the requirements of Rule 317B.f.(3) instead of the requirements of Rules 317B.c, 317B.d, or 317B.e where the additional new surface disturbance is addressed in a Comprehensive Drilling Plan accepted pursuant to Rule 216, or if:

A. The new disturbance from the DCPS Operation will not increase the existing disturbed area prior to interim reclamation by more than one hundred (100) percent up to a maximum of three (3) acres, and

B. The new surface disturbance occurs in a direction away from the stream or no closer to the stream if moving away from the stream would result in more damaging surface disturbance such as location on a steep slope, in an area of high soil erosion potential, or in a wetland.

(3) Where the provisions of Rule 317B.f.(2) apply, the following zone requirements shall apply:

A. For all zones, the requirements of Rule 317B.f.(1), except that the sampling parameters in Rule 317B.f.(1).A shall occur no later than six (6) months after commencing the DCPS Operations at the Existing Oil and Gas Location.

B. For External and Intermediate Buffer Zones: pitless drilling systems or containment of drilling, flowback, and stimulation fluids with impervious liners, as provided in Rule 904.

C. For Internal Buffer Zones:

i. Pitless drilling systems;

ii. Flowback and stimulation fluids contained within tanks and placed on a well pad or in an area with downgradient perimeter berming;

iii. Berms constructed in compliance with Rule 603.e.(12) around all crude oil, condensate, and produced water tanks; and

iv. Notification of potentially impacted Public Water Systems within fifteen (15) stream miles downstream of the DCPS Operation prior to commencement of new surface disturbing activities at the site.

318. LOCATION OF WELLS

All wells drilled for oil or gas to a common source of supply shall have the following setbacks:

a. **Wells 2,500 feet or greater in depth.** A well to be drilled two thousand five hundred (2,500) feet or greater shall be located not less than six hundred (600) feet from any lease line, and shall be located not less than one thousand two hundred (1,200) feet from any other producible or drilling oil or gas well when drilling to the same common source of supply, unless authorized by order of the Commission upon hearing.

b. **Wells less than 2,500 feet in depth.** A well to be drilled to less than a depth of two thousand five hundred (2,500) feet below the surface shall be located not less than two hundred (200) feet from any lease line, and not less than three hundred (300) feet from any other producible oil or gas well, or drilling well, in said source of supply, except that only one producible oil or gas well in each such source of supply shall be allowed in each governmental quarter-quarter section unless an exception under Rule 318.c. is obtained.

c. **Exception locations.** The Director may grant an operator's request for a well location exception to the requirements of this rule or any order because of geologic, environmental, topographic or archaeological conditions, irregular sections, a surface owner request, or for other good cause shown provided that a waiver or consent signed by the lease owner toward whom the well location is proposed to be moved, agreeing that said well may be located at the point at which the operator proposes to drill the well and where correlative rights are protected. If the operator of the proposed well is also the operator of the drilling unit or unspaced offset lease toward which the well is proposed to be moved, waivers shall be obtained from the mineral interest owners under such lands. If waivers cannot be obtained from all parties and no party objects to the location, the operator may apply for a variance under Rule 502.b. If a party or parties object to a location and cannot reach an agreement, the operator may apply for a Commission hearing on the exception location.

d. **Exemptions to Rule 318.**

(1) This rule shall not apply to authorized secondary recovery projects.

(2) This rule shall apply to fracture or crevice production found in shale, except from fields previously exempted from this rule.

(3) In a unit operation, approved by federal or state authorities, the rules herein set forth shall not apply except that no well in excess of two thousand five hundred (2,500) feet in depth shall be located less than so hundred (600) feet from the exterior or interior (if there be one) boundary of the unit area and no well less than two thousand five hundred (2,500) feet in depth below the surface shall be located less than two hundred (200) feet from the exterior or interior (if there be one) boundary of the unit area unless otherwise authorized by the order of the Commission after proper notice to owners outside the unit area.

e. **Wells located near a mine.** No well drilled for oil or gas shall be located within two hundred (200) feet of a shaft or entrance to a coal mine not definitely abandoned or sealed, nor shall such well be located within one hundred (100) feet of any mine shaft house, mine boiler house, mine engine house, or mine fan; and the location of any proposed well shall insure that when drilled it will be at least fifteen (15) feet from any mine haulage or airway.

318A(I). GREATER WATTENBERG AREA SPECIAL WELL LOCATION, SPACING AND UNIT DESIGNATION RULE (EXCEPT THE CITY AND COUNTY OF BROOMFIELD)

The provisions of Rule 318A(I)., recited below, pertain to those lands within the Greater Wattenberg Area defined herein, excepting those lands within the City and County of Broomfield, Colorado as it existed on August 8, 2011.

a. **GWA, GWA wells, GWA windows and unit designations.** The Greater Wattenberg Area ("GWA") is defined to include those lands from and including Townships 2 South to 7 North and Ranges 61 West to 69 West, 6th P.M. In the GWA, operators may utilize the

following described surface drilling locations ("GWA windows") to drill, twin, deepen, or recomplete a well ("GWA well") and to commingle any or all of the Cretaceous Age formations from the base of the Dakota Formation to the surface:

(1) A square with sides four hundred (400) feet in length, the center of which is the center of any governmental quarter-quarter section ("400' window"); and,

(2) A square with sides eight hundred (800) feet in length, the center of which is the center of any governmental quarter section ("800' window").

(3) Absent a showing of good cause, which shall include the existence of a surface use or other agreement with the surface owner authorizing a surface well location outside of a GWA window, all surface wellsites shall be located within a GWA window.

(4) Unit designations.

A. 400' window. When completing a GWA well in a 400' window to a spaced formation, the operator shall designate drilling and spacing units in accordance with existing spacing orders.

B. 800' window. When completing a GWA well in an 800' window, whether in spaced or unspaced formations, the operator shall: (i) designate drilling and spacing units in accordance with existing spacing orders where units are not smaller than a governmental quarter section; or (ii) form a voluntary drilling and spacing unit consisting of a governmental quarter section; or (iii) where designating a drilling and spacing unit smaller than a governmental quarter section, secure waiver(s) from the operator or from the mineral owners (if the operator is also the holder of the mineral lease) of the lands in the governmental quarter section that are not to be included in the spacing unit; or (iv) apply to the Commission to form an alternate unit or to respace the area.

C. Unspaced areas and wellbore spacing units. When completing a GWA well to an unspaced formation, the operator shall designate a drilling and spacing unit not smaller than a governmental quarter-quarter section if such well is proposed to be located greater than four hundred sixty (460) feet from the quarter-quarter section boundary in which it is located. If a well is proposed to be located less than four hundred sixty (460) feet from the governmental quarter-quarter section boundary, a wellbore spacing unit ("wellbore spacing unit") for such well shall be comprised of the governmental quarter-quarter sections that are located less than four hundred sixty (460) feet from the wellbore regardless of section or quarter section lines.

D. Horizontal GWA well. Where a drilling and spacing unit does not exist for a horizontal well, a horizontal wellbore spacing unit shall be designated by the operator for each proposed horizontal well. The horizontal wellbore spacing unit may be of different sizes and configurations depending on lateral length and orientation but shall be comprised of the governmental quarter-quarter sections in which the wellbore lateral penetrates the productive formation as well as any governmental quarter-quarter sections that are located less than four hundred sixty (460) feet from the portion of the wellbore lateral that penetrates the productive zone regardless of section or quarter section lines. However, if the horizontal component of the horizontal wellbore is located entirely within a GWA

window, the operator shall designate a drilling and spacing unit in accordance with subsections a.(4)A. and a.(4)B. of this rule. A horizontal wellbore spacing unit may overlap portions of another horizontal wellbore spacing unit or other wellbore spacing unit designated in accordance with subsection a.(4)C. GWA horizontal wells and horizontal wellbore spacing units shall be subject to the notice and hearing procedures as provided for in Rule 318A(l).e.(6).

b. **Recompletion/commingling of existing wells.** Any GWA well in existence prior to the effective date of this rule, which is not located as described above, may also be utilized for deepening to or recompletion in any Cretaceous Age formation and for the commingling of production therefrom.

c. **Surface locations.** Prior to the approval of any Application for Permit-to-Drill submitted for a GWA well, the proposed surface well location shall be reviewed in accordance with the following criteria:

(1) A new surface well location shall be approved in accordance with Commission rules when it is less than fifty (50) feet from an existing surface well location.

(2) When the operator is requesting a surface well location greater than fifty (50) feet from a well (unless safety or mechanical considerations of the well to be twinned or topographical or surface constraints justify a location greater than fifty (50) feet), the operator shall provide a consent to the exception signed by the surface owner on which the well is proposed to be located in order for the Director to approve the well location administratively.

(3) If there is no well located within a GWA window but there is an approved exception location well located outside of a GWA window that is attributed to such window, the provisions of subsections (1) and (2) of this subsection c. shall be applicable to such location.

d. **Prior wells excepted.** This rule does not alter the size or configuration of drilling units for GWA wells in existence prior to the effective date of this rule. Where deemed necessary by an operator for purposes of allocating production, such operator may allocate production to any drilling and spacing unit with respect to a particular Cretaceous Age formation consistent with the provisions of this rule.

e. **GWA infill.**

(1) **Interior infill wells.** Additional bottom hole locations for the "J" Sand, Codell and Niobrara Formations are hereby established greater than four hundred sixty (460) feet from the outer boundary of any existing 320-acre drilling and spacing unit ("interior infill wells"). Pursuant to the well location provisions of subsection a., above, interior infill well locations shall be reached by utilizing directional drilling techniques from the GWA windows.

A. If a bottom hole location for an interior infill well is proposed to be located less than four hundred sixty (460) feet from the outer boundary of an existing drilling and spacing unit, a wellbore spacing unit as defined in a.(4)C., above, shall be designated by the operator for such well.

B. If a bottom hole location for an interior infill well is proposed to be located greater than four hundred sixty (460) feet from an existing 80-acre or existing 320-acre drilling and spacing unit, the spacing unit for such well

shall conform to the existing 80-acre or existing 320-acre drilling and spacing unit.

(2) **Boundary wells.** Additional bottom hole locations for the "J" Sand, Codell and Niobrara Formations are hereby established less than four hundred sixty (460) feet from the outer boundary of a 320-acre governmental half section or from the outer boundary of any existing 320-acre drilling and spacing unit ("boundary wells"). A wellbore spacing unit as defined in a.(4)C., above, shall be designated by the operator for such well.

(3) **Additional producing formations.** An operator wanting to complete an interior infill well or boundary well in a formation other than the "J" Sand, Codell, or Niobrara Formations ("additional producing formation") must request an exception location prior to completing the additional producing formation. The spacing unit dedicated to the exception location shall comply with subsections (1) or (2), above, as appropriate.

(4) **Water well sampling.** The Director shall require initial baseline testing prior to the first well proposed within a governmental section. The following shall be used as guidance for the Director in establishing initial baseline testing:

A. Within the governmental quarter section of the proposed well, the closest water well ("water quality testing well") completed in the Laramie/Fox Hills Aquifer shall be sampled.

B. If no Laramie/Fox Hills water wells are located within the governmental quarter section, then the deepest representative water quality testing well within the governmental quarter section of the proposed well shall be sampled.

C. If no water wells are located within the governmental quarter section, a water quality testing well (preferably completed in the Laramie/Fox Hills Aquifer) within one-half (½) mile of the proposed well shall be selected.

D. If there are no water quality testing wells that meet the foregoing criteria, then initial baseline testing shall not be required.

E. Initial baseline testing shall include laboratory analysis of all major cations and anions, total dissolved solids, iron and manganese, nutrients (nitrates, nitrites, selenium), dissolved methane, pH, and specific conductance.

F. If free gas or a methane concentration level greater than 2 mg/l is detected in a water quality testing well, compositional analysis shall be performed to determine gas type (thermogenic, biogenic or an intermediate mix of both). If the testing results reveal biogenic gas, no further isotopic testing shall be required. If the testing results reveal thermogenic gas, carbon isotopic analyses of methane carbon shall be conducted. The Director may require further water well sampling at any time as a result of the laboratory results or in response to complaints from water well owners.

G. Copies of all test results described above shall be provided to the Director and the landowner where the water quality testing well is located within three (3) months of collecting the samples used for the test. Laboratory results shall also be submitted to the Director in an electronic format.

(5) Existing production facilities. To the extent reasonably practicable, operators shall utilize existing roads, pipelines, tank batteries and related surface facilities for all interior infill wells and boundary wells.

(6) Notice and hearing procedures. For proposed boundary wells, wellbore spacing units, and additional producing formations provided by this subsection e., and for proposed horizontal wells and horizontal wellbore spacing units as provided by 318A(I).a.(4)D., the following process shall apply:

A. Notice shall be given by certified mail by the operator of a proposed boundary well, wellbore spacing unit, horizontal well or horizontal wellbore spacing unit to all owners in the proposed wellbore spacing unit. Notice shall be given by certified mail by the operator of a proposed additional producing formation to all owners in cornering and contiguous spacing units of the requested completion and the proposed spacing unit; if the additional producing formation is unspaced only the owner in the proposed spacing unit needs to be notified. Notice for a boundary well, wellbore spacing unit, horizontal well or horizontal wellbore spacing unit shall include a description of the wellbore orientation, the anticipated spud date, the size and shape of the proposed wellbore spacing unit (with depiction attached), the proposed surface and bottom hole locations, identified by footage descriptions, and the survey plat. For proposed horizontal wells and horizontal wellbore spacing units, the operator shall also identify by footage descriptions, the location at which the wellbore penetrates the target formation.

B. Each owner shall have a thirty (30) day period after receipt of such notice to object in writing to the operator. The written objection must be based upon a claim that the notice provided by the operator does not comply with the informational requirements of subsection A., above, and/or a technical objection that either waste will be caused, correlative rights will be adversely affected, or that the operator is not an "owner", as defined in the Act, of the mineral estate(s) through which the wellbore penetrates within the target formation. Specific facts must form the basis for such objection. The objecting party shall provide a copy of the written objection to the Director.

C. If an objection pursuant to subsection B. is timely received, the operator may seek a hearing before the Commission on the objection. The objecting party will bear the burden of proving that the notice provided by the operator does not comply with the informational requirements of subsection A., above, that the operator is not an owner, as defined by the Act, and/or the approval of the boundary well location, wellbore spacing unit, horizontal well, horizontal wellbore spacing unit or additional producing formation would either create waste or adversely affect the objecting party's correlative rights. The objection may be first presented to the hearing officer of the Commission and such hearing officer, based on the facts, may recommend to the Commission that such objection shall stand or be dismissed.

D. If the objection stands, the Commission may either enter an order approving or denying the proposed boundary well location, wellbore spacing unit, horizontal well location, horizontal wellbore spacing unit or additional producing formation, with or without conditions. Such conditions may be requisites for the Application for Permit-to-Drill, Form 2, if the operator

chooses to proceed with an Application for Permit-to-Drill, Form 2, relative to the proposed boundary well, wellbore spacing unit, horizontal well, horizontal wellbore spacing unit or additional producing formation. If the objection is dismissed, the operator shall treat the objection as withdrawn and otherwise proceed with subsection E. below.

E. Absent receipt of a timely objection pursuant to subsections A. and B., above, the Director may administratively approve the boundary well, wellbore spacing unit, horizontal well, horizontal wellbore spacing unit or additional producing formation. A location plat evidencing the well location, wellbore spacing unit, or additional producing formation and applicable spacing unit shall be submitted to the Director together with copies of any surface waivers and a certification that no timely objections were received. An Application for Permit-to-Drill, Form 2, specifically identifying that a boundary well, wellbore spacing unit, horizontal well, horizontal wellbore spacing unit or additional producing formation is proposed, shall also be filed with the Director in accordance with Rule 303. within ninety (90) days of the expiration of the thirty (30) day notice period or such notice shall be deemed withdrawn. Should such notice be withdrawn or deemed withdrawn, the proposed operator shall not submit another notice for the same well or wellbore spacing unit within forty-five (45) days of the date the original notice is withdrawn or deemed withdrawn.

f. **Limit on locations**. This rule does not limit the number of formations that may be completed in any GWA drilling and spacing unit nor, subject to subsection c., above, does it limit the number of wells that may be located within the GWA windows.

g. **GWA water sampling**. The Director may apply appropriate drilling permit conditions to require water well sampling near any proposed GWA wells in accordance with the guidelines set forth in subsection e.(4), above.

h. **Waste Management**. In conjunction with filing an Oil and Gas Location Assessment, Form 2A, the operator shall include a waste management plan meeting the general requirements of Rule 907.a.

i. **Exception locations**. The provisions of Rule 318.c. respecting exception locations shall be applicable to GWA wells, however, absent timely objection, boundary wells, wellbore spacing units, and additional producing formations shall be administratively approved as provided in subsection e.(6) above.

j. **Correlative rights.** This rule shall not serve to bar the granting of relief to owners who file an application alleging abuse of their correlative rights to the extent that such owners can demonstrate that their opportunity to produce Cretaceous Age formations from the drilling locations herein authorized does not provide an equal opportunity to obtain their just and equitable share of oil and gas from such formations.

k. **Supersedes orders and policy**. Subject to paragraph d. above, this rule supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of GWA wells. Where the Commission has issued a specific order limiting the number of horizontal wells permitted in a drilling and spacing unit, the well density in such unit shall be governed by that order.

l. The landowner notice provision for the owner(s) of surface property within five hundred (500) feet of the proposed oil and gas location under Rule 305.e. shall not apply to any such locations that are subject to the provisions of this subsection 318A(l).

m. **Minimum intrawell distance.** No horizontal wellbore lateral shall be located less than one hundred fifty (150) feet from any existing or permitted oil or gas wellbore as illustrated in the directional survey for drilled wellbores or as illustrated in the deviated drilling plan for permitted wellbores or as otherwise reflected in the COGCC well records. This requirement may be waived in writing by the operator of the encroached upon well.

318A(II). GREATER WATTENBERG AREA SPECIAL WELL LOCATION, SPACING AND UNIT DESIGNATION RULE (THE CITY AND COUNTY OF BROOMFIELD)

The provisions of Rule 318A(II)., recited below, pertain to those lands within the Greater Wattenberg Area within the City and County of Broomfield, Colorado as it existed on August 8, 2011.

a. **GWA, GWA wells, GWA windows and unit designations.** The Greater Wattenberg Area ("GWA") is defined to include those lands from and including Townships 2 South to 7 North and Ranges 61 West to 69 West, 6th P.M. In the GWA, operators may utilize the following described surface drilling locations ("GWA windows") to drill, twin, deepen, or recomplete a well ("GWA well") and to commingle any or all of the Cretaceous Age formations from the base of the Dakota Formation to the surface:

(1) A square with sides four hundred (400) feet in length, the center of which is the center of any governmental quarter-quarter section ("400' window"); and,

(2) A square with sides eight hundred (800) feet in length, the center of which is the center of any governmental quarter section ("800' window").

(3) Absent a showing of good cause, which shall include the existence of a surface use or other agreement with the surface owner authorizing a surface well location outside of a GWA window, all surface wellsites shall be located within a GWA window.

(4) Unit designations.

A. <u>400' window.</u> When completing a GWA well in a 400' window to a spaced formation, the operator shall designate drilling and spacing units in accordance with existing spacing orders.

B. <u>800' window.</u> When completing a GWA well in an 800' window, whether in spaced or unspaced formations, the operator shall: (i) designate drilling and spacing units in accordance with existing spacing orders where units are not smaller than a governmental quarter section; or (ii) form a voluntary drilling and spacing unit consisting of a governmental quarter section; or (iii) where designating a drilling and spacing unit smaller than a governmental quarter section, secure waiver(s) from the operator or from the mineral owners (if the operator is also the holder of the mineral lease) of the lands in the governmental quarter section that are not to be included in the spacing unit; or (iv) apply to the Commission to form an alternate unit or to respace the area.

C. <u>Unspaced areas and wellbore spacing units.</u> When completing a GWA well to an unspaced formation, the operator shall designate a drilling and spacing unit not smaller than a governmental quarter-quarter section if such well is proposed to be located greater than four hundred sixty (460) feet from the quarter-quarter section boundary in which it is located. If a well is proposed to be located less than four hundred sixty (460) feet

from the governmental quarter-quarter section boundary, a wellbore spacing unit ("wellbore spacing unit") for such well shall be comprised of the four (4) governmental quarter-quarter sections nearest to the wellbore regardless of section or quarter section lines.

b. **Recompletion/commingling of existing wells.** Any GWA well in existence prior to the effective date of this rule, which is not located as described above, may also be utilized for deepening to or recompletion in any Cretaceous Age formation and for the commingling of production therefrom.

c. **Surface locations.** Prior to the approval of any Application for Permit-to-Drill submitted for a GWA well, the proposed surface well location shall be reviewed in accordance with the following criteria:

(1) A new surface well location shall be approved in accordance with Commission rules when it is less than fifty (50) feet from an existing surface well location.

(2) When the operator is requesting a surface well location greater than fifty (50) feet from a well (unless safety or mechanical considerations of the well to be twinned or topographical or surface constraints justify a location greater than fifty (50) feet), the operator shall provide a consent to the exception signed by the surface owner on which the well is proposed to be located in order for the Director to approve the well location administratively.

(3) If there is no well located within a GWA window but there is an approved exception location well located outside of a GWA window that is attributed to such window, the provisions of subsections (1) and (2) of this subsection c. shall be applicable to such location.

d. **Prior wells excepted.** This rule does not alter the size or configuration of drilling units for GWA wells in existence prior to the effective date of this rule. Where deemed necessary by an operator for purposes of allocating production, such operator may allocate production to any drilling and spacing unit with respect to a particular Cretaceous Age formation consistent with the provisions of this rule.

e. **GWA infill.** This subsection applies to the following area of the GWA: Township 1 North, Ranges 66 West through 68 West; Township 1 North, Range 69 West: E½; Township 2 North, Ranges 64 West through 68 West; Township 2 North, Range 69 West: E½; Township 3 North, Ranges 64 West through 67 West; Township 4 North, Ranges 63 through 67 West; Township 5 North, Ranges 63 West through 67 West; Township 6 North, Ranges 63 West through 66 West, 6th P.M.

(1) **Interior infill wells.** Additional bottom hole locations for the "J" Sand, Codell and Niobrara Formations are hereby established greater than four hundred sixty (460) feet from the outer boundary of any existing 320-acre drilling and spacing unit ("interior infill wells"). Pursuant to the well location provisions of subsection a., above, interior infill well locations shall be reached by utilizing directional drilling techniques from the GWA windows.

A. If a bottom hole location for an interior infill well is proposed to be located less than four hundred sixty (460) feet from the outer boundary of an existing drilling and spacing unit, a wellbore spacing unit as defined in a.(4)C., above, shall be designated by the operator for such well.

B. If a bottom hole location for an interior infill well is proposed to be located greater than four hundred sixty (460) feet from an existing 80-acre or

existing 320-acre drilling and spacing unit, the spacing unit for such well shall conform to the existing 80-acre or existing 320-acre drilling and spacing unit.

(2) **Boundary wells.** Additional bottom hole locations for the "J" Sand, Codell and Niobrara Formations are hereby established less than four hundred sixty (460) feet from the outer boundary of a 320-acre governmental half section or from the outer boundary of any existing 320-acre drilling and spacing unit ("boundary wells"). A wellbore spacing unit as defined in a.(4)C., above, shall be designated by the operator for such well.

(3) **Additional producing formations.** An operator wanting to complete an interior infill well or boundary well in a formation other than the "J" Sand, Codell, or Niobrara Formations ("additional producing formation") must request an exception location prior to completing the additional producing formation. The spacing unit dedicated to the exception location shall comply with subsections (1) or (2), above, as appropriate.

(4) **Water well sampling.** The Director shall require initial baseline testing prior to the first interior infill well or boundary well ("proposed GWA infill well") drilled within a governmental section. The following shall be used as guidance for the Director in establishing initial baseline testing:

A. Within the governmental quarter section of the proposed GWA infill well, the closest water well ("water quality testing well") completed in the Laramie/Fox Hills Aquifer shall be sampled.

B. If no Laramie/Fox Hills water wells are located within the governmental quarter section, then the deepest representative water quality testing well within the governmental quarter section of the proposed GWA infill well shall be sampled.

C. If no water wells are located within the governmental quarter section, a water quality testing well (preferably completed in the Laramie/Fox Hills Aquifer) within one-half (½) mile of the proposed GWA infill well shall be selected.

D. If there are no water quality testing wells that meet the foregoing criteria, then initial baseline testing shall not be required.

E. Initial baseline testing shall include laboratory analysis of all major cations and anions, total dissolved solids, iron and manganese, nutrients (nitrates, nitrites, selenium), dissolved methane, pH, and specific conductance.

F. If free gas or a methane concentration level greater than 2 mg/l is detected in a water quality testing well, compositional analysis shall be performed to determine gas type (thermogenic, biogenic or an intermediate mix of both). If the testing results reveal biogenic gas, no further isotopic testing shall be required. If the testing results reveal thermogenic gas, carbon isotopic analyses of methane carbon shall be conducted. The Director may require further water well sampling at any time as a result of the laboratory results or in response to complaints from water well owners.

G. Copies of all test results described above shall be provided to the Director and the landowner where the water quality testing well is located within three (3) months of collecting the samples used for the test. Laboratory results shall also be submitted to the Director in an electronic format.

(5) Existing production facilities. To the extent reasonably practicable, operators shall utilize existing roads, pipelines, tank batteries and related surface facilities for all interior infill wells and boundary wells.

(6) Notice and hearing procedures. For proposed boundary wells, wellbore spacing units, and additional producing formations provided by this subsection e., the following process shall apply:

A. Notice shall be given by certified mail by the operator of a proposed boundary well or wellbore spacing unit to all owners in the proposed wellbore spacing unit. Notice shall be given by certified mail by the operator of a proposed additional producing formation to all owners in cornering and contiguous spacing units of the requested completion and the proposed spacing unit; if the additional producing formation is unspaced only the owner in the proposed spacing unit needs to be notified.

B. Each owner shall have a twenty (20) day period after receipt of such notice to object in writing to the operator to such well location, proposed spacing unit, or additional producing formation. If a timely objection is received, the matter shall be set on the docket at the next available Commission hearing. Absent receipt of an objection by the operator from an owner within such twenty (20) day period, the Director may administratively approve the boundary well, wellbore spacing unit, or additional producing formation, provided that it does not exceed eight (8) producing completions in the "J" Sand, Codell or Niobrara Formations in the 160-acre governmental quarter section as set forth in subsection f. below. A location plat evidencing the well location, wellbore spacing unit, or additional producing formation and applicable spacing unit shall be submitted to the Director together with copies of any surface waivers and a certification that no timely objections were received. An Application for Permit-to-Drill, Form 2, specifically identifying that a boundary well, a wellbore spacing unit, or an additional producing formation is proposed, shall also be filed with the Director in accordance with Rule 303.

(7) The Commission shall review the effectiveness of this subsection e. no later than March 1, 2008 and may require operators to submit data related to infill drilling performed under this subsection.

f. **Limit on locations.** This rule does not limit the number of formations that may be completed in any GWA drilling and spacing unit nor, subject to subsection c., above, does it limit the number of wells that may be located within the GWA windows. However, absent Commission order otherwise, there shall be no more than eight (8) producing completions in the "J" Sand, Codell or Niobrara Formations in any 160-acre governmental quarter section.

g. **GWA water sampling**. The Director may apply appropriate drilling permit conditions to require water well sampling near any proposed GWA wells in accordance with the guidelines set forth in subsection e.(4), above.

h. **Exception locations.** The provisions of Rule 318.c. respecting exception locations shall be applicable to GWA wells, however, absent timely objection, boundary wells, wellbore spacing units, and additional producing formations shall be administratively approved as provided in subsection e.(6) above.

i. **Correlative rights.** This rule shall not serve to bar the granting of relief to owners who file an application alleging abuse of their correlative rights to the extent that such owners can demonstrate that their opportunity to produce Cretaceous Age formations from the drilling locations herein authorized does not provide an equal opportunity to obtain their just and equitable share of oil and gas from such formations.

j. **Supersedes orders and policy**. Subject to paragraph d. above, this rule supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of GWA wells and supersedes and replaces the "Policy on Staff Administrative Application of the Greater Wattenberg Area Well Location Rule 318A.," dated April 26, 1999.

k. The landowner notice provision for the owner(s) of surface property within five hundred (500) feet of the proposed oil and gas location under Rule 305.e. shall not apply to any such locations that are subject to the provisions of this subsection 318A(II).

318B. Yuma/Phillips County Special Well Location Rule

a. This Special Well Location Rule ("WLR") governs wells drilled to and completed in the Niobrara Formation for the following lands:

Township 1 North Range 44 West: Sections 7, 18, 19, 30 through 33 Range 45 West: Sections 7 through 36 Range 46 West: Sections 4 through 9 Range 47 West: All Range 48 West: All

Township 2 North Range 46 West: All Range 47 West: All Range 48 West: All

Township 3 North Range 45 West: Sections 1 through 18 Range 46 West: All Range 47 West: All Range 48 West: All

Township 4 North Range 45 West: All Range 46 West: All Range 47 West: All Range 48 West: All

Township 5 North Range 45 West: All Range 46 West: All Range 47 West: All Range 48 West: All

Township 6 North Range 45 West: All Range 46 West: All Range 47 West: All Range 48 West: All

Township 7 North Range 45 West: All Range 46 West: All Range 47 West: All

Township 8 North Range 45 West: All Range 46 West: All Range 47 West: All

Township 9 North Range 45 West: Sections 19 through 36 Range 46 West: Sections 19 through 36 Range 47 West: Sections 19 through 36

Township 1 South Range 44 West: Sections 3 through 10, 16 through 21, 27 through 34 Range 45 West: Sections 3 through 5 Range 46 West: Sections 4 through 9, 16 through 36 Range 47 West: All Range 48 West: All

Township 2 South Range 44 West: Sections 3 through 6 Range 45 West: Section 7: W½, Section 18: W½, Section 19: All Range 46 West: Sections 1 through 24 Range 47 West: All Range 48 West: All

Township 3 South Range 48 West: All

Township 4 South Range 48 West: All

Within the WLR Area, operators may conduct drilling operations to the Niobrara Formation as follows:

(1) Four (4) Niobrara Formation wells may be drilled in any quarter section.

(2) No more than one (1) well may be located in any quarter quarter section.

(3) No minimum distance shall be required between wells producing from the Niobrara Formation in any quarter section

(4) Wells shall be located at least three hundred (300) feet from the boundary of said quarter section, and wells located outside any drilling units already established by the Commission in the WLR Area prior to this WLR's effective date (July 30, 2006) shall, in addition, be located at least three hundred (300) feet from any lease line. Further, wells shall be located not less than nine hundred (900) feet from any producible well drilled to the Niobrara Formation prior to this WLR's effective date (July 30, 2006) located in a contiguous or cornering quarter section unless exception is approved by the Director.

b. Any well drilled to the Niobrara Formation in the WLR Area prior to the effective date (July 30, 2006) of this WLR which is legally located when this WLR becomes effective but is not located as listed above shall be treated as properly located for purposes of this WLR.

c. This WLR does not alter the size or configuration of any drilling units already established by the Commission in the WLR Area prior to this WLR's effective date (July 30, 2006).

d. This WLR shall not serve to bar the granting of relief to owners who file an application alleging abuse of their correlative rights to the extent that such owners can demonstrate that their opportunity to produce from the Niobrara Formation at locations herein authorized does not provide an equal opportunity to obtain their just and equitable share of oil and gas from such formation.

e. Well exception locations to this WLR shall be subject to the provisions of Rule 318.c.

f. This WLR is a well location rule and supersedes existing Commission orders in effect at the time of its adoption only to the extent that the existing orders relate to permissible well locations and the number of wells that may be drilled in a quarter section. Commission orders in effect when this Rule 318B. is adopted nonetheless apply with respect to the size of drilling units already established by the Commission in the WLR Area. This WLR is not intended to establish well spacing. Accordingly, when an area subject to Rule 318B. is otherwise unspaced, it does not act to space the area but instead provides the permissible locations for any new Niobrara Formation wells. Similarly, Rule 318B. does not affect production allocation for existing or future wells. An operator may allocate

production in accordance with the applicable lease, contract terms or established drilling and spacing units recognizing the owner's right to apply to the COGCC to resolve any outstanding correlative rights issues.

g. The landowner notice provisions for owner(s) of surface property within five hundred (500) feet of the proposed oil and gas location under Rule 305.e shall not apply to any such locations that are subject to the provisions of this Rule 318B.

319. ABANDONMENT

The requirements for abandoning a well shall be as follows:

a. **Plugging**

(1) A dry or abandoned well, seismic, core, or other exploratory hole, must be plugged in such a manner that oil, gas, water, or other substance shall be confined to the reservoir in which it originally occurred. Any cement plug shall be a minimum of fifty (50) feet in length and shall extend a minimum of fifty (50) feet above each zone to be protected. The material used in plugging, whether cement, mechanical plug, or some other equivalent method approved in writing by the Director, must be placed in the well in a manner to permanently prevent migration of oil, gas, water, or other substance from the formation or horizon in which it originally occurred. The preferred plugging cement slurry is that recommended by the American Petroleum Institute (API) Environmental Guidance Document: Well Abandonment and Inactive Well Practices for U.S. Exploration and Production Operations, i.e., a neat cement slurry mixed to API standards. However, pozzolan, gel and other approved extenders may be used if the operator can document to the Director's satisfaction that the slurry design will achieve a minimum compressive strength of three hundred (300) psi after twenty-four (24) hours and eight hundred (800) psi after seventy-two (72) hours measured at ninety-five degrees fahrenheit (95 °F) and at eight hundred (800) psi.

(2) The operator shall have the option as to the method of placing cement in the hole by (a) dump bailer, (b) pumping a balanced cement plug through tubing or drill pipe, (c) pump and plug, or (d) equivalent method approved by the Director prior to plugging. Unless prior approval is given, all wellbores shall have water, mud or other approved fluid between all plugs.

(3) No substance of any nature or description other than normally used in plugging operations shall be placed in any well at any time during plugging operations. All final reports of plugging and abandonment shall be submitted on a Well Abandonment Report, Form 6, and accompanied by a job log or cement verification report from the plugging contractor specifying the type of fluid used to fill the wellbore, type and slurry volume of API Class cement used, date of work, and depth the plugs were placed.

(4) In order to protect the fresh water strata, no surface casing shall be pulled from any well unless authorized by the Director.

(5) All abandoned wells shall have a plug or seal placed at the surface of the ground or the bottom of the cellar in the hole in such manner as not to interfere with soil cultivation or other surface use. The top of the pipe must be sealed with either a cement plug and a screw cap, or cement plug and a steel plate welded in place or by other approved method, or in the alternative be marked with a permanent

monument which shall consist of a piece of pipe not less than four (4) inches in diameter and not less than ten (10) feet in length, of which four (4) feet shall be above the general ground level, the remainder to be embedded in cement or to be welded to the surface casing.

(6) The operator must obtain approval from the Director of the plugging method prior to plugging, and shall notify the Director of the estimated time and date the plugging operation of any well is to commence, and identify the depth and thickness of all known sources of groundwater. For good cause shown, the Director may require that a cement plug be tagged if a cement retainer or bridge plug is not used. If requested by the operator, the Director shall furnish written follow-up documentation for a requirement to tag cement plugs.

(7) **Wells Used for Fresh Water.** When the well, seismic, core, or other exploratory hole to be plugged may safely be used as a fresh water well, and such utilization is desired by the landowner, the well need not be filled above the required sealing plug set below fresh water; provided that written authority for such use is secured from the landowner and, in such written authority, the landowner assumes the responsibility to plug the well upon its abandonment as a water well in accordance with these rules. Such written authority and assumption of responsibility shall be filed with the Commission, provided further that the landowner furnish a copy of the permit for a water well approved by the Division of Water Resources.

b. **Temporary Abandonment.**

(1) A well may be temporarily abandoned when completed, upon approval of the Director, for a period not to exceed six (6) months provided the hole is cased or left in such a manner as to prevent migration of oil, gas, water or other substance from the formation or horizon in which it originally occurred. All temporarily abandoned wells shall be closed to the atmosphere with a swedge and valve or packer, or other approved method. The well sign shall remain in place. If an operator requests temporary abandonment status in excess of six (6) months the operator shall state the reason for requesting such extension and state plans for future operation. A Sundry Notice, Form 4, or other form approved by the Director, shall be submitted annually stating the method the well is closed to the atmosphere and plans for future operation.

(2) The manner in which the well is to be maintained should be reported to the Commission, and bonding requirements, as provided for in Rule 304, kept in force until such time as the well is permanently abandoned.

(3) A well which has ceased production or injection and is incapable of production or injection shall be abandoned within six (6) months thereafter unless the time is extended by the Director upon application by the owner. The application shall indicate why the well is temporarily abandoned and future plans for utilization. In the event the well is covered by a blanket bond, the Director may require an individual plugging bond on the temporarily abandoned well. Gas storage wells are to be considered active at all times unless physically plugged.

(4) In addition to the requirements of Rule 326, an injection well that is shut-in or temporarily abandoned shall have a mechanical integrity test performed within two years after the shut-in date in order to be retained in shut-in or temporarily abandoned status.

(5) If an injection well which has been shut-in or temporarily abandoned is determined not to have mechanical integrity as a result of any test required by the Commission rules and regulations, it must, within six (6) months following such a test, be either repaired and pass a mechanical integrity test or be plugged and abandoned.

320. LIABILITY

The owner and operator of any well drilled for oil or gas production or injection purposes, or any seismic, core, or other exploratory holes, whether cased or uncased, shall be liable and responsible for the plugging thereof in accordance with the rules and regulations of the Commission regardless of whether the cost of such plugging and abandonment exceeds the amount of security as set forth in Rule 304.

321. DIRECTIONAL DRILLING

If an operator intends to drill a horizontal or deviated wellbore utilizing controlled directional drilling methods, other than whipstocking due to hole conditions, the plans shall accompany an application for Permit-to-Drill, Form 2. In addition to the information required on the plat in Rule 303.c., the plat shall also show the surface and bottom hole location. If the surface location is in a different section than the bottom hole location, a plat depicting each section is required. Additionally, the proposed directional survey including two (2) wellbore deviation plots, one depicting the plan view and one depicting the side view, shall accompany the application.

Within thirty (30) days of completion the operator shall submit a Drilling Completion Report, Form 5, according to Rule 308., with a copy of the directional survey coordinate listing and the wellbore deviation plots (plan and side views). The survey data shall be provided in a single analysis report with sufficient detail to determine the location of the wellbore from the base of the surface casing to the kick off point and from that point to total depth. It shall be the operator's responsibility to ensure that the wellbore complies with the setback requirements in Commission orders or rules prior to producing the well.

322. COMMINGLING

The commingling of production from multiple formations or wells is encouraged in order to maximize the efficient use of wellbores and to minimize the surface disturbance from oil and gas operations. Commingling may be conducted at the discretion of an operator, unless the Commission has issued an order or promulgated a rule excluding specific wells, geologic formations, geographic areas, or field from commingling in response to an application filed by a directly and adversely affected or aggrieved party or on the Commission's own motion.

This rule supercedes the procedural requirements to establish commingling and allocation contained in any Commission order as of the effective date of this rule, but does not supersede any allocation made under such order.

323. OPEN PIT STORAGE OF OIL OR HYDROCARBON SUBSTANCES

Storage of oil or any other produced liquid hydrocarbon substance in earthen pits or reservoirs is considered to constitute waste, except in emergencies where such substances cannot be otherwise contained. In such cases, these substances must be reclaimed and such storage eliminated as soon as practicable after the emergency is controlled, unless special permission to delay or continue is obtained from the Director.

324A. POLLUTION

a. The operator shall take precautions to prevent significant adverse environmental impacts to air, water, soil, or biological resources to the extent necessary to protect public health, safety and welfare, including the environment and wildlife resources, taking into consideration cost-effectiveness and technical feasibility to prevent the unauthorized discharge or disposal of oil, gas, E&P waste, chemical substances, trash, discarded equipment or other oil field waste.

b. No operator, in the conduct of any oil or gas operation shall perform any act or practice which shall constitute a violation of water quality standards or classifications established by the Water Quality Control Commission for waters of the state, or any point of compliance established by the Director pursuant to Rule 324D. The Director may establish one or more points of compliance for any event of pollution, which shall be complied with by all parties determined to be a responsible party for such pollution.

c. No owner, in the conduct of any oil or gas operation, shall perform any act or practice which shall constitute a violation of any applicable air quality laws, regulations, and permits as administered by the Air Quality Control Commission or any other local or federal agency with authority for regulating air quality associated with such activities.

d. No injection shall be authorized pursuant to Rule 325 or Rule 401 unless the person applying for authorization to conduct the injection activities demonstrates that those activities will not result in the presence in an underground source of drinking water of any physical, chemical, biological or radiological substance or matter which may cause a violation of any primary drinking water regulation in effect as of July 12, 1982 and found at 40 C.F.R. Part 141, or may otherwise adversely affect the health of persons. An underground source of drinking water is an aquifer or its portion:

(1) A which supplies any public water system; or

B which contains a sufficient quantity of ground water to supply a public water system; and

(i) currently supplies drinking water for human consumption; or

(ii) contains fewer than 10,000 milligrams per liter total dissolved solids; and

(2) which is not an exempted aquifer.

e. No person shall accept water produced from oil and gas operations, or other oil field waste for disposal in a commercial disposal facility, without first obtaining a Certificate of Designation from the County in which such facility is located, in accord with the regulations pertaining to solid waste disposal sites and facilities as promulgated by the Colorado Department of Public Health and Environment.

324B. EXEMPT AQUIFERS

a. **Criteria for aquifer exemption.** An aquifer or a portion thereof may be designated by the Director or the Commission as an exempted aquifer, in connection with the filing of an application pursuant to Rule 325, or Rule 401, and after notification to the Colorado Department of Public Health and Environment, Water Quality Control Division, if it meets the following criteria

(1) It does not currently serve as a source of drinking water, and either subparagraph (2) or (3) below apply;

(2) It cannot now and will not in the future serve as a source of drinking water because:

A. It is mineral, hydrocarbon or geothermal energy producing, or can be demonstrated by a person filing an application pursuant to Rule 325, or Rule 401, to contain minerals or hydrocarbons that, considering their quantity and location, are expected to be commercially producible; or

B. It is situated at a depth or location which makes recovery of water for drinking water purposes economically or technologically impractical; or

C. It is so contaminated that it would be economically or technologically impractical to render the water fit for human consumption;

(3) The total dissolved solids content of the ground water is more than three thousand (3,000) and less than ten thousand (10,000) milligrams per liter and it is not reasonably expected to supply a public water system.

b. **Aquifer exemption public notice.** If an aquifer exemption is required as part of an injection permit process, the injection well applicant shall apply for an aquifer exemption. This application shall contain data and information which show that applicable aquifer exemption criteria set forth in Rule 324B.a. are met. After evaluation of the application and prior to designating an aquifer or a portion thereof as an exempted aquifer, the Director shall publish a notice of proposed designation in a newspaper of general circulation serving the area where the aquifer is located. The notice shall identify such aquifer or portion thereof which the Director proposes to designate as exempted, and shall state that any person who can make a showing to the Director that the requested designation does not meet the criteria set forth in Rule 324B.a. may request the Commission to hold a hearing thereon.

c. **Evaluation of written requests for public hearing.** Written requests for a public hearing before the Commission shall be reviewed and evaluated by the Director in consultation with the applicant to determine if the criteria set forth in Rule 324B.a. have been met. If, within thirty (30) days after publication of the notice, the Commission receives a hearing request for which the Director determines the criteria set forth in Rule 324B.a. have not been met, the Commission shall hold such a hearing in accordance with the provisions of §34-60-108, C.R.S., 1973, as amended, and shall make a final determination regarding designation.

d. **Aquifer exemption designation.** If, within thirty (30) days after publication of the notice described in subparagraph b. above, the Commission does not receive a hearing request or receives a hearing request for which the Director determines the criteria set forth in Rule 324B.a. have been met, said aquifer or portion thereof shall be considered exempted thirty (30) days after publication of the notice.

324C. QUALITY ASSURANCE FOR CHEMICAL ANALYSIS

For the purpose of application for a permit for all wells authorized under Rule 323 and Rule 401, collection and analysis of water samples must comply with the Commission's approved quality assurance project plan.

324D. CRITERIA TO ESTABLISH POINTS OF COMPLIANCE

In determining a point of compliance, the Director shall take into consideration recommendations of the operator or any responsible party or parties, if applicable, including technical and economic feasibility, together with the following factors:

a. The classified use established by the Water Quality Control Commission, for any groundwater or surface water which will be impacted by contamination. If not so classified, the Director shall consider the quality, quantity, potential economic use and accessibility of such water;

b. The geologic and hydrologic characteristics of the site, such as depth to groundwater, groundwater flow, direction and velocity, soil types, surface water impacts, and climate;

c. The toxicity, mobility, and persistence in the environment of contaminants released or discharged from the site;

d. Established wellhead protection areas;

e. The potential of the site as an aquifer recharge area; and

f. The distance to the nearest permitted domestic water well or public water supply well completed in the same aquifer affected by the event.

g. The distance to the nearest permitted livestock or irrigation water well completed in the same aquifer affected by the event.

325. UNDERGROUND DISPOSAL OF WATER

a. No person shall commence operations for the underground disposal of water, or any other fluids, into a Class II well, or any well regulated by the Commission, nor shall any person commence construction of such a well, without having first obtained written authorization for such operations from the Director. Persons wishing to obtain authorization to conduct underground disposal activities shall file with the Director an Underground Injection Formation Permit Application, Form 31 and an Injection Well Permit Application, Form 33. If the disposal well is to be drilled, this application shall be submitted concurrently with the Application for Permit-to-Drill, Form 2, along with a service and filing fee to be determined by the Commission. (See Appendix III)

b. **Withholding approval of underground disposal of water.** The Director may withhold the issuance of a permit and the granting of approval of any Underground Injection Formation Permit Application, Form 31 and any Injection Well Permit Application, Form 33 for any proposed disposal well when the Director has reasonable cause to believe that the proposed disposal well could result in a significant adverse impact on the environment or public health, safety and welfare. In the event such approval is not granted, the Director shall immediately advise the operator and bring the matter to the Commission at its next regularly scheduled hearing.

c. The application for a dedicated injection well shall include the following information:

(1) The name, description and depth of the formation into which water is to be injected, and all underground sources of drinking water which may be affected by the proposed operation. A water analysis of the injection formation (if the total dissolved solids of the injection formation is determined to less than ten thousand

(10,000) milligrams per liter, the aquifer must be exempted in accordance with Rule 322B.). The fracture pressure or fracture gradient of the injection formation.

(2) A base plat covering the area within one-quarter (1/4) mile of the proposed disposal well showing location of the proposed disposal well or wells and the location of all oil and gas wells, domestic and irrigation wells of public record and the identification of all oil and gas wells currently producing from the proposed injection zone within one-half (1/2) mile of the disposal zone. The names, addresses and holdings of all surface and mineral owners as defined in C.R.S. 34-60-103 (7), within one-quarter (1/4) mile of the proposed disposal well or wells, or all owners of record in the field if a field-wide system is proposed. These owners shall be specifically outlined and identified on the base plat. A list of all domestic and irrigation wells of public record, within one-quarter (1/4) mile of the proposed disposal well or wells, including their location and depth. (This information may be obtained at the Colorado Division of Water Resources.) Remedial action shall be required for any well within one-quarter (1/4) mile of the proposed disposal well or wells in which the injection zone is not adequately confined. The applicant shall include information regarding the need for remedial action on any well(s) penetrating the injection zone within one-quarter (1/4) mile of the proposed disposal well or wells, which the applicant may or may not operate and a plan for the performance of any such remedial work. A copy of all plans and specifications for the system and its appurtenances.

(3) A resistivity log, run from the bottom of the surface casing to total depth of the disposal well or wells or any well within one (1) mile together with a log from that well that can be correlated with the injection well. If the disposal well is to be drilled, a description of the typical stratigraphic level of the disposal formation in the disposal well or wells, and any other available logging or testing data, on the disposal well or wells.

(4) A full description of the casing in the disposal well or wells. This shall include any information available on any remedial cement work performed to any casing string. This shall also include a schematic drawing showing all casing strings with cement volumes and tops, existing or as proposed, plug back total depth, depth of any existing open or squeezed perforations, setting depths of any bridge plugs existing or proposed, planned perforations in the injection zone, tubing and packer size and setting depth. A diagram of the surface facility showing all pipelines and tanks associated with the system. A listing of all leases connected directly by pipelines to the system.

(5) A listing of all sources of water, by lease and well, to be injected shall be submitted on a Source of Produced Water for Disposal, Form 26.

(6) Any proposed stimulation program.

(7) The estimated minimum and maximum amount of water to be injected daily with anticipated injection pressures. Maximum injection pressure will be set by the Director upon approval.

(8) The names and addresses of those persons notified by the applicant, as required by subparagraph i. of this rule.

d. The application for a simultaneous injection well shall include the following:

(1) The name, description and depth of the formation into which water is to be injected, and all underground sources of drinking water which may be affected by the proposed operation. A water analysis of the injection formation (if the total dissolved solids of the injection formation is determined to be less than ten thousand (10,000) milligrams per liter, the aquifer must be exempted in accordance with Rule 324B.); a water analysis from the producing formation; and go fracture pressure or fracture gradient of the injection formation.

(2) A base plat covering the area within one-quarter (1/4) mile of the proposed well showing the location of the proposed well or wells and the location of all oil and gas wells, domestic and irrigation wells of public record and the identification of all oil and gas wells currently producing from the proposed injection zone within one-half (1/2) mile of the disposal zone and the names, addresses and holdings of all mineral owners as defined in §34-60-103 (7), C.R.S., within one-quarter (1/4) mile of the proposed disposal well or wells, or all owners of record in the field if a field-wide system is proposed. These owners shall be specifically outlined and identified on the base plat. Remedial action shall be required for any well within one-quarter (1/4) mile of the proposed well or wells in which the injection zone is not adequately confined. The applicant shall include information regarding the need for remedial action on any well(s) penetrating the injection zone within one-quarter (1/4) mile of the proposed disposal well or wells, which the applicant may or may not operate and a plan for the performance of any such remedial work and a copy of all plans and specifications for the system and its appurtenances.

(3) A resistivity log, run from the bottom of the surface casing to total depth of the disposal zone or such log from a well within one (1) mile together with a log from that well that can be correlated with the simultaneous injection well. If the simultaneous injection well is to be drilled, a description of the typical stratigraphic level of the injection formation in the simultaneous injection well or wells, and any other available logging or testing data, on the simultaneous injection well or wells.

(4) A full description of the casing in the simultaneous injection well or wells. This shall include any information available on any remedial cement work performed to any casing string. This shall also include a schematic drawing showing all casing strings with cement volumes and tops, existing or as proposed, plug back total depth, depth of any existing open or squeezed perforations, setting depths of any bridge plugs existing or proposed, planned perforations in the injection zone, downhole pump setting depth and any tubing and or packer size and setting depth.

(5) Any proposed stimulation program.

(6) The estimated amount of water to be injected daily.

(7) Downhole pump specifications, together with a calculation of maximum discharge pressure created under proposed wellbore configuration. Downhole pump configurations shall be designed to inject below the injection zone fracture gradient.

(8) The names and addresses of those persons notified by the applicant, as required by subparagraph j. of this rule.

The following rules shall apply to both dedicated injection well and simultaneous injection well applications.

e. **Mechanical integrity testing requirement.** Prior to application approval, the proposed disposal well must satisfactorily pass a mechanical integrity test in accordance with Rule 326.

f. **Centralized and commercial disposal well requirements.** Prior to application approval, the appurtenant centralized and commercial disposal well operations shall comply with the requirements of Rules 704. and 908.

g. **Multiple well applications.** Application may be made to include the use of more than one (1) disposal well on the same lease, or on more than one (1) lease. Wherever feasible and applicable, the application shall contemplate a coordinated plan for the entire field.

h. The designated operator of a unitized or cooperative project shall execute the application.

i. Notice of the application for a dedicated injection well shall be given by the applicant by registered or certified mail or by personal delivery, to each surface owner and owner as defined in §34-60-103(7), C.R.S., within one-quarter (1/4) mile of the proposed well or wells and to owners and operators of oil and gas wells producing from the injection zone within one-half (1/2) mile of the disposal well or to owners of cornering and contiguous units where injection will occur into the producing zones, whichever is the greater distance.

j. Notice of the application for a simultaneous injection well shall be given by the applicant by registered or certified mail or by personal delivery, to each owner as defined in §34-60-103(7), C.R.S., within one-quarter (1/4) mile of the proposed well or wells and to owners and operators of oil and gas wells producing from the injection zone within one-half (1/2) mile of the disposal well or to owners of cornering and contiguous units where injection will occur into the producing zones, whichever is the greater distance.

k. A copy of the notice of application shall be included with the disposal application filed with the Commission, and the applicant shall certify that notice by registered or certified mail or by personal delivery, to each of the owners specified in subparagraphs i. and j., has been accomplished.

l. **Notice of application requirements.** The notice shall describe the proposed operation and shall state that any person who would be directly and adversely affected or aggrieved by the authorization of the underground disposal into the propose injection zone may file, within fifteen (15) days of notification, a written request for a public hearing before the Commission, provided such request meets the protest requirements specified in subparagraph m. of this rule. The notice shall also state that additional information on the operation of the proposed disposal well may be obtained at the Commission office.

m. **Evaluation of written requests for public hearing.** Written requests for public hearing before the Commission by a person, notified in accordance with subparagraphs i. and j. of this rule, who may be directly and adversely affected or aggrieved by the authorization of the underground disposal into the proposed injection zone, shall be reviewed and evaluated by the Director in consultation with the applicant. Written protests shall specifically provide information on:

(1) Possible conflicts between the injection zone's proposed disposal use and present or future use as a source of drinking water or present or future use as a source of hydrocarbons, or

(2) Operations at the well site which may affect potential and current sources of drinking water.

n. **Dedicated injection well public notice.** The Director shall publish a notice of the proposed disposal permit for dedicated injection wells in a newspaper of general circulation serving the area where the well(s) is (are) located. The notice shall briefly describe the disposal application and include legal location, proposed injection zone, depth of injection and other relevant information. Comment period on the proposed disposal application shall end thirty (30) days after date of publication. If any data, information, or arguments submitted during the public comment period appear to raise substantial questions concerning potential impacts to the environment, public health, safety and welfare raised by the proposed disposal well permit the Director may request that the Commission hold a hearing.

o. **Injection application deadlines.** If all of the data or information necessary to approve the disposal application has not been received within six (6) months of the date of receipt, the application will be withdrawn from consideration. However, for good cause shown, a ninety (90) day extension may be granted, if requested prior to the date of expiration.

326. MECHANICAL INTEGRITY TESTING

For the purpose of this rule, a mechanical integrity test of a well is a test designed to determine if there is a significant leak in the casing, tubing, or packer of the well, and there is significant fluid movement into an underground source of drinking water through vertical channels adjacent to the wellbore.

a. **Injection Wells** - A mechanical integrity test shall be performed on all injection wells.

(1) The mechanical integrity test shall include one (1) of the following tests to determine whether significant leaks are present in the casing, tubing, or packer:

A. A pressure test with liquid or gas at a pressure of not less than three hundred (300) psi or the minimum injection pressure, whichever is greater, and not more than the maximum injection pressure; or

B. The monitoring and reporting to the Director, on a monthly basis for sixty (60) consecutive months, of the average casing-tubing annulus pressure, following an initial pressure test; or

C. In lieu of A. and B. any equivalent test or combinations of tests approved by the Director.

(2) The mechanical integrity test shall include one (1) of the following tests to determine whether there are significant fluid movements in vertical channels adjacent to the well bore:

A. Cementing records which shall only be valid for injection wells in existence prior to July 1, 1986;

B. Tracer surveys;

C. Cement bond log or other acceptable cement evaluation log;

D. Temperature surveys; or

E. In lieu of A.-D., any other equivalent test or combination of tests approved by the Director.

(3) No person shall inject fluids into a new injection well unless a mechanical integrity test on the well has been performed and supporting documents including Mechanical Integrity Test, Form 14B, submitted and approved by the Director. Verbal approval may be granted for continuous injection following the test.

(4) Following the performance of the initial mechanical integrity test required by subparagraph (3), additional mechanical integrity tests shall be performed on each type of injection well as follows:

A. Dedicated injection well. As long as it is used for the injection of fluids, mechanical integrity tests shall be performed at the rate of not less than one (1) test every five (5) years. The first five (5) year period shall commence on the date the initial mechanical integrity test is performed.

B. Simultaneous injection well. No additional tests will be required after the initial mechanical integrity test.

(5) Following the performance of the initial mechanical integrity test required by subparagraph (3), additional mechanical integrity tests shall be performed on each well, as long as it is used for the injection of fluids, at the rate of not less than one (1) test every five (5) years. The first five (5) year period shall commence on the date the initial mechanical integrity test is performed.

b. **Shut-in Wells** - All shut-in wells shall pass a mechanical integrity test.

(1) A mechanical integrity test shall be performed on each shut-in well within two (2) years of the initial shut-in date. A mechanical integrity test shall be performed on each shut-in well on five (5) year intervals from the date the initial mechanical integrity test was performed. If, at any time, surface equipment is removed or the well becomes incapable of production, a mechanical integrity test must be performed within thirty (30) days. The mechanical integrity test for a shut-in well shall be:

A. Isolation of the wellbore with a bridge plug or similar approved isolating device set one hundred (100) feet or less above the highest perforations and a pressure test with liquid or gas at a pressure of not less than three hundred (300) psi surface pressure or any equivalent test or combination of tests approved by the Director.

B. Following the performance of the initial mechanical integrity test for shut-in wells, additional tests, other than the five (5) year interval test, may be required.

c. Not less than ten (10) days prior to the performance of any mechanical integrity test required by this rule, any person required to perform the test shall notify the Director, in writing, of the scheduled date on which the test will be performed.

d. All wells shall maintain mechanical integrity. All wells which lack mechanical integrity shall be repaired or plugged and abandoned within six (6) months of failing a mechanical integrity test or of a determination through any other means that the well lacks mechanical integrity, and the well site reclaimed in accordance with Rule 1004.a. All injection wells which fail a mechanical integrity test, or which are determined through any other means to lack mechanical integrity, shall be shut-in immediately.

327. LOSS OF WELL CONTROL

The operator shall take all reasonable precautions, in addition to fully complying with Rule 317. to prevent any oil, gas or water well from blowing uncontrolled and shall take immediate steps and exercise due diligence to bring under control any such well, and shall report such occurrence to the Director as soon as practicable, but no later than twenty-four (24) hours following the incident. Within fifteen (15) days after all occurrences the operator shall submit a written report giving all details. The Director shall maintain these written reports in a central file.

328. MEASUREMENT OF OIL

The volume of all oil production from a lease or a production unit shall be measured and recorded prior to removal from the lease or production unit. The volume of production of oil shall be computed in terms of barrels of clean oil on the basis of properly calibrated meter measurements or tank measurements of oil-level differences, made and recorded to the nearest one-quarter (1/4) inch of one hundred percent (100%) capacity tables, subject to the following corrections in items a., b., and c. below. This rule shall be used consistently with standards established by the American Society for Testing and Materials (ASTM), the American Petroleum Institute (API) Manual of Petroleum Measurement Standards, the American Gas Association (AGA), the Gas Processors Association (GPA), or other applicable standards-setting organizations, and pursuant to contractual rights or obligations. Only those editions of standards cited within this rule shall apply to this rule; later amendments do not apply. The material cited in this rule is available for public inspection during normal business hours from the Public Room Administrator at the office of the Commission, 1120 Lincoln Street, Suite 801, Denver, Colorado 80203. In addition, these materials may be examined at any state publication depository library.

a. **Correction for Impurities.** The percentage of impurities (water, sand and other foreign substances not constituting a natural component part of the oil) shall be determined to the satisfaction of the Director, and the observed gross volume of oil shall be corrected to exclude the entire volume of such impurities.

b. **Temperature Correction.** The observed volume of oil corrected for impurities shall be further corrected to the standard volume of sixty degrees fahrenheit (60°F) in accordance with ASTM D-1250 Table 7, or any close approximation thereof approved by the Director.

c. **Gravity Determination.** The gravity of oil at sixty degrees fahrenheit 60° F. shall be determined in accordance with ASTM D-1250 Table 5, or any close approximation thereof approved by the Director.

d. **Tank Gauging.** Measurement by tank gauging shall be completed in accordance with industry standards as specified in API CH. 3 Gauging of Tanks (Section 3.1a Second Edition August 2005 and Section 3.1b Second Edition June 2001) and the API CH. 18.1, Measure Procedures for Crude Oil Gathered from Small Tanks by Truck (Second Edition April 1997).

e. **Metering Station.** Measurement shall be completed in accordance with industry standards as specified in API CH. 4 Proving Systems (Section 2, Third Edition September 2003 and Section 8, First Edition November 1995), API CH. 5 Metering (CH. 5.1 Fourth Edition October 2005, CH. 5.2 Third Edition October 2005, CH. 5.3 Fifth Edition September 2005, CH. 5.4 Second Edition July 2005, CH. 5.5 Second Edition July 2005, and CH. 5.6 First Edition October 2002), API CH. 7 Temperature Determination (First Edition June 2001), API CH. 8 Sampling (CH. 8.1 Third Edition October 1995 and CH. 8.2 Second

Edition October 1995), and the API CH. 12, Calculation of Quantities (CH. 12.1 Part 1 Second Edition November 2001).

f. **Lact Meters.** Measurement utilizing lact units shall be in accordance with industry specifications or standards as specified in API SPEC. 6.1, Lease Automatic Custody Transfer Systems (Second Edition May 1991).

g. **Sales Reconciliation.** In order to facilitate the resolution of questions regarding the payment of proceeds or sales reconciliation from a well, a payee may submit a Form 37 to the payer requesting additional information concerning the payee's interest in the well, price of the oil sold, taxes applied to the sale of oil, differences in well production and well sales, and other information as described in § 34-60-118.5, C.R.S. The payer shall return the completed form to the payee within sixty (60) days of receipt. Submittal of this form to the payer shall fulfill the requirement for "written request" described in § 34-60-118.5(2.5), C.R.S., and is a prerequisite to filing a complaint with the Commission. The payer shall use its best efforts to consult in good faith with the payee to resolve disputes regarding payment of proceeds or sales reconciliation.

A Form 37 requesting information concerning payment of proceeds may be submitted by the payee at any time. A Form 37 requesting information concerning sales volume reconciliation shall be submitted by the payee within one year of receipt of payment or the notification of a revised payment. The Commission may act to prohibit or terminate any abuse of the reconciliation process, such as the submittal by a payee of multiple repeated requests for sales volume reconciliation regarding the same well. Such action by the Commission may include, but is not limited to, relieving the payer from its obligation to answer the request and limiting or prohibiting the payee's submittal of additional requests.

329. MEASUREMENT OF GAS

The volume of all gas produced from a lease or a production unit shall be measured and recorded prior to removal from the lease or production unit. Production of gas of all kinds shall be measured by meter unless otherwise agreed to by the Director. For computing volume of gas to be reported to the Commission, the standard pressure base shall be fourteen point seventy-three (14.73) psia, regardless of atmospheric pressure at the point of measurement, and the standard temperature base shall be sixty degrees fahrenheit (60°F). All volumes of gas to be reported to the Commission shall be adjusted by computation to these standards, regardless of pressures and temperatures at which the gas was actually measured, unless otherwise authorized by the Director. This rule shall be used consistently with standards established by the American Society for Testing and Materials (ASTM), the American petroleum Institute (API) Manual of Petroleum Measurement Standards, the American Gas Association (AGA), the Gas Processors Association (GPA), or other applicable standards-setting organizations, and pursuant to contractual rights and obligations. Only those editions of standards cited within this rule shall apply to this rule; later amendments do not apply. The material cited in this rule is available for public inspection during normal business hours from the Public Room Administrator at the office of the Commission, 1120 Lincoln Street, Suite 801, Denver, Colorado 80203. In addition, these materials may be examined at any state publication depository library.

a. **Metering Station.** Installation and operation of gas measurement stations shall be in accordance with industry standards as specified in API CH. 14.3, Orifice Measurement (Part 2, Fourth Edition April 2000 and Part 3, Third Edition August 1992 and Part 4, Third Edition November 1992); API CH. 21.1, Electronic Measurement (gas) (First Edition September 1993); AGA Report #7, Turbine Measurement (January 2006); AGA Report #9, Ultrasonic Measurement (April 2007); and AGA Report #11, Coriolis Measurement (January 2003).

b. **Metering Equipment.** The devices used to measure the differential, line pressure, and temperature shall have accepted accuracy ratings established in industry standards as specified in API CH. 22, Testing Protocol Standards (CH. 22.1 First Edition November 2006 and CH. 22.2 First Edition August 2005).

c. **Meter Calibration.** Meters shall be calibrated annually unless more frequent calibration is required by contractual obligations or by the Director. All calibration reports shall be created, maintained, and made available as operation records pursuant to Rule 205. In the event two consecutive meter calibrations exceed a 2% error, the operator shall report the test results to the Director who may require the operator to show cause why the meter should not be replaced.

d. **Gas Quality.** The heating value of produced natural gas shall be representative of the flowing gas stream at the lease or unit boundary, as determined by chromatographic analysis of a sample obtained in close proximity to the volume measurement device and shall be reported on an Operator's Monthly Production Report, Form 7. Gas sampling and analysis shall occur annually unless more frequent sampling is required by contractual obligations or by the Director. Gas sampling, gas chromatography, and the resulting analysis data shall be in accordance with industry standards as specified in API CH. 14.1, Gas Sampling (Fifth Edition February 2006); GPA 2166, Gas Sampling (Revised 2005); GPA 2261, Gas Analysis (Revised 2000); GPA 2286, Extended Analysis; GPA 2145, Gas Physical Properties (Revised 2003); and GPA 2172, Gas Heating Value (Revised 1996).

e. **Sales Reconciliation.** In order to facilitate the resolution of questions regarding the payment of proceeds or sales reconciliation from a well, a payee may submit a Form 37 to the payer requesting additional information concerning the payee's interest in the well, price of the gas sold, taxes applied to the sale of gas, differences in well production and well sales, and other information as described in § 34-60-118.5, C.R.S. The payer shall return the completed form to the payee within sixty (60) days of receipt. Submittal of this form to the payer shall fulfill the requirement for "written request" described in § 34-60-118.5(2.5), C.R.S., and is a prerequisite to filing a complaint with the Commission. The payer shall use its best efforts to consult in good faith with the payee to resolve disputes regarding payment of proceeds or sales reconciliation.

A Form 37 requesting information concerning payment of proceeds may be submitted by the payee at any time. A Form 37 requesting information concerning sales volume reconciliation shall be submitted by the payee within one year of receipt of payment or the notification of a revised payment. The Commission may act to prohibit or terminate any abuse of the reconciliation process, such as the submittal by a payee of multiple repeated requests for sales volume reconciliation regarding the same well. Such action by the Commission may include, but is not limited to, relieving the payer from its obligation to answer the request and limiting or prohibiting the payee's submittal of additional requests.

330. MEASUREMENT OF PRODUCED AND INJECTED WATER

a. The volume of produced water shall be computed and reported in terms of barrels on the basis of properly calibrated meter measurements or tank measurements of water-level differences, made and recorded to the nearest one-quarter (1/4) inch of one hundred (100%) percent capacity tables. If measurements are based on oil/water ratios, the oil/water ratio must be based on a production test performed during the last calendar year. Other equivalent methods for measurement of produced water may be approved by the Director.

b. The volume of water injected into a Class II dedicated injection well shall be computed and reported in term of barrels on the basis of property calibrated meter measurements or

tank measurements of water-level differences made and recorded to the nearest one-quarter (1/4) inch of one hundred percent (100%) capacity tables. If water is transported to an injection facility by means other than direct pipeline, measurement of water is required by a properly calibrated meter

c. The volume of water injected and produced in simultaneous injection wells shall be computed and reported in terms of barrels on the basis of calculated pump volumes, on the basis of property calibrated meter measurements, or on the basis of a produced gas to water ratio based on an annual production test.

331. VACUUM PUMPS ON WELLS

The installation of vacuum pumps or other devices for the purpose of imposing a vacuum at the wellhead or on any oil or gas bearing reservoir may be approved by the Director upon application therefore, except as herein provided. The application shall be accompanied by an exhibit showing the location of all wells on adjacent premises and all offset wells on adjacent lands, and shall set forth all material facts involved and the manner and method of installation proposed. Notice of the application shall be given by the applicant by registered or certified mail, or by delivering a copy of the application to each producer within one-half (1/2) mile of the installation.

In the event no producer within one-half (1/2) mile of the installation or the Commission itself files written objection or complaint to the application within fifteen (15) days of the date of application, then the application shall be approved, but if any producer within one-half (1/2) mile of said installation or the Commission itself files written objection within fifteen (15) days of the date of application, then a hearing shall be held as soon as practicable.

332. USE OF GAS FOR ARTIFICIAL GAS LIFTING

Gas may be used for artificial gas lifting of oil where all such gas returned to the surface with the oil is used without waste. Where the returned gas is not to be so used, the use of gas for artificial gas lifting of oil is prohibited unless otherwise specifically ordered and authorized by the Commission upon hearing.

333. SEISMIC OPERATIONS

a. COGCC Form 20, Notice of Intent to Conduct Seismic Operations. Seismic operations require an approved Form 20 which shall be submitted to the Director prior to commencement of shothole drilling or recording operations. An informational copy of the Form 20 shall be filed by the operator with the local governmental designee at or before the time of filing with the Director. Any change of plans or line locations may be implemented without Director approval provided that after such change is performed, the Director shall receive written notice of the change within five (5) days.

   A map shall be included with the notice. This map shall be at a scale of at least 1:48,000 showing sections, townships and ranges and providing the location of the proposed seismic lines, including source and receiver line locations.

   The Notice of Intent to Conduct Seismic Operations, Form 20, shall be in effect for six (6) months from the date of approval. An extension of time may be granted upon written request submitted prior to the expiration date.

b. **Surface owner consultation**. Prior to the commencement of any seismic operation, a good faith effort shall be made to consult with all surface owners of the lands included in the seismic project area.

c. **Exploration requiring the drilling of shotholes:**

(1) **Explosive storage**. All explosives shall be legally and safely stored and accounted for in magazines when not in use in accordance with relevant regulations of the Alcohol, Tobacco and Firearms Division of the Federal Department of the Treasury.

(2) **Blasting safety setbacks**. Blasting shall be kept a safe distance from a building unit, water well or spring, unless by special written permission of the surface owner or lessee, according to the following minimum setback distances:

CHARGES IN LBS. GREATER THAN	CHARGES IN LBS. UP TO AND INCLUDING	MINIMUM SETBACK DISTANCE IN FEET
0	2	200
2	5	300
5	6	360
6	7	420
7	8	480
8	9	540
9	10	600
10	11	649
11	12	696
12	13	741
13	14	784
14	15	825
15	16	864
16	17	901
17	18	936
18	19	969
19	20	1000
20		1320

(3) Prior to any shothole drilling, the operator shall contact the Utility Notification Center of Colorado at 1-800-922-1987.

(4) **Drilling and plugging**. The following guidelines shall be used to plug shotholes unless the operator can demonstrate that another method will provide adequate protection to ground water quality and movement and long-term land stability:

A. Any slurry, drilling fluids, or cuttings which are deposited on the surface around the seismic hole shall be raked or otherwise spread out to at least within one (1) inch of the surface, such that the growth of the natural grasses or foliage shall not be impaired.

B. All shotholes shall be preplugged or anchored to prevent public access if not immediately shot. In the event the preplug does not hold, seismic holes shall be properly plugged and abandoned as soon as practical after the

shot has been fired. However, a fired hole shall not be left unplugged for more than thirty (30) days without approval of the Director. In no event shall shotholes be left open, but shall be covered with a tin hat or other similar cover until they are properly plugged. The hats shall be imprinted with the seismic contractor's name or identification number or mark.

C. The hole shall be filled to a depth of approximately three (3) feet below ground level by returning the cuttings to the hole and tamping the returned cuttings to ensure the hole is not bridged. A non-metallic perma-plug either imprinted or tagged with the operator name or the identification number or mark described in the notice of intent shall be set at a depth of three (3) feet, and the remaining hole shall be filled and tamped to the surface with cuttings and native soil. A sufficient mound of native soil shall be left over the hole to allow for settling.

D. When non-artesian water is encountered while drilling seismic shotholes, the holes shall be filled from the bottom up with a high grade coarse ground bentonite to ten (10) feet above the static water level or to a depth of three (3) feet from the surface; the remaining hole shall be filled and tamped to the surface with cuttings and native soil, unless the operator otherwise demonstrates that use of another suitable plugging material may be substituted for bentonite without harm to ground water resources.

E. If artesian flow (water rising above the depth at which encountered) is encountered in the drilling of any seismic hole, cement or high grade coarse ground bentonite shall be used to seal off the water flow with the selected material placed from the bottom of the hole to the surface or at least fifty (50) feet above the top of the water-bearing material, thereby preventing cross-flow between aquifers, erosion or contamination of fresh water supplies. Said holes shall be plugged immediately.

d. **COGCC Form 20A, Completion Report for Seismic Operations.** A Form 20A shall be submitted to the Director within sixty (60) days after completion of the project. The report shall include: maps (with a scale not less than 1:48,000) showing the location of all receiver lines, energy source lines and any shotholes. Shotholes encountering artesian flow shall be indicated on the map.

If the program included any shotholes, then the completion report shall be accompanied by the following:

(1) a certification by the party responsible for plugging the holes that all shotholes are plugged as prescribed by these rules and approved by the Director, and

(2) the latitude and longitude of each shothole location. The latitude and longitude coordinates shall be referenced in decimal degrees to an accuracy and precision of five decimals of a degree using the North American Datum (NAD) of 1983 (e.g.; latitude 37.12345 N, longitude 104.45632 W) or reported in other form as approved by the Director. If GPS technology is utilized to determine the latitude and longitude, all GPS data shall meet the requirements set forth in Rule 215. a. through h.

e. **Bonding Requirements**. The company submitting the Notice of Intent to Conduct Seismic Operations, Form 20, shall file financial assurance in accordance with Rule 705. prior to

the commencement of operations. The bond shall remain in effect until a request is made by the company to release the bond for the following reasons:

(1) The shotholes have been properly plugged and abandoned, and source and receiver lines have been reclaimed in accordance with this Rule 333., and

(2) There are no outstanding complaints received from surface owners that have not been investigated by the Director and addressed as provided for in Rule 522.

f. **Reclamation requirements**. Upon completion of seismic operations the surface of the land shall be restored as nearly as practicable to its original condition at the commencement of seismic operations. Appropriate reclamation of disturbed areas will vary depending upon site specific conditions and may include compaction alleviation and revegetation. All flagging, stakes, cables, cement, mud sacks or other materials associated with seismic operations shall be removed.

334. PUBLIC HIGHWAYS AND ROADS

All persons subject to the act and these rules and regulations while using public highways or roads shall be subject to the State Vehicles and Traffic Laws pursuant to Title 42, C.R.S. and the State Highway and Roads Laws, Title 43, C.R.S., pertaining to the use of public highways or roads within the state.

335. COGCC Form 15. PIT CONSTRUCTION REPORT/PERMIT

A Pit Construction Report/Permit, Form 15, shall be submitted for approval by the Director in accordance with Rule 903.

336. COGCC Form 18. COMPLAINT FORM

Any party who wishes to file a complaint regarding oil and gas operations is encouraged to submit a Form 18. The Director shall investigate any complaint and determine what, if any, action shall be taken in accordance with Rule 522.

337. COGCC Form 19. SPILL/RELEASE REPORT

All spills and releases of E&P waste exceeding five (5) barrels shall be reported on a Spill/Release Report, Form 19. Form 19 shall be filed with the Director pursuant to the reporting requirements in Rule 906.

338. COGCC Form 24. SOIL ANALYSIS REPORT

Soil Analysis Report, Form 24, shall be submitted where soil composition data is required, in accordance with Rule 910.

339. COGCC Form 25. WATER ANALYSIS REPORT

Water Analysis Report, Form 25, shall be submitted where water quality data is required, in accordance with Rule 910.

340. COGCC Form 27. SITE INVESTIGATION AND REMEDIATION WORKPLAN

Site Investigation and Remediation Workplan, Form 27, shall be submitted when required in accordance with Rule 909.

341. BRADENHEAD MONITORING DURING WELL STIMULATION OPERATIONS

The placement of all stimulation fluids shall be confined to the objective formations during treatment to the extent practicable.

During stimulation operations, bradenhead annulus pressure shall be continuously monitored and recorded on all wells being stimulated.

If at any time during stimulation operations the bradenhead annulus pressure increases more than 200 psig the operator shall verbally notify the Director as soon as practicable, but no later than twenty-four (24) hours following the incident. Within fifteen (15) days after the occurrence, the operator shall submit a Sundry Notice, Form 4, giving all details, including corrective actions taken.

If intermediate casing has been set on the well being stimulated, the pressure in the annulus between the intermediate casing and the production casing shall also be monitored and recorded.

The operator shall keep all well stimulation records and pressure charts on file and available for inspection by the Commission for a period of at least five (5) years. Under Rule 502.b.(1), an operator may seek a variance from these bradenhead monitoring, recording, and reporting requirements under appropriate circumstances.

SERIES SAFETY REGULATIONS

601. INTRODUCTION

The rules and regulations in this section are promulgated to protect the health, safety and welfare of the general public during the drilling, completion and operation of oil and gas wells and producing facilities. They do not apply to parties or requirements regulated under the Federal Occupational Safety and Health Act of 1970 (See Rule 212).

602. GENERAL

The training and action of employees, as well as proper location and operation of equipment is an important part of any safety program. While this section is general in nature, it is considered a basic part of the foundation of any safety program.

a. Employees shall be familiarized with these rules and regulations as provided herein as they relate to their function in their respective jobs. Each new employee should have his job outlined, explained and demonstrated.

b. Unsafe and potentially dangerous conditions as defined by these rules, should be reported immediately by employees to the supervisor in charge and shall be remedied as soon as practical. Any accident involving injury to wellsite personnel or to a member of the general public which requires medical treatment or significant damage to equipment or the wellsite shall be reported to the Director as soon as practicable, but in no event later than twenty-four (24) hours after the accident. A COGCC Accident Report, Form 22, shall be submitted to the Director within ten (10) days of the accident. Accidents that require only first aid treatment are not subject to these reporting requirements.

   Where unsafe or potentially dangerous conditions exist, the owner or operator shall respond as directed by an agency with demonstrated authority to do so (such as sheriff, fire district director, etc.).

c. Vehicles of persons not involved in drilling, production, servicing, or seismic operations shall be located a minimum distance of one hundred (100) feet from the wellbore, or a distance equal to the height of the derrick or mast, whichever is greater. Equivalent safety measures shall be taken where terrain, location or other conditions do not permit this minimum distance requirements.

d. Existing wells are exempt from the provisions of these regulations as they relate to the location of the well.

e. Existing producing facilities shall be exempt from the provisions of these regulations with respect to minimum distance requirements and setbacks unless they are found by the Director to be unsafe.

f. Self-contained sanitary facilities shall be provided during drilling operations and at any other similarly staffed oil and gas operations facility.

603. DRILLING AND WELL SERVICING OPERATIONS AND HIGH DENSITY AREA RULES

a. **Statewide setbacks.** Subparagraph (1) below shall apply to all areas of the state except as provided under subparagraphs b. and e. of this rule. Subparagraph (2) below shall apply to all areas of the state.

(1) At the time of initial drilling of the well, the wellhead shall be located a distance of one hundred fifty (150) feet or one and one-half (1-1/2) times the height of the derrick, whichever is greater, from any building unit, public road, major above ground utility line, or railroad.

(2) A well shall be a minimum distance of one hundred fifty (150) feet from a surface property line. An exception may be granted by the Director if it is not feasible for the operator to meet this minimum distance requirement and a waiver is obtained from the offset surface owner(s). An exception request letter stating the reasons for the exception shall be submitted to the Director and accompanied by a signed waiver(s) from the offset surface owner(s). Such waiver shall be written and filed in the county clerk and recorder's office and with the Director.

b. **High density area rules for building units.** A high density area shall be determined at the time the well is permitted on a well-by-well basis by calculating the number of building units within the seventy-two (72) acre area defined by a one thousand (1000) foot radius from the wellhead or production facility. If thirty-six (36) or more actual or platted building units (as defined in the 100 Series rules) are within the one thousand (1000) foot radius or eighteen (18) or more building units are within any semi-circle of the one thousand (1000) foot radius (i.e., an average density of one (1) building unit per two (2) acres), it shall be deemed a high density area. If platted building units are used to determine the density, then fifty percent (50%) of said platted units shall have building units under construction or constructed.

c. **High density area rules for other facilities.** If an educational facility, assembly building, hospital, nursing home, board and care facility, or jail is located within one thousand (1000) feet of a wellhead or production facility, high density area rules shall apply.

d. **Designated outside activity area.** The Commission, upon application and hearing, shall determine the appropriate boundary and setbacks for a designated outside activity area as defined in the 100 Series rules. The minimum setback from the boundary of the designated outside activity area shall be three hundred fifty (350) feet.

e. The following rules shall apply in high density and designated outside activity areas:

(1) **Provisions for encroaching development.** If, by virtue of subsequent future surface development, an area becomes a high density area, subsections (2), (3), (7) and (14) shall not apply to the operator.

(2) **Setbacks for wellheads.** At the time of initial drilling of the well, the wellhead location shall be not less than three hundred fifty (350) feet from any building unit, educational facility, assembly building, hospital, nursing home, board and care facility, or jail.

(3) **Setbacks for production equipment.** At the time of initial installation or construction, production tanks, pits, or associated on-site production equipment shall be located not less than three hundred fifty (350) feet from any building unit. Such production tanks, pits, or associated on-site production equipment shall be located five hundred (500) feet from an educational facility, assembly building, hospital, nursing home, board and care facility, jail or designated outside activity area. However, such five hundred (500) foot setback shall be decreased to the maximum achievable setback if five hundred (500) feet would extend beyond the area on which the operator has a legal right to place or construct such facilities. Should the operator object to such five hundred (500) foot setback for any reason, a variance hearing shall be conducted at the next regularly scheduled meeting of the Commission, subject to the notice requirements of Rule 507.

(4) A. **Blowout preventer equipment ("BOPE") for high density area drilling operations.** Blowout prevention equipment for drilling operations shall consist of (at a minimum):

i. **Rig with Kelly.** Double ram with blind ram and pipe ram; annular preventer or a rotating head.

ii. **Rig without Kelly.** Double ram with blind ram and pipe ram.

Mineral Management certification or Director approved training for blowout prevention shall be required for at least one (1) person at the wellsite during drilling operations.

B. **BOPE testing for high density area drilling operations.** Upon initial rig-up and at least once every thirty (30) days during drilling operations thereafter, pressure testing of the casing string and each component of the blowout prevention equipment including flange connections shall be performed to seventy percent (70%) of working pressure or seventy percent (70%) of the internal yield of casing, whichever is less. Pressure testing shall be conducted and the documented results shall be retained by the operator for inspection by the Director for a period of one (1) year. Activation of the pipe rams for function testing shall be conducted on a daily basis when practicable.

C. **Pit level indicators.** Pit level indicators shall be used.

D. **Drill stem tests.** Closed chamber drill stem tests shall be allowed in high density areas. All other drill stem tests shall require approval by the Director.

(5) A. **BOPE for well servicing operations.** Adequate blowout prevention equipment shall be used on all well servicing operations.

B. **Backup stabbing valves shall be required on well servicing operations during reverse circulation.** Valves shall be pressure tested before each well servicing operation using both low-pressure air and high-pressure fluid.

(6) **Location requirement exceptions and waivers.** Exceptions to the location requirements set out in (2) and (3) above shall be granted by the Director if the Director determines that Rule 318. has been complied with and that a copy of waivers from each person owning a building unit or building permitted for construction within three hundred fifty (350) feet of the proposed oil and gas location is submitted as part of the Form 2, and that the proposed location complies with all other safety requirements of the rules and regulations.

(7) **Fencing requirements.** At the time of initial installation, if a wellsite falls within a high density area, all pumps, pits, wellheads and production facilities shall be adequately fenced to restrict access by unauthorized persons. For security purposes, all such facilities and equipment used in the operation of a completed well shall be surrounded by a fence six (6) feet in height, constructed in conformance with local written standards as long as the material is non-combustible and allows for adequate ventilation, and the gate(s) shall be locked.

(8) **Control of fire hazards.** Any material not in use that might constitute a fire hazard shall be removed a minimum of twenty-five (25) feet from the wellhead, tanks and separator. Any electrical equipment installations inside the bermed area shall

comply with API RP 500 classifications and comply with the current national electrical code as adopted by the State of Colorado.

(9) **Loadlines.** In high density areas, all loadlines shall be bullplugged or capped.

(10) **Removal of surface trash.** All surface trash, debris, scrap or discarded material connected with the operations of the property shall be removed from the premises or disposed of in a legal manner.

(11) **Guy line anchors.** All guy line anchors left buried for future use shall be identified by a marker of bright color not less than four (4) feet in height and not greater than one (1) foot east of the guy line anchor.

(12) **Berm construction.** Berms or other secondary containment devices in high density areas shall be constructed around crude oil, condensate, and produced water storage tanks and shall enclose an area sufficient to contain and provide secondary containment for one-hundred fifty percent (150%) of the largest single tank. Berms or other secondary containment devices shall be sufficiently impervious to contain any spilled or released material. No more than two (2) crude oil or condensate storage tanks shall be located within a single berm. All berms and containment devices shall be inspected at regular intervals and maintained in good condition. No potential ignition sources shall be installed inside the secondary containment area unless the containment area encloses a fired vessel. Refer to American Petroleum Institute Recommended Practices, API RP - D16.

(13) **Tank specifications.** All newly installed or replaced crude oil and condensate storage tanks in high density areas shall be designed, constructed, and maintained in accordance with National Fire Protection Association (NFPA) Code 30 (2008 version). The operator shall maintain written records verifying proper design, construction, and maintenance, and shall make these records available for inspection by the Director. Only the 2008 version of NFPA Code 30 applies to this rule. This rule does not include later amendments to, or editions of, the NFPA Code 30. NFPA Code 30 may be examined at any state publication depository library. Upon request, the Public Room Administrator at the office of the Commission, 1120 Lincoln Street, Suite 801, Denver, Colorado 80203, will provide information about the publisher and the citation to the material.

(14) **Access roads.** If a wellsite falls within a high density area at the time of construction, all leasehold roads shall be constructed to accommodate local emergency vehicle access requirements, and shall be maintained in a reasonable condition.

(15) **Well site cleared.** Within ninety (90) days after a well is plugged and abandoned, the well site shall be cleared of all non-essential equipment, trash, and debris. For good cause shown, an extension of time may be granted by the Director.

(16) **Identification of plugged and abandoned wells in high density areas.** The operator shall identify the location of the wellbore with a permanent monument as specified in Rule 319.a.(5). The operator shall also inscribe or imbed the well number and date of plugging upon the permanent monument.

(17) **Development from existing well pads.** Where possible, operators shall provide for the development of multiple reservoirs by drilling on existing pads or by multiple completions or commingling in existing wellbores (see Rule 322). If any operator

asserts it is not possible to comply with, or requests relief from, this requirement, the matter shall be set for hearing by the Commission and relief granted as appropriate.

f. **Statewide rig floor safety valve requirements.** When drilling or well servicing operations are in progress on a well where there is any indication the well will flow hydrocarbons, either through prior records or present conditions, there shall be on the rig floor a safety valve with connections suitable for use with each size and type of tool joint or coupling being used on the job.

g. **Statewide static charge requirements.** Rig substructure, derrick, or mast shall be designed and operated to prevent accumulation of static charge.

h. **Statewide well servicing pressure check requirements.** Prior to initiating well servicing operations, the well shall be checked for pressure and steps taken to remove pressure or operate safely under pressure before commencing operations.

i. **Statewide well control equipment and other safety requirements.** Well control equipment and other safety requirements are:

(1) When there is any indication that a well will flow, either through prior records, present well conditions, or the planned well work, blowout prevention equipment shall be installed in accordance with Rule 317 or any special orders of the Commission.

(2) Blowout prevention equipment when required by Rule 317 shall be in accordance with API RP 53: Recommended Practices for Blowout Prevention Equipment Systems, or amendments thereto.

(3) While in service, blowout prevention equipment shall be inspected daily and a preventer operating test shall be performed on each round trip, but not more than once every twenty-four (24) hour period. Notation of operating tests shall be made on the daily report.

(4) All pipe fittings, valves and unions placed on or connected with blowout prevention equipment, well casing, casinghead, drill pipe, or tubing shall have a working pressure rating suitable for the maximum anticipated surface pressure and shall be in good working condition as per generally accepted industry standards.

(5) Blowout prevention equipment shall contain pipe rams that enable closure on the pipe being used. The choke line(s) and kill line(s) shall be anchored, tied or otherwise secured to prevent whipping resulting from pressure surges.

(6) Pressure testing of the casing string and each component of the blowout prevention equipment, if blowout prevention equipment is required, shall be conducted prior to drilling out any string of casing except conductor pipe. The minimum test pressure shall be five hundred (500) psi, and shall hold for fifteen (15) minutes without pressure loss in order for the casing string to be considered serviceable. Upon demand the operator shall provide to the Commission the pressure test evidence. Drilling operations shall not proceed until blowout prevention equipment is tested and found to be serviceable.

(7) If the blind rams are closed for any purpose except operational testing, the valves on the choke lines or relief lines below the blind rams should be opened prior to opening the rams to bleed off any pressure.

(8) All rig employees shall have adequate understanding of and be able to operate the blowout prevention equipment system. New employees shall be trained in the operation of blowout prevention systems as soon as practicable to do so.

(9) Drilling contractors shall place a sign or marker at the point of intersection of the public road and rig access road.

(10) The number of the public road to be used in accessing the rig along with all necessary emergency numbers shall be posted in a conspicuous place on the drilling rig.

j. **Statewide equipment, weeds, waste, and trash requirements.** All locations, including wells and surface production facilities, shall be kept free of the following: equipment, vehicles, and supplies not necessary for use on that lease; weeds; rubbish, and other waste material. The burning or burial of such material on the premises shall be performed in accordance with applicable local, state, or federal solid waste disposal regulations and in accordance with the 900-Series Rules. In addition, material may be burned or buried on the premises only with the prior written consent of the surface owner.

k. **Statewide equipment anchoring requirements.** All equipment at drilling and production sites in geological hazard and floodplain areas shall be anchored to the extent necessary to resist flotation, collapse, lateral movement, or subsidence.

604. OIL AND GAS FACILITIES.

a. **Crude Oil and Condensate Tanks.**

(1) Atmospheric tanks used for crude oil storage shall be built in accordance with the following standards as applicable. Only those editions of standards cited within this rule shall apply to this rule; later amendments do not apply. The material cited in this rule is available for public inspection during normal business hours from the Public Room Administrator at the office of the Commission, 1120 Lincoln Street, Suite 801, Denver, Colorado 80203. In addition, these materials may be examined at any state publication depository library.

A. Underwriters Laboratories, Inc., No. UL-142, "Standard for Steel above ground Tanks for Flammable and Combustible Liquids," 9th Edition (December 28, 2006);

B. American Petroleum Institute Standard No. 650, "Welded Steel Tanks for Oil Storage," 11th Edition (June 2007);

C. American Petroleum Institute Standard No. 12B, "Bolted Tanks for Storage of Production Liquids," 15th Edition (October 2008, effective March 31, 2009);

D. American Petroleum Institute Standard No. 12D, "Field Welded Tanks for Storage of Production Liquids," 11th Edition (October 2008, effective March 31, 2009); or

E. American Petroleum Institute Standard No. 12F, "Shop Welded Tanks for Storage of Production Liquids," 12th Edition (October 2008, effective March 31, 2009).

(2) Tanks shall be located at least two (2) diameters or three hundred fifty (350) feet, whichever is smaller, from the boundary of the property on which it is built. Where the property line is a public way the tanks shall be two thirds (2/3) of the diameter from the nearest side of the public way or easement.

A. Tanks less than three thousand (3,000) barrels capacity shall be located at least three (3) feet apart.

B. Tanks three thousand (3,000) or more barrels capacity shall be located at least one-sixth (1/6) the sum of the diameters apart. When the diameter of one tank is less than one-half (1/2) the diameter of the adjacent tank, the tanks shall be located at least one-half (1/2) the diameter of the smaller tank apart.

(3) At the time of installation, tanks shall be a minimum of two hundred (200) feet from any building unit.

(4) Berms or other secondary containment devices shall be constructed around crude oil, condensate, and produced water tanks to provide secondary containment for the largest single tank and sufficient freeboard to contain precipitation. Berms and secondary containment devices and all containment areas shall be sufficiently impervious to contain any spilled or released material. Berms and secondary containment devices shall be inspected at regular intervals and maintained in good condition. No potential ignition sources shall be installed inside the secondary containment area unless the containment area encloses a fired vessel.

(5) Tanks shall be a minimum of seventy-five (75) feet from a fired vessel or heater-treater.

(6) Tanks shall be a minimum of fifty (50) feet from a separator, well test unit, or other non-fired equipment.

(7) Tanks shall be a minimum of seventy-five (75) feet from a compressor with a rating of 200 horsepower, or more.

(8) Tanks shall be a minimum of seventy-five (75) feet from a wellhead.

(9) Gauge hatches on atmospheric tanks used for crude oil storage shall be closed at all times when not in use.

(10) Vent lines from individual tanks shall be joined and ultimate discharge shall be directed away from the loading racks and fired vessels in accord with API RP 12R-1, 5th Edition (August 1997, reaffirmed April 2, 2008). Only the 5th Edition of the API standard applies to this rule; later amendments do not apply. The API standard is available for public inspection during normal business hours from the Public Room Administrator at the office of the Commission, 1120 Lincoln Street, Suite 801, Denver, Colorado 80203. In addition, these materials may be examined at any state publication depository library.

(11) During hot oil treatments on tanks containing thirty-five (35) degree or higher API gravity oil, hot oil units shall be located a minimum of one hundred (100) feet from any tank being serviced.

(12) **Labeling of tanks.** All tanks and containers shall be labeled in accordance with Rule 210.d.

b. **Fired Vessel, Heater-Treater.**

(1) Fired vessels (FV) including heater-treaters (HT) shall be minimum of fifty (50) feet from separators or well test units.

(2) FV-HT shall be a minimum of fifty (50) feet from a lease automatic custody transfer unit (LACT).

(3) FV-HT shall be a minimum of forty (40) feet from a pump.

(4) FV-HT shall be a minimum of seventy-five (75) feet from a well.

(5) At the time of installation, fired vessels and heater treaters shall be a minimum of two hundred (200) feet from residences, building units, or well defined normally occupied outside areas.

(6) Vents on pressure safety devices shall terminate in a manner so as not to endanger the public or adjoining facilities. They shall be designed so as to be clear and free of debris and water at all times.

(7) All stacks, vents, or other openings shall be equipped with screens or other appropriate equipment to prevent entry by wildlife, including migratory birds.

c. **Special Equipment.** Under unusual circumstances special equipment may be required to protect public safety. The Director shall determine if such equipment should be employed to protect public safety and if so, require the operator to employ same. If the operator or the affected party does not concur with the action taken, the Director shall bring the matter before the Commission at public hearing.

(1) All wells located within one hundred fifty (150) feet of a residence(s), normally occupied building units, or well defined normally occupied outside area(s), shall be equipped with an automatic control valve that will shut the well in when a sudden change of pressure, either a rise or drop, occurs. Automatic control valves shall be designed so they fail safe.

(2) Pressure control valves required in (a) shall be activated by a secondary gas source supply, and shall be inspected at least every three (3) months to assure they are in good working order and the secondary gas supply has volume and pressure sufficient to activate the control valve.

(3) All pumps, pits, and producing facilities shall be adequately fenced to prevent access by unauthorized persons when the producing site or equipment is easily accessible to the public and poses a physical or health hazard.

(4) Sign(s) shall be posted at the boundary of the producing site where access exists, identifying the operator, lease name, location, and listing a phone number, including area code, where the operator may be reached at all times unless emergency numbers have been furnished to the county commission or its designee.

d. **Mechanical Conditions.** All valves, pipes and fittings shall be securely fastened, inspected at regular intervals, and maintained in good mechanical condition.

e. **Buried or partially buried tanks, vessels, or structures.** Buried or partially buried tanks, vessels, or structures used for storage of E&P waste shall be properly designed, constructed, installed, and operated in a manner to contain materials safely. Such vessels shall be tested for leaks after installation and maintained, repaired, or replaced to prevent spills or releases of E&P waste.

f. **Produced water pits, special use and buried or partially buried vessels, or structures.** At the time of initial construction, pits shall be located not less than two hundred (200) feet from any building unit.

605. RESERVED

606A. FIRE PREVENTION AND PROTECTION

a. Gasoline-fueled engines shall be shut down during fueling operations if the fuel tank is an integral part of the engine.

b. Handling, connecting and transfer operations involving liquefied petroleum gas (LPG) shall conform to the requirements of the State Oil Inspector.

c. Flammable liquids storage areas within any building or shed shall:

(1) be adequately vented to the outside air;

(2) have two (2) unobstructed exits leading from the building in different directions if the building is in excess of five hundred (500) square feet.

(3) be maintained with due regard to fire potential with respect to housekeeping and materials storage;

(4) be identified as a hazard and appropriate warning signs posted;

d. Flammable liquids shall not be stored within fifty (50) feet of the wellbore, except for the fuel in the tanks of operating equipment or supply for injection pumps. Where terrain and location configuration do not permit maintaining this distance, equivalent safety measures should be taken.

e. Liquefied petroleum gas (LPG) tanks larger than two hundred fifty (250) gallons and used for heating purposes, shall be placed as far as practical from and parallel to the adjacent side of the rig or wellbore as terrain and location configuration permit. Installation shall be consistent with provisions of NFPA 58, "Standards for the Storage and Handling of Liquid Petroleum Gases".

f. Smoking shall be prohibited at or in the vicinity of operations which constitute a fire hazard and such locations shall be conspicuously posted with a sign, "No Smoking or Open Flame". Matches and all smoking equipment may not be carried into "No Smoking" areas.

g. No source of ignition shall be permitted in an area where smoking has been prohibited unless it is first determined to be safe to do so by the supervisor in charge or his designated representative.

h. Open fires, transformers, or other sources of ignition shall be permitted only in designated areas located at a safe distance from the wellhead or flammable liquid storage areas.

i. Only approved heaters for Class I Division 2 areas, as designated by API RB 500B, shall be permitted on or near the rig floor. The safety features of these heaters shall not be altered.

j. Combustible materials such as oily rags and waste shall be stored in covered metal containers.

k. Material used for cleaning shall have a flash point of not less than one hundred (100° F) degrees Fahrenheit. For limited special purposes, a lower flash point cleaner may be used when it is specifically required and should be handled with extreme care.

l. Firefighting equipment shall not be tampered with and shall not be removed for other than fire protection and firefighting purposes and services. A firefighting water system may be used for wash down and other utility purposes so long as its firefighting capability is not compromised. After use, water systems must be properly drained or properly protected from freezing.

m. An adequate amount of fire extinguishers and other firefighting equipment shall be suitably located, readily accessible, and plainly labeled as to their type and method of operation.

n. Fire protection equipment shall be periodically inspected and maintained in good operating condition at all times.

o. Firefighting equipment shall be readily available near all welding operations. When welding, cutting or other hot work is performed in locations where other than a minor fire might develop, a person shall be designated as a fire watch. The area surrounding the work shall be inspected at least one (1) hour after the hot work is completed.

p. Portable fire extinguishers shall be tagged showing the date of last inspection, maintenance or recharge. Inspection and maintenance procedures shall comply with the latest edition of the National Fire Protection Association's publication NFPA 10.

q. Personnel shall be familiarized with the location of fire control equipment such as drilling fluid guns, water hoses and fire extinguishers and trained in the use of such equipment. They shall also be familiar with the procedure for requesting emergency assistance as terrain and location configuration permit. Installation shall be consistent with provisions of NFPA 58, "Standards for the Storage and Handling of Liquefied Petroleum Gases".

606B. AIR AND GAS DRILLING

a. Drilling compressors (air or gas) shall be located at least one hundred twenty five (125) feet from the wellbore and in a direction away from the air or gas discharge line.

b. The air or gas discharge line shall be laid in as nearly a straight line as possible from the wellbore and be a minimum of one hundred fifty (150) feet in length. The line shall be securely anchored.

c. A pilot flame shall be maintained at the end of the air or gas discharge line at all times when air, gas, mist drilling, or well testing is in progress.

d. All combustible material shall be kept at least one hundred (100) feet away from the air and gas discharge line and burn pit.

e. The air line from the compressors to the standpipe shall be of adequate strength to withstand at least the maximum discharge pressure of the compressors used, and shall be checked daily for any evidence of damage or weakness.

f. Smoking shall not be allowed within seventy-five (75) feet of the air and gas discharge line and burn pit.

g. All operations associated with the drilling, completion or production of a well shall be subject to the Colorado Air Quality Control Act, 25-7-101, C.R.S.

607. HYDROGEN SULFIDE GAS

a. When well servicing operations take place in zones known to contain at or above one hundred (100) ppm hydrogen sulfide gas, as measured in the gas stream, the operator shall file a hydrogen sulfide drilling operations plan (United States Department of the Interior, Bureau of Land Management, Onshore Order No. 6, November 23, 1990).

b. When proposing to drill a well in areas where hydrogen sulfide gas in excess of one hundred (100) ppm can reasonably be expected to be encountered, the operator shall submit as part of the Form 2, Application-for-Permit-to-Drill, a hydrogen sulfide drilling operations plan (United States Department of the Interior, Bureau of Land Management, Onshore Order No. 6, November 23, 1990).

c. Any gas analysis indicating the presence of hydrogen sulfide gas shall be reported to the Commission and the local governmental designee.

608. COALBED METHANE WELLS

a. **Assessment and monitoring of plugged and abandoned wells within one-quarter (1/4) mile of proposed coalbed methane (CBM) well.**

(1) Based upon examination of the Commission and other publicly available records, operators shall identify all plugged and abandoned (P&A) wells located within one-quarter (1/4) mile of a proposed coalbed methane (CBM) well. The operator shall assess the risk of leaking gas or water to the ground surface or into subsurface water resources, taking into account plugging and cementing procedures described in any recompletion or P&A report filed with the Commission. The operator shall notify the Director of the results of the assessment of the plugging and cementing procedures. The Director shall review the assessment and take appropriate action to pursue further investigation and remediation if warranted and in accordance with Colorado Revised Statute 34-60-124(4)(A).

(2) Operators shall use reasonable good faith efforts to obtain access to all P&A wells identified under Rule 608.a.(1) above to conduct a soil gas survey at all P&A wells located within one-quarter (1/4) mile of a proposed CBM well prior to production from the proposed CBM well and again one (1) year and thereafter every three (3) years after production has commenced. Operators shall submit the results of the soil gas survey to the Director within three (3) months of conducting the survey or advise the Director that access to the P&A wells could not be obtained.

b. **Water well sampling.**

(1) If a conventional gas well or P&A well exists within one-quarter (1/4) mile of a proposed CBM well, then the two (2) closest water wells within a one-half (1/2) mile radius of the conventional gas well or the P&A well shall be sampled ("Water Quality Testing Wells"). If possible, the water wells selected should be on opposite sides of the conventional gas well or the P&A well not exceeding a one-

half (1/2) mile radius. If water wells on opposite sides of the conventional gas well or the P&A well cannot be identified, then the two (2) closest wells within a one-half (1/2) mile radius of the conventional gas well or the P&A well shall be sampled. If two (2) or more conventional wells or P&A wells are located within one-quarter (1/4) mile of the proposed CBM well, then the conventional well or the P&A well closest to a proposed CBM well shall be used for selecting water wells for sampling.

If there are no conventional gas wells or P&A wells located within a one-quarter (1/4) mile radius of the proposed CBM well, then the selected water wells shall be within one-quarter (1/4) mile of the proposed CBM well. In areas where two (2) or more water wells exist within one-quarter (1/4) mile of the proposed CBM well, then the two (2) closest water wells shall be sampled. If possible, the water wells selected should be on opposite sides of the proposed CBM well. If water wells on opposite sides of the proposed CBM well cannot be identified, then the two (2) closest wells within one-quarter (1/4) mile radius shall be sampled. If two (2) water wells do not exist within a one-quarter (1/4) mile radius, then the closest single water well within either a one-quarter (1/4) mile radius or within a one-half (1/2) mile radius shall be selected.

If no water well is located within a one-quarter (1/4) mile radius area as described above or if access is denied, then a water well within one-half (1/2) mile of the proposed CBM well shall be selected. If no water wells meet the foregoing criteria, then sampling shall not be required. If the Commission has already acquired data on a water well within one-quarter (1/4) mile of the conventional well or the P&A well, but it is not the closest water well, then it shall be given preference in selecting a water well to be tested.

(2) The "initial baseline testing" described in this section shall include all major cations and anions, total dissolved solids (TDS), iron, manganese, selenium, nitrates and nitrites, dissolved methane, field pH, sodium adsorption ration (SAR), presence of bacteria (iron related, sulfate reducing, slime, and coliform), and specific conductance. Hydrogen sulfide shall also be measured using a field test method. Field observations such as odor, water color, sediment, bubbles, and effervescence shall also be included. The location of the water well shall be surveyed in accordance with Rule 215.

(3) If free gas or a dissolved methane concentration level greater than two (2) milligrams per liter (mg/l) is detected in a water well, gas compositional analysis and stable isotope analysis of the methane (carbon and deuterium) shall be performed to determine gas type. If the test results indicate biogenic gas, no further isotopic testing shall be done. If the test results indicate thermogenic or a mixture of thermogenic and biogenic gas, then the operator shall submit to the Director an action plan to determine the source of the gas. If the methane concentration increases by more than five (5) mg/l between sampling periods, or increases to more than ten (10) mg/l, the operator shall notify the Director and the owner of the water well immediately.

(4) Operators shall make a good faith effort to conduct initial baseline testing of the selected water wells prior to the drilling of the proposed CBM well; however, not conducting baseline testing because access to water wells cannot be obtained shall not be grounds for denial of an Application for Permit-to-Drill, Form 2. Within one (1) year after completion of the proposed CBM well, a "post-completion" test shall be performed for the same analytical parameters listed above and repeated three (3) and six (6) years thereafter or in accordance with the requirements of field rules developed pursuant to Rule 608.f. If the methane concentration

increases by more than five (5) mg/l between sampling periods or increases to more than ten (10) mg/l, the operator shall prepare an action plan to determine the source of the gas and notify the Director and the water well owner immediately. If no significant changes from the baseline have been identified after the third test (i.e. the six-year test), no further testing shall be required. Additional "post-completion" test(s) may be required if changes in water quality are identified during follow-up testing. The Director may require further water well sampling at any time in response to complaints from water well owners.

(5) Copies of all test results described above shall be provided to the Commission and the water well owner within three (3) months of collecting the samples. The analytical data and surveyed well locations shall also be submitted to the Director in an electronic data deliverable format.

c. **Coal outcrop and coal mine monitoring.**

(1) If the CBM well is within two (2) miles of the outcrop of the stratigraphic contact between the coal-bearing formation and the underlying formation, or within two (2) miles of an active, inactive, or abandoned coal mine, the operator shall make a good faith effort to obtain the access necessary to survey the outcrop or mine prior to drilling the CBM well to determine whether there are gas seeps and springs or water seeps that discharge from the coal-bearing formation in the area.

(2) If a gas seep is identified during the survey, then its location and areal extent shall be surveyed in accordance with Rule 215 and the concentration of the soil gas shall be determined. If possible, a sample of gas shall be collected from the seep for compositional analysis and stable isotope analysis of the methane (carbon and deuterium). Thereafter, the operator will inspect the gas seep, survey its areal extent, and measure soil gas concentrations annually, if access can be obtained. The operator shall submit the results of the outcrop or mine monitoring to the Commission and the landowner within three (3) months of its completion of the field work. The analytical data shall also be submitted to the Director in an electronic data deliverable format.

(3) If a gas seep is identified during the survey, the Director shall advise the landowners, local government, Colorado Geological Survey (CGS), and the Colorado Division of Reclamation, Mining, and Safety (DRMS), as appropriate, of the findings. In collaboration with state, local, and private interests, the CGS, DRMS, and the Commission may elect to develop a geologic hazard survey and determine whether the area should be recommended to be designated as a geologic hazard in accordance with Colorado Revised Statute 34-1-103 and 24-65.1-103.

(4) If the CBM well is within two (2) miles of the outcrop of the stratigraphic contact between the coal-bearing formation and the underlying formation, the operator shall survey the outcrop, review publicly available geologic and hydrogeologic data, and interview landowners to identify springs or water seeps that discharge from the coal-bearing formation.

If such a water feature is identified, then the operator shall survey its location and areal extent in accordance with Rule 215, measure the flow rate, photograph the feature, and collect and analyze a water sample in accordance with Rule 608.b.(2). Thereafter, the operator will inspect, survey the areal extent of, and measure the flow rate of the spring or water seep annually, if access can be obtained. The operator shall submit the results of the spring or water seep monitoring to the Commission and the landowner within three (3) months of its

completion of the field work. The analytical data shall also be submitted to the Director in an electronic data deliverable format.

d. **Prior to producing - static bottom-hole pressure survey.** Prior to producing the well, the operator shall obtain a static bottom-hole pressure test on at least the first well drilled on a government quarter (1/4) section. The survey shall be conducted by either a direct static bottom-hole pressure measurement or by a static fluid level measurement. The data acquired by the operator and a description of the procedures used to gather the data shall be reported on a Bottom Hole Pressure, Form 13, and submitted with the Completed Interval Report, Form 5A, filed with the Director. After reviewing the quality of the static bottom-hole pressure data and the adequacy of the geographic distribution of the data, or at the request of the operator, the Director may vary the number of wells subject to the static bottom-hole pressure survey requirement. If an application for increased well density or down spacing is filed with the Commission, then additional testing may be required.

e. **Bradenhead testing.** Upon completion of any well, and on wells presently completed, the operator shall equip the bradenhead access to the annulus between the production and surface casing, as well as any intermediate casing, with approved fittings to allow safe and convenient determination of pressure and fluid flow. This rule shall apply to all wells, regardless of function, completed for CBM production or below the coal-bearing formation. All wells capable of production, injection, or observation shall be tested by the operator for pressure and flow, with results submitted to the Director on a bradenhead test report, Form 17, and to other applicable regulatory agencies. Bradenhead tests shall be performed on all wells on a biennial basis. Remedial requirements shall be determined by the appropriate regulatory agency. The bradenhead testing requirement shall not apply if the operator demonstrates to the satisfaction of the Director annular cement coverage greater than fifty (50) feet above the base of surface casing and zonal isolation is confirmed by reliable evidence such as a cement bond log or cementing ticket indicating that the height of cement coverage is fifty (50) feet above the base of the surface casing, and zonal isolation is confirmed by two consecutive bradenhead tests preceded by a minimum shut-in period of seven (7) days each.

f. **Locally specific field orders.** The provisions of this Rule 608 may, with the Director's approval, be modified or superseded on a basin, region, or county specific basis by field orders developed by the Commission in consultation with affected parties, including operators, county governments, and other state or local agencies, taking into account the goals of the 600-Series Rules and particular local geologic and operational conditions. In addition, the operator or other affected party shall have the right to file an application with the Commission to develop field orders for the basin, region, or county that modify the Rule 608 requirements as provided herein, which application shall set forth an explanation of good cause for the development of such orders.

E&P WASTE MANAGEMENT

901. INTRODUCTION

a. **General.** The rules and regulations of this series establish the permitting, construction, operating and closure requirements for pits, methods of E&P waste management, procedures for spill/release response and reporting, and sampling and analysis for remediation activities. The 900 Series rules are applicable only to E&P waste, as defined in § 34-60-103(4.5), C.R.S., or other solid waste where the Colorado Department Of Public Health And Environment has allowed remediation and oversight by the Commission.

b. **COGCC reporting forms.** The reporting required by the rules and regulations of this series shall be made on forms provided by the Director. Alternate forms may be used where equivalent information is supplied and the format has been approved by the Director.

c. **Additional requirements.** Whenever the Director has reasonable cause to believe that an operator, in the conduct of any oil or gas operation, is performing any act or practice which threatens to cause or causes a violation of Table 910-1 and with consideration of water quality standards or classifications established by the Water Quality Control Commission ("WQCC") for waters of the state, the Director may impose additional requirements, including but not limited to, sensitive area determination, sampling and analysis, remediation, monitoring, permitting and the establishment of points of compliance. Any action taken pursuant to this Rule shall comply with the provisions of Rules 324A. through D. and the 500 Series rules.

d. **Alternative compliance methods.** Operators may propose for prior approval by the Director alternative methods for determining the extent of contamination, sampling and analysis, or alternative cleanup goals using points of compliance.

e. **Sensitive area determination.** When the operator or Director has data that indicate an impact or threat of impact to ground water or surface water, the Director may require the operator to make a sensitive area determination and that determination shall be subject to the Director's approval. The sensitive area determination shall be made using appropriate geologic and hydrogeologic data to evaluate the potential for impact to ground water and surface water, such as appropriate percolation tests that demonstrate that seepage will not reach underlying ground water or waters of the State and impact current or future uses of these waters. Operators shall submit data evaluated and analysis used in the determination to the Director.

f. **Sensitive area operations.** Operations in sensitive areas shall incorporate adequate measures and controls to prevent significant adverse environmental impacts and ensure compliance with the concentration levels in Table 910-1, with consideration to WQCC standards and classifications.

902. PITS - GENERAL AND SPECIAL RULES

a. Pits used for exploration and production of oil and gas shall be constructed and operated to protect public health, safety, and welfare and the environment, including soil, waters of the state, and wildlife, from significant adverse environmental, public health, or welfare impacts from E&P waste, except as permitted by applicable laws and regulations.

b. Pits shall be constructed, monitored, and operated to provide for a minimum of two (2) feet of freeboard at all times between the top of the pit wall at its point of lowest elevation and

the fluid level of the pit. A method of monitoring and maintaining freeboard shall be employed. Any unauthorized release of fluids from a pit shall be subject to the reporting requirements of Rule 906.

c. Any accumulation of oil or condensate in a pit shall be removed within twenty-four (24) hours of discovery. Operators shall use skimming, steam cleaning of exposed liners, or other safe and legal methods as necessary to maintain pits in clean condition and to control hydrocarbon odors. Only de minimis amounts of hydrocarbons may be present unless the pit is specifically permitted for oil or condensate recovery or disposal use. A Form 15 pit permit may be revoked by the Director and the Director may require that the pit be closed if an operator repeatedly allows more than de minimis amounts of oil or condensate to accumulate in a pit. This requirement is not applicable to properly permitted and properly fenced, lined, and netted skim pits that are designed, constructed, and operated to prevent impacts to wildlife, including migratory birds.

d. Where necessary to protect public health, safety and welfare or to prevent significant adverse environmental impacts resulting from access to a pit by wildlife, migratory birds, domestic animals, or members of the general public, operators shall install appropriate netting or fencing.

e. Pits used for a period of no more than three (3) years, or more than three (3) years if the Director has issued a variance, for storage, recycling, reuse, treatment, or disposal of E&P waste or fresh water, as applicable, may be permitted in accordance with Rule 903 to service multiple wells, subject to Director approval.

f. Unlined pits shall not be constructed on fill material.

g. Except as allowed under Rule 904.a, unlined pits shall not be constructed in areas where pathways for communication with ground water or surface water are likely to exist.

h. Produced water shall be treated in accordance with Rule 907 before being placed in a production pit.

i. Operators shall utilize appropriate biocide treatments to control bacterial growth and related odors as needed.

903. PIT PERMITTING/REPORTING REQUIREMENTS

a. An Earthen Pit Report/Permit, Form 15, shall be submitted to the Director for prior approval for the following pits:

(1) All production pits.

(2) Special purpose pits except those reported under Rule 903.b.(1) or Rule 903.b.(2).

(3) Drilling pits designed for use with fluids containing hydrocarbon concentrations exceeding 10,000 ppm TPH or chloride concentrations at total well depth exceeding 15,000 ppm.

(4) Multi-well pits containing produced water, drilling fluids, or completion fluids that will be recycled or reused, except where reuse consists only of moving drilling fluids from one (1) oil and gas location to another such location for reuse there.

b. An Earthen Pit Report/Permit, Form 15, shall be submitted within thirty (30) calendar days after construction for the following:

(1) Special purpose pits used in the initial phase of emergency response.

(2) Flare pits where there is no risk of condensate accumulation.

c. An Earthen Pit Report/Permit, Form 15, shall not be required for drilling pits using water-based bentonitic drilling fluids with concentrations of TPH and chloride below those referenced in Rule 903.a.(3).

d. An Earthen Pit Report/Permit, Form 15, shall be completed in accordance with the instructions in Appendix I. Failure to complete the form in full may result in delay of approval or return of form.

e. The Director shall endeavor to review any properly completed Earthen Pit Report/Permit, Form 15, within thirty (30) calendar days after receipt. In order to allow adequate time for pit permit review and approval, operators shall submit an Earthen Pit Report/Permit, Form 15, at the same time as the Application for Permit to Drill, Form 2, is submitted. The Director may condition permit approval upon compliance with additional terms, provisions, or requirements necessary to protect the waters of the state, public health, or the environment.

904. PIT LINING REQUIREMENTS AND SPECIFICATIONS

a. Pits that were constructed before May 1, 2009 on federal land, or before April 1, 2009 on other land, shall comply with the rules in effect at the time of their construction. The following pits shall be lined if they are constructed on or after May 1, 2009 on federal land, or on or after April 1, 2009 on other land:

(1) Drilling pits designed for use with fluids containing hydrocarbon concentrations exceeding 10,000 ppm TPH or chloride concentrations at total well depth exceeding 15,000 ppm.

(2) Production pits, other than skim pits, unless the operator demonstrates to the Director's satisfaction that the quality of the produced water is equivalent to or better than that of the underlying groundwater or the operator can clearly demonstrate by substantial evidence, such as by appropriate percolation tests, that seepage will not reach the underlying aquifer or waters of the state at contamination levels in excess of applicable standards. Subject to Rule 901.c, this requirement shall not apply to such pits in Huerfano or Las Animas Counties constructed before May 1, 2011, or to such pits in Washington, Yuma, Logan, or Morgan counties constructed before May 1, 2013.

(3) Special purpose pits, except emergency pits constructed during initial emergency response to spills/releases, or flare pits where there is no risk of condensate accumulation.

(4) Skim pits.

(5) Multi-well pits used to contain produced water, drilling fluids, or completion fluids that will be recycled or reused, except where reuse consists only of moving drilling fluids from one oil and gas location to another such location for reuse there. Subject to Rule 901.c, this requirement shall not apply to multi-well pits used to contain produced water in Huerfano or Las Animas Counties constructed before May 1, 2011, or to multi-well

pits used to contain produced water in Washington, Yuma, Logan, or Morgan counties constructed before May 1, 2013.

(6) Pits at centralized E&P waste management facilities and UIC facilities.

b. The following specifications shall apply to all pits that are required to be lined:

(1) Materials used in lining pits shall be of a synthetic material that is impervious, has high puncture and tear strength, has adequate elongation, and is resistant to deterioration by ultraviolet light, weathering, hydrocarbons, aqueous acids, alkali, fungi or other substances in the produced water.

(2) All pit lining systems shall be designed, constructed, installed, and maintained in accordance with the manufacturers' specifications and good engineering practices.

(3) Field seams must be installed and tested in accordance with manufacturer specifications and good engineering practices. Testing results must be maintained by the operator and provided to the Director upon request.

c. The following specifications shall also apply to pits that are required to be lined, except those at centralized E&P waste management facilities, unless an oil and gas operator demonstrates to the satisfaction of the Director that a liner system offering equivalent protection to public health, safety, and welfare, including the environment and wildlife resources, will be used:

(1) Liners shall have a minimum thickness of twenty-four (24) mils. The synthetic or fabricated liner shall cover the bottom and interior sides of the pit with the edges secured with at least a twelve (12) inch deep anchor trench around the pit perimeter. The anchor trench shall be designed to secure, and prevent slippage or destruction of, the liner materials.

(2) The foundation for the liner shall be constructed with soil having a minimum thickness of twelve (12) inches after compaction covering the entire bottom and interior sides of the pit, and shall be constructed so that the hydraulic conductivity shall not exceed 1.0×10^{-7} cm/sec after testing and compaction. Compaction and permeability test results measured in the laboratory and field must be maintained by the operator and provided to the Director upon request.

(3) As an alternative to the soil foundation described in Rule 904.c.(2), the foundation may be constructed with bedding material that exceeds a hydraulic conductivity of 1.0×10^{-7} cm/sec, if a double synthetic liner system is used; however, the bottom and sides of the pit shall be padded with soil or synthetic matting type material and shall be free of sharp rocks or other material that are capable of puncturing the liner. Each synthetic liner shall have a minimum thickness of twenty-four (24) mils.

d. The following specifications shall also apply to pits used at centralized E&P waste management facilities, unless an oil and gas operator demonstrates to the satisfaction of the Director that a liner system offering equivalent protection to public health, safety, and welfare, including the environment and wildlife resources, will be used:

(1) Liners shall have a minimum thickness of sixty (60) mils. The synthetic or fabricated liner shall cover the bottom and interior sides of the pit with the edges secured with at least a twelve (12) inch deep anchor trench around the pit perimeter. The

anchor trench shall be designed to secure, and prevent slippage or destruction of, the liner materials.

(2) The foundation for the liner shall be constructed with soil having a minimum thickness of twenty-four (24) inches after compaction covering the entire bottom and interior sides of the pit, and shall be constructed so that the hydraulic conductivity shall not exceed 1.0×10^{-7} cm/sec after testing and compaction. Compaction and permeability test results measured in the laboratory and field must be maintained by the operator and provided to the Director upon request.

(3) As an alternative to the soil foundation described in Rule 904.d.(2), a secondary liner consisting of a geosynthetic clay liner, which is a manufactured hydraulic barrier typically consisting of bentonite clay or other very low permeability material, supported by geotextiles or geomembranes, which are held together by needling, stitching, or chemical adhesives, may be used.

e. In Sensitive Areas, the Director may require a leak detection system for the pit or other equivalent protective measures, including but not limited to, increased record-keeping requirements, monitoring systems, and underlying gravel fill sumps and lateral systems. In making such determination, the Director shall consider the surface and subsurface geology, the use and quality of potentially-affected ground water, the quality of the produced water, the hydraulic conductivity of the surrounding soils, the depth to ground water, the distance to surface water and water wells, and the type of liner.

905. CLOSURE OF PITS, AND BURIED OR PARTIALLY BURIED PRODUCED WATER VESSELS.

a. Drilling pits shall be closed in accordance with the 1000-Series Rules.

b. Pits not used exclusively for drilling operations, buried or partially buried produced water vessels, and emergency pits shall be closed in accordance with an approved Site Investigation and Remediation Workplan, Form 27. The workplan shall be submitted for prior Director approval and shall include a description of the proposed investigation and remediation activities in accordance with Rule 909. Emergency pits shall be closed and remediated as soon as the initial phase of emergency response operations are complete or process upset conditions are controlled.

(1) Operators shall ensure that soils and ground water meet the concentration levels of Table 910-1.

(2) **Pit evacuation.** Prior to backfilling and site reclamation, E&P waste shall be treated or disposed in accordance with Rule 907.

(3) Liners shall be disposed as follows:

A. **Synthetic liner disposal.** Liner material shall be removed and disposed in accordance with applicable legal requirements for solid waste disposal.

B. **Constructed soil liners.** Constructed soil liner material may be removed for treatment or disposal, or, where left in place, the material shall be ripped and mixed with native soils in a manner to alleviate compaction and prevent an impermeable barrier to infiltration and ground water flow and shall meet soil standards listed in Table 910-1.

(4) Soil beneath the low point of the pit must be sampled to verify no leakage of the managed fluids. Soil left in place shall meet the standards listed in Table 910-1.

c. **Discovery of a spill/release during closure.** When a spill/release is discovered during closure operations, operators shall report the spill/release on the Spill/Release Report, Form 19, in accordance with Rule 906. Leaking pits and buried or partially buried produced water vessels shall be closed and remediated in accordance with Rules 909. and 910.

d. **Unlined drilling pits.** Unlined drilling pits shall be closed and reclaimed in accordance with the 1000 Series rules and operators shall ensure that soils and ground water meet the concentration levels in Table 910-1.

906. SPILLS AND RELEASES

a. **General.** Spills/releases of E&P waste, including produced fluids, shall be controlled and contained immediately upon discovery to protect the environment, public health, safety, and welfare, and wildlife resources. Impacts resulting from spills/releases shall be investigated and cleaned up as soon as practicable. The Director may require additional activities to prevent or mitigate threatened or actual significant adverse environmental impacts on any air, water, soil or biological resource, or to the extent necessary to ensure compliance with the concentration levels in Table 910-1, with consideration to WQCC ground water standards and classifications.

b. **Reportable spills and reporting requirements for spills/releases.**

(1) Spills/releases of E&P waste or produced fluid exceeding five (5) barrels, including those contained within lined or unlined berms, shall be reported on COGCC Spill/Release Report, Form 19.

(2) Spills/releases which exceed twenty (20) barrels of an E&P waste shall be reported on COGCC Spill/Release Report, Form 19, and shall also be verbally reported to the Director as soon as practicable, but not more than twenty-four (24) hours after discovery.

(3) Spills/releases of any size which impact or threaten to impact any waters of the state, residence or occupied structure, livestock, or public byway shall be reported on COGCC Spill/Release Report, Form 19, and shall also be verbally reported to the Director as soon as practicable, but not more than twenty-four (24) hours, after discovery.

(4) Spills/releases of any size which impact or threaten to impact any surface water supply area shall be reported to the Director and to the Environmental Release/Incident Report Hotline (1-877-518-5608). Spills and releases that impact or threaten a surface water intake shall be verbally reported to the emergency contact for that facility immediately after discovery.

(5) For all reportable spills, operators shall submit a Spill/Release Report, Form 19, within ten (10) days after discovery. An 8 1/2 x 11 inch topographic map showing the governmental section and location of the spill shall be included. Such report shall also include information relating to initial mitigation, site investigation, and remediation. The Director may require additional information.

(6) Chemical spills and releases shall be reported in accordance with applicable state and federal laws, including the Emergency Planning and Community Right-to-Know Act, the Comprehensive Environmental Response, Compensation, and Liability Act, the Oil Pollution Act, and the Clean Water Act, as applicable.

c. **Surface owner notification and consultation.** The operator shall notify the affected surface owner or the surface owner's appointed tenant of reportable spills as soon as practicable, but not more than twenty-four (24) hours, after discovery. The operator also shall make good faith efforts to notify and consult with the affected surface owner, or the surface owner's appointed tenant, prior to commencing operations to remediate E&P waste from a spill/release in an area not being utilized for oil and gas operations.

d. **Remediation of spills/releases.** When threatened or actual significant adverse environmental impacts on any air, water, soil or other environmental resource from a spill/release exists or when necessary to ensure compliance with the concentration levels in Table 910-1, with consideration to WQCC ground water standards and classifications, the Director may require operators to submit a Site Investigation and Remediation Workplan, Form 27. Such spills/releases shall be remediated in accordance with Rules 909. and 910.

e. **Spill/release prevention.**

(1) **Secondary containment.** Secondary containment that was constructed before May 1, 2009 on federal land, or before April 1, 2009 on other land, shall comply with the rules in effect at the time of construction. Secondary containment constructed on or after May 1, 2009 on federal land, or on or after April 1, 2009 on other land shall be constructed or installed around all tanks containing oil, condensate, or produced water with greater than 3,500 milligrams per liter (mg/l) total dissolved solids (TDS) and shall be sufficient to contain the contents of the largest single tank and sufficient freeboard to contain precipitation. Secondary containment structures shall be sufficiently impervious to contain discharged material. Operators are also subject to tank and containment requirements under Rules 603. and 604. This requirement shall not apply to water tanks with a capacity of fifty (50) barrels or less.

(2) **Spill/release evaluation.** Operators shall determine the cause of a spill/release, and, to the extent practicable, shall implement measures to prevent spills/releases due to similar causes in the future. For reportable spills, operators shall submit this information to the Director on the Spill/Release Report, Form 19, within ten (10) days after discovery of the spill/release.

907. MANAGEMENT OF E&P WASTE

a. **General requirements.**

(1) **Operator obligations.** Operators shall ensure that E&P waste is properly stored, handled, transported, treated, recycled, or disposed to prevent threatened or actual significant adverse environmental impacts to air, water, soil or biological resources or to the extent necessary to ensure compliance with the concentration levels in Table 910-1, with consideration to WQCC ground water standards and classifications.

(2) E&P waste management activities shall be conducted, and facilities constructed and operated, to protect the waters of the state from significant adverse environmental impacts from E&P waste, except as permitted by applicable laws and regulations.

(3) **Reuse and recycling.** To encourage and promote waste minimization, operators may propose plans for managing E&P waste through beneficial use, reuse, and recycling by submitting a written management plan to the Director for approval on a Sundry Notice, Form 4, if applicable. Such plans shall describe, at a minimum, the type(s) of waste, the proposed use of the waste, method of waste treatment, product quality assurance, and shall include a copy of any certification or authorization that may be required by other laws and regulations. The Director may require additional information.

b. **Waste transportation.**

(1) E&P waste, when transported off-site within Colorado for treatment or disposal, shall be transported to facilities authorized by the Director or waste disposal facilities approved to receive E&P waste by the Colorado Department of Public Health and Environment. When transported to facilities outside of Colorado for treatment or disposal, E&P waste shall be transported to facilities authorized and permitted by the appropriate regulatory agency in the receiving state.

(2) **Waste generator requirements.** Generators of E&P waste that is transported off-site shall maintain, for not less than five (5) years, copies of each invoice, bill, or ticket and such other records as necessary to document the following requirements A through F:

A. The date of the transport;

B. The identity of the waste generator;

C. The identity of the waste transporter;

D. The location of the waste pickup site;

E. The type and volume of waste; and

F. The name and location of the treatment or disposal site.

Such records shall be signed by the transporter, made available for inspection by the Director during normal business hours, and copies thereof shall be furnished to the Director upon request.

c. **Produced water.**

(1) **Treatment of produced water.** Produced water shall be treated prior to placement in a production pit to prevent crude oil and condensate from entering the pit.

(2) **Produced water disposal.** Produced water may be disposed as follows:

A. Injection into a Class II well, permitted in accordance with Rule 325.;

B. Evaporation/percolation in a properly permitted pit;

C. Disposal at permitted commercial facilities;

D. Disposal by roadspreading on lease roads outside sensitive areas for produced waters with less than 3,500 mg/l TDS when authorized by the surface owner. Roadspreading of produced waters shall not impact

waters of the state, shall not result in pooling or runoff, and the adjacent soils shall meet the concentration levels in Table 910-1. Flowback fluids shall not be used for dust suppression.

E. Discharging into state waters, in accordance with the Water Quality Control Act and the rules and regulations promulgated thereunder.

i. Operators shall provide the Colorado discharge permit number, latitude and longitude coordinates, in accordance with Rule 215.f, of the discharge outfall, and sources of produced water on a Source of Produced Water for Disposal, Form 26, and shall include a U.S.G.S. topographic map showing the location of the discharge outfall.

ii. Produced water discharged pursuant to this subsection (2).E. may be put to beneficial use in accordance with applicable state statutes and regulations governing the use and administration of water.

F. Evaporation in a properly lined pit at a centralized E&P waste management facility permitted in accordance with Rule 908.

(3) **Produced water reuse and recycling.** Produced water may be reused for enhanced recovery, drilling, and other approved uses in a manner consistent with existing water rights and in consideration of water quality standards and classifications established by the WQCC for waters of the state, or any point of compliance established by the Director pursuant to Rule 324D.

(4) **Mitigation.** Water produced during operation of an oil or gas well may be used to provide an alternative domestic water supply to surface owners within the oil or gas field, in accordance with all applicable laws, including, but not limited to, obtaining the necessary approvals from the WQCD for constructing a new "waterworks," as defined by Section 25-1-107(1)(X)(II)(A), C.R.S. Any produced water not so used shall be disposed of in accordance with subsection (2) or (3). Providing produced water for domestic use within the meaning of this subsection (4) shall not constitute an admission by the operator that the well is dewatering or impacting any existing water well. The water produced shall be to the benefit of the surface owner within the oil and gas field and may not be sold for profit or traded.

d. **Drilling fluids.**

(1) **Recycling and reuse.** Drilling pit contents may be recycled to another drilling pit for reuse consistent with Rule 903.

(2) **Treatment and disposal.** Drilling fluids may be treated or disposed as follows:

A. Injection into a Class II well permitted in accordance with Rule 325;

B. Disposal at a commercial solid waste disposal facility; or

C. Land treatment or land application at a centralized E&P waste management facility permitted in accordance with Rule 908.

(3) **Additional authorized disposal of water-based bentonitic drilling fluids.** Water-based bentonitic drilling fluids may be disposed as follows:

A. Drying and burial in pits on non-crop land. The resulting concentrations shall not exceed the concentration levels in Table 910-1, below; or

B. Land application as follows:

i. **Applicability.** Acceptable methods of land application include, but are not limited to, production facility construction and maintenance, and lease road maintenance.

ii. **Land application requirements.** The average thickness of water-based bentonitic drilling fluid waste applied shall be no more than three (3) inches prior to incorporation. The waste shall be applied to prevent ponding or erosion and shall be incorporated as a beneficial amendment into the native soils within ten (10) days of application. The resulting concentrations shall not exceed those in Table 910-1.

iii. **Surface owner approval.** Operators shall obtain written authorization from the surface owner prior to land application of water-based bentonitic drilling fluids.

iv. **Operator obligations.** Operators shall maintain a record of the source, the volume, and the location where the land application of the water-based bentonitic drilling fluid occurred. Upon the Director's written request, this information shall be provided within five (5) business days, in a format readily reviewable by the Director. Operators with control and authority over the wells from which the water-based bentonitic drilling fluid wastes are obtained retain responsibility for the land application operation, and shall diligently cooperate with the Director in responding to complaints regarding land application of water-based bentonitic drilling fluids.

v. **Approval.** Prior Director approval is not required for reuse of water-based bentonitic drilling fluids for land application as a soil amendment.

e. **Oily waste.** Oily waste includes those materials containing crude oil, condensate or other E&P waste, such as soil, frac sand, drilling fluids, and pit sludge that contain hydrocarbons.

(1) Oily waste may be treated or disposed as follows:

A. Disposal at a commercial solid waste disposal facility;

B. Land treatment onsite; or

C. Land treatment at a centralized E&P waste management facility permitted in accordance with Rule 908.

(2) Land treatment requirements:

A. Free oil shall be removed from the oily waste prior to land treatment.

B. Oily waste shall be spread evenly to prevent pooling, ponding, or runoff.

C. Contamination of stormwater runoff, ground water, or surface water shall be prevented.

D. Biodegradation shall be enhanced by disking, tilling, aerating, or addition of nutrients, microbes, water or other amendments, as appropriate.

E. Land-treated oily waste incorporated in place or beneficially reused shall not exceed the concentrations in Table 910-1.

F. When a threatened or significant adverse environmental impact from onsite land treatment exists, operators shall submit a Site Investigation and Remediation Workplan, Form 27, for approval by the Director. Treatment shall thereafter be completed in accordance with the workplan and Rules 909. and 910.

G. When land treatment occurs in an area not being utilized for oil and gas operations, operators shall obtain prior written surface owner approval.

f. **Other E&P Waste.** Other E&P waste such as workover fluids, tank bottoms, pigging wastes from gathering and flow lines, and natural gas gathering, processing, and storage wastes may be treated or disposed of as follows:

(1) Disposal at a commercial solid waste disposal facility;

(2) Treatment at a centralized E&P waste management facility permitted in accordance with Rule 908;

(3) Injection into a Class II injection well permitted in accordance with Rule 325; or

(4) An alternative method proposed in a waste management plan in accordance with rule 907.a.(3) and approved by the Director.

907A. MANAGEMENT OF NON-E&P WASTE

a. Certain wastes generated by oil and gas-related activities are non-E&P wastes and are not exempt from regulation as solid or hazardous wastes. These wastes need to be properly identified and disposed of in accordance with state and federal regulations.

b. Certain wastes generated by oil and gas-related activities can either be E&P wastes or non-E&P wastes depending on the circumstances of their generation.

c. The hazardous waste regulations require that a hazardous waste determination be made for any non-E&P solid waste. Hazardous wastes require storage, treatment, and disposal practices in accordance with 6 C.C.R. 1007-3. All non-hazardous/non-E&P wastes are considered solid waste which require storage, treatment, and disposal in accordance with 6 C.C.R. 1007-2.

908. CENTRALIZED E&P WASTE MANAGEMENT FACILITIES

a. **Applicability.** Operators may establish non-commercial, centralized E&P waste management facilities for the treatment, disposal, recycling or beneficial reuse of E&P waste. This rule applies only to non-commercial facilities, which means the operator does not represent itself as providing E&P waste management services to third parties, except as part of a unitized area or joint operating agreement or in response to an emergency. Centralized

facilities may include components such as land treatment or land application sites, pits, and recycling equipment.

b. **Permit requirements.** Before any person shall commence construction of a centralized E&P waste management facility, such person shall file with the Director an application on Form 28 and pay a filing and service fee established by the Commission (see Appendix III), and obtain the Director's approval. The application shall contain the following:

(1) The name, address, phone and fax number of the operator, and a designated contact person.

(2) The name, address, and phone number of the surface owner of the site, if not the operator, and the written authorization of such surface owner.

(3) The legal description of the site.

(4) A general topographic, geologic, and hydrologic description of the site, including immediately adjacent land uses, a topographic map of a scale no less than 1:24,000 showing the location, and the average annual precipitation and evaporation rates at the site.

(5) **Centralized facility siting requirements.**

A. A site plan showing drainage patterns and any diversion or containment structures, and facilities such as roads, fencing, tanks, pits, buildings, and other construction details.

B. Scaled drawings of entire sections containing the proposed facility. The field measured distances from the nearer north or south and nearer east or west section lines shall be measured at ninety (90) degrees from said section lines to facility boundaries and referenced on the drawing. A survey shall be provided including a complete description of established monuments or collateral evidence found and all aliquot corners.

C. The facility shall be designed to control public access, prevent unauthorized vehicular traffic, provide for site security both during and after operating hours, and prevent illegal dumping of wastes. Appropriate measures shall also be implemented to prevent access to the centralized facility by wildlife or domestic animals.

D. Centralized facilities shall have a fire lane of at least ten (10) feet in width around the active treatment areas and within the perimeter fence. In addition, a buffer zone of at least ten (10) feet shall be maintained within the perimeter fire lane.

E. Surface water diversion structures, including, but not limited to, berms and ditches, shall be constructed to accommodate a one hundred (100) year, twenty four (24) hour event. The facility shall be designed and constructed with a run-on control system to prevent flow onto the facility during peak discharge and a run-off control system to contain the water volume from a twenty-five (25) year, twenty-four (24) hour storm.

(6) **Waste profile.** For each type of waste, the amounts to be received and managed by the facility shall be estimated on a monthly average basis. For each waste type to be treated, a characteristic waste profile shall be completed.

(7) **Facility design and engineering.** Facility design and engineering data, including plans and elevations, design basis, calculations, and process description.

A. Geologic data, including, but not limited to:

i. Type and thickness of unconsolidated soils;

ii. Type and thickness of consolidated bedrock, if applicable;

iii. Local and regional geologic structures; and

iv. Any geologic hazards that may affect the design and operation of the facility.

B. Hydrologic data, including, but not limited to:

i. Surface water features within two (2) miles;

ii. Depth to shallow ground water and major aquifers;

iii. Water wells within one (1) mile of the site boundary and well depth, depth to water, screened intervals, yields, and aquifer name;

iv. Hydrologic properties of shallow ground water and major aquifers including flow direction, flow rate, and potentiometric surface;

v. Site location in relation to the floodplain of nearby surface water features;

vi. Existing quality of shallow ground water; and

vii. An evaluation of the potential for impacts to nearby surface water and ground water.

C. Engineering data, including, but not limited to:

i. Type and quantity of material required for use as a liner, including design components;

ii. Location and depth of cut for liners;

iii. Location, dimensions, and grades of all surface water diversion structures;

iv. Location and dimensions of all surface water containment structures; and

v. Location of all proposed facility structures and access roads.

(8) **Operating plan.** An operating plan, including, but not limited to:

A. A detailed description of the method of treatment, loading rates, and application of nutrients and soil amendments;

B. Dust and moisture control;

C. Sampling;

D. Inspection and maintenance;

E. Emergency response;

F. Record-keeping;

G. Site security;

H. Hours of operation;

I. Noise and odor mitigation; and

J. Final disposition of waste. Where treated waste will be beneficially reused, a description of reuse and method of product quality assurance shall be included.

(9) **Ground water monitoring.**

A. **Water Wells.**

Water samples shall be collected from water wells known to the operator or registered with the Colorado State Engineer within a one (1) mile radius of the proposed facility and shall be analyzed to establish baseline water quality. Analytical parameters shall be selected based upon the proposed waste stream and shall include, at a minimum, all major cations and anions, total dissolved solids, iron and manganese, nutrients (nitrates, nitrites, selenium), benzene, toluene, ethylbenzene, xylenes, pH, and specific conductance. Operators shall use reasonable good faith efforts to identify and obtain access to such water wells for the purpose of collecting water samples. If access cannot be obtained, then the operator shall notify the Director of the wells for which access was not obtained and sampling of such wells by the operator shall not be required. Not conducting sampling because access to water wells cannot be obtained shall not be grounds for denial of the proposed facility.

Copies of all test results described above shall be provided to the Director and the water well owner within three (3) months of collecting the samples. Laboratory results shall also be submitted to the Director in an electronic data deliverable format.

B. **Site-specific monitoring wells.**

i. Where applicable, the Director shall require ground water monitoring to ensure compliance with the concentration levels in Table 910-1 and WQCC standards and classifications by establishing points of compliance, unless an oil and gas operator demonstrates to the satisfaction of the Director that an alternative method offering equivalent protection of public health, safety, and welfare, including the environment and wildlife resources, can be employed and provided the operator employs a dual liner with a leak detection system that provides for immediate leak detection from the uppermost liner. All monitoring well construction must be completed in accordance with the

State Engineer's regulations on well construction, "Water Well Construction Rules" (2 C.C.R. 402-2).

ii. Where monitoring is required, the direction of flow, ground water gradient and quality of water shall be established by the installation of a minimum of three (3) monitor wells, including an up-gradient well and two (2) down-gradient wells that will serve as points of compliance, or other methods authorized by the Director.

(10) **Surface water monitoring.** Where applicable, the Director shall require baseline and periodic surface water monitoring to ensure compliance with WQCC surface water standards and classifications. Operators shall use reasonable good faith efforts to obtain access to such surface water for the purpose of collecting water samples. If access cannot be obtained, then the operator shall notify the Director of the surface water for which access was not obtained and sampling of such surface water by the operator shall not be required. Not conducting sampling because access to surface water cannot be obtained shall not be grounds for denial of the proposed facility.

(11) **Contingency plan.** A contingency plan that describes the emergency response operations for the facility, 24-hour contact information for the person who has authority to initiate emergency response actions, and an outline of responsibilities under the joint operating agreement regarding maintenance, closure, and monitoring of the facility.

c. **Permit approval.** The Director shall endeavor to approve or deny the properly completed permit within thirty (30) days after receipt and may condition permit approval as necessary to prevent any threatened or actual significant adverse environmental impact on air, water, soil or biological resources or to the extent necessary to ensure compliance with the concentration levels in Table 910-1, with consideration to WQCC ground water standards and classifications.

d. **Financial assurance.** The operator of a centralized E&P waste management facility shall submit for the Director's approval such financial assurance as required by Rule 704. prior to issuance of the operating permit.

e. **Facility modifications.** Throughout the life of the facility the operator shall submit proposed modifications to the facility design, operating plan, permit data, or permit conditions to the Director for prior approval.

f. **Annual permit review.** To ensure compliance with permit conditions and the 900 Series rules, the facility permit shall be subject to an annual review by the Director. To facilitate this review, the operator shall submit an annual report summarizing operations, including the types and volumes of waste actually handled at the facility. The Director may require additional information.

g. **Closure.**

(1) **Preliminary closure plan.** A general preliminary plan for closure shall be submitted with the centralized E&P waste management facility permit, Form 28. The preliminary closure plan shall include, but not be limited to:

A. A general plan for closure and reclamation of the entire facility, including a description of the activities required to decommission and remove all

equipment, close and reclaim pits, dispose of or treat residual waste, collect samples as needed to verify compliance with soil and ground water standards, implement post-closure monitoring, and complete other remediation, as required.

B. An estimate of the cost to close and reclaim the entire facility and to conduct post-closure monitoring. Cost estimates shall be subject to review by the Director.

(2) **Final closure plan.** A detailed Site Investigation and Remediation Workplan, Form 27, shall be submitted at least sixty (60) days prior to closure for approval by the Director. The workplan shall include, but not be limited to, a description of the activities required to decommission and remove all equipment, close and reclaim pits, dispose of or treat residual waste, collect samples as needed to verify compliance with soil and ground water standards, implement post-closure monitoring, and complete other remediation, as required.

h. Operators may be subject to local requirements for zoning and construction of facilities and shall provide copies of any approval notices, permits, or other similar types of notifications for the facility from local governments or other agencies to the Director for review prior to issuance of the operating permit.

909. SITE INVESTIGATION, REMEDIATION, AND CLOSURE

a. **Applicability.** This section applies to the closure and remediation of pits other than drilling pits constructed pursuant to Rule 903.a.(3); investigation, reporting and remediation of spills/releases; permitted waste management facilities including treatment facilities; plugged and abandoned wellsites; sites impacted by E&P waste management practices; or other sites as designated by the Director.

b. **General site investigation and remediation requirements.**

(1) **Sensitive Area Determination.** Operators shall complete a sensitive area determination in accordance with Rule 901.e.

(2) **Sampling and analyses.** Sampling and analysis of soil and ground water shall be conducted in accordance with Rule 910. to determine the horizontal and vertical extent of any contamination in excess of the concentrations in Table 910-1.

(3) **Management of E&P waste.** E&P waste shall be managed in accordance with Rule 907.

(4) **Pit evacuation.** Prior to backfilling and site reclamation, E&P waste shall be treated or disposed in accordance with Rule 907. and the 1000 Series rules.

(5) **Remediation.** Remediation shall be performed in a manner to mitigate, remove, or reduce contamination that exceeds the concentrations in Table 910-1 in order to ensure protection of public health, safety, and welfare, and to prevent and mitigate significant adverse environmental impacts. Soil that does not meet concentrations in Table 910-1 shall be remediated. Ground water that does not meet concentrations in Table 910-1 shall be remediated in accordance with a Site Investigation and Remediation Workplan, Form 27.

(6) **Reclamation.** Remediation sites shall be reclaimed in accordance with the 1000 Series rules for reclamation.

c. **Site Investigation And Remediation Workplan, Form 27.** Operators shall prepare and submit for prior Director approval a Site Investigation and Remediation Workplan, Form 27, for the following operations and remediation activities:

(1) Unlined pit closure when required by Rule 905.

(2) Remediation of spills/releases in accordance with Rule 906.

(3) Land treatment of oily waste in accordance with Rule 907.e.(2).F.

(4) Closure of centralized E&P waste management facilities in accordance with Rule 908.g.

(5) Remediation of impacted ground water in accordance with Rule 910.b.(4).

d. **Multiple sites.** Remediation of multiple sites may be submitted on a single workplan with prior Director approval.

e. **Closure.**

(1) Remediation and reclamation shall be complete upon compliance with the concentrations in Table 910-1, or upon compliance with an approved workplan.

(2) **Notification of completion.** Within thirty (30) days after conclusion of site remediation and reclamation activities operators shall provide the following notification of completion:

A. Operators conducting remediation operations in accordance with Rule 909.b. shall submit to the Director a Site Investigation and Remediation Workplan, Form 27, containing information sufficient to demonstrate compliance with these rules.

B. Operators conducting remediation under an approved workplan shall submit to the Director, by adding or attaching to the original workplan, information sufficient to demonstrate compliance with the workplan.

f. **Release of financial assurance.** Financial assurance required by Rule 706. may be held by the Director until the required remediation of soil and/or ground water impacts is completed in accordance with the approved workplan, or until cleanup goals are met.

910. CONCENTRATIONS AND SAMPLING FOR SOIL AND GROUND WATER

a. **Soil and groundwater concentrations.** The concentrations for soil and ground water are in Table 910-1. Ground water standards and analytical methods are derived from the ground water standards and classifications established by WQCC.

b. **Sampling and analysis.**

(1) **Existing workplans.** Sampling and analysis for sites subject to an approved workplan shall be conducted in accordance with the workplan and the sampling and analysis requirements described in this rule.

(2) **Methods for sampling and analysis.** Sampling and analysis for site investigation or confirmation of successful remediation shall be conducted to determine the

nature and extent of impact and confirm compliance with appropriate concentration levels in Table 910-1.

A. **Field analysis.** Field measurements and field tests shall be conducted using appropriate equipment, calibrated and operated according to manufacturer specifications, by personnel trained and familiar with the equipment.

B. **Sample collection.** Samples shall be collected, preserved, documented, and shipped using standard environmental sampling procedures in a manner to ensure accurate representation of site conditions.

C. **Laboratory analytical methods.** Laboratories shall analyze samples using standard methods (such as EPA SW-846 or API RP-45) appropriate for detecting the target analyte. The method selected shall have detection limits less than or equal to the concentrations in Table 910-1.

D. **Background sampling.** Samples of comparable, nearby, non-impacted, native soil, ground water or other medium may be required by the Director for establishing background conditions.

(3) **Soil sampling and analysis.**

A. **Applicability.** If soil contamination is suspected or known to exist as a result of spills/releases or E&P waste management, representative samples of soil shall be collected and analyzed in accordance with this rule.

B. **Sample collection.** Samples shall be collected from areas most likely to have been impacted, and the horizontal and vertical extent of contamination shall be determined. The number and location of samples shall be appropriate to the impact.

C. **Sample analysis.** Soil samples shall be analyzed for contaminants listed in Table 910-1 as appropriate to assess the impact or confirm remediation. The analytical parameters shall be selected based on site-specific conditions and process knowledge and shall be agreed to and approved by the Director.

D. **Reporting.** Soil Analysis Report, Form 24, shall be used when the Director requires results of soil analyses.

E. **Soil impacted by produced water.** For impacts to soil due to produced water, samples from comparable, nearby non-impacted native soil shall be collected and analyzed for purposes of establishing background soil conditions including pH and electrical conductivity (EC). Where EC of the impacted soil exceeds the level in Table 910-1, the sodium adsorption ratio (SAR) shall also be determined.

F. **Soil impacted by hydrocarbons.** For impacts to soil due to hydrocarbons, samples shall be analyzed for TPH.

(4) **Ground water sampling and analysis.**

A. **Applicability.** Operators shall collect and analyze representative samples of ground water in accordance with these rules under the following circumstances:

(i) Where ground water contamination is suspected or known to exceed the concentrations in Table 910-1;

(ii) Where impacted soils are in contact with ground water; or

(iii) Where impacts to soils extend down to the high water table.

B. **Sample collection.** Samples shall be collected from areas most likely to have been impacted, downgradient or in the middle of excavated areas. The number and location of samples shall be appropriate to determine the horizontal and vertical extent of the impact. If the concentrations in Table 910-1 are exceeded, the direction of flow and a ground water gradient shall be established, unless the extent of the contamination and migration can otherwise be adequately determined.

C. **Sample analysis.** Ground water samples shall be analyzed for benzene, toluene, ethylbenzene, xylene, and API RP-45 constituents, or other parameters appropriate for evaluating the impact. The analytical parameters shall be selected based on site-specific conditions and process knowledge and shall be agreed to and approved by the Director.

D. **Reporting.** Water Analysis Report, Form 25, shall be used when the Director requires results of water analyses.

E. **Impacted ground water.** Where ground water contaminants exceed the concentrations listed in Table 910-1, operators shall notify the Director and submit to the Director for prior approval a Site Investigation and Remediation Workplan, Form 27, for the investigation, remediation, or monitoring of ground water to meet the required concentrations in Table 910-1.

911. PIT, BURIED OR PARTIALLY BURIED PRODUCED WATER VESSEL, BLOWDOWN PIT, AND BASIC SEDIMENT/TANK BOTTOM PIT MANAGEMENT REQUIREMENTS PRIOR TO DECEMBER 30, 1997.

a. **Applicability.** This rule applies to the management, operation, closure and remediation of drilling, production and special purpose pits, buried or partially buried produced water vessels, blowdown pits, and basic sediment/tank bottom pits put into service prior to December 30, 1997 and unlined skim pits put into service prior to July 1, 1995. For pits constructed after December 30, 1997 and skim pits constructed after July 1, 1995, operators shall comply with the requirements contained in Rules 901. through 910.

b. **Inventory.** Operators were required to submit to the Director no later than December 31, 1995, an inventory identifying production pits, buried or partially buried produced water vessels, blowdown pits, and basic sediment/tank bottom pits that existed on June 30, 1995. The inventory required operators to provide the facility name, a description of the location, type, capacity and use of pit/vessel, whether netted or fenced, lined or unlined, and where available, water quality data. Operators who have failed to submit the required inventory are in continuing violation of this rule.

c. **Sensitive area determination.**

(1) For unlined production and special purpose pits constructed prior to July 1, 1995 and not closed by December 30, 1997, operators were required to determine whether the pit was located within a sensitive area in accordance with the Sensitive Area Determination Decision Tree, Figure 901-1 (now Rule 901.e.) and submit data evaluated and analysis used in the determination to the Director on a Sundry Notice, Form 4. In December 2008, Figure 901-1 was deleted from the 900-Series Rules.

(2) For steel, fiberglass, concrete, or other similar produced water vessels that were buried or partially buried and located in sensitive areas prior to December 30, 1997, operators were required to test such vessels for integrity, unless a monitoring or leak detection system was put in place.

d. The following permitting/reporting requirements applied to pits constructed prior to December 30, 1997:

(1) A Sundry Notice, Form 4, including the name, address, and phone number of the primary contact person operating the production pit for the operator, the facility name, a description of the location, type, capacity and use of pit, engineering design, installation features and water quality data, if available, was required for the following:

A. Lined production pits and lined special purpose pits constructed after July 1, 1995.

B. Unlined production pits constructed prior to July 1, 1995 which are lined in accordance with Rule 905. by December 30, 1997.

(2) An Application For Permit For Unlined Pit, Form 15 was required for the following:

A. Unlined production pits and special purpose pits in sensitive areas constructed prior to July 1, 1995, and not closed by December 30, 1997.

B. Unlined production pits outside sensitive areas constructed after July 1, 1995 and not closed by December 30, 1997.

(3) An Application For Permit For Unlined Pit, Form 15 and a variance under Rule 904.e.(1). (repealed, now Rule 502.b.) was required for unlined production pits and unlined special purpose pits in sensitive areas constructed after July 1, 1995.

(4) A Sundry Notice, Form 4 was required for unlined production pits outside sensitive areas receiving produced water at an average daily rate of five (5) or less barrels per day calculated on a monthly basis for each month of operation constructed prior to December 30, 1997.

e. The Director may have established points of compliance for unlined production pits and special purpose pits and for lined production pits in sensitive areas constructed after July 1, 1995.

f. **Closure requirements.**

(1) Operators of production or special purpose pits existing on July 1, 1995 which were closed before December 30, 1997, were required to submit a Sundry Notice,

Form 4, within thirty (30) days of December 30, 1997. The Sundry Notice, Form 4 shall include a copy of the existing pit permit, if a permit was obtained, and a description of the closure process.

(2) Pits closed prior to December 30, 1997 were required to be reclaimed in accordance with the 1000 Series rules. Pits closed after December 30, 1997 shall be closed in accordance with the 900 Series rules and reclaimed in accordance with the 1000 Series rules.

(3) Operators of steel, fiberglass, concrete or other similar produced water vessels buried or partially buried and located in sensitive areas were required to repair or replace vessels and tanks found to be leaking. Operators shall repair or replace vessels and tanks found to be leaking. Operators shall submit to the Director a Sundry Notice, Form 4, describing the integrity testing results and action taken within thirty (30) days of December 30, 1997.

(4) Closure of pits and steel, fiberglass, concrete or other similar produced water vessels, and associated remediation operations conducted prior to December 30, 1997 are not subject to Rules 905., 906., 907., 909. and 910.

912. VENTING OR FLARING NATURAL GAS

a. The unnecessary or excessive venting or flaring of natural gas produced from a well is prohibited.

b. Except for gas flared or vented during an upset condition, well maintenance, well stimulation flowback, purging operations, or a productivity test, gas from a well shall be flared or vented only after notice has been given and approval obtained from the Director on a Sundry Notice, Form 4, stating the estimated volume and content of the gas. The notice shall indicate whether the gas contains more than one (1) ppm of hydrogen sulfide. If necessary to protect the public health, safety or welfare, the Director may require the flaring of gas.

c. Gas flared, vented or used on the lease shall be estimated based on a gas-oil ratio test or other equivalent test approved by the Director, and reported on Operator's Monthly Production Report, Form 7.

d. Flared gas that is subject to Sundry Notice, Form 4, shall be directed to a controlled flare in accordance with Rule 903.b.(2) or other combustion device operated as efficiently as possible to provide maximum reduction of air contaminants where practicable and without endangering the safety of the well site personnel and the public.

e. Operators shall notify the local emergency dispatch or the local governmental designee of any natural gas flaring. Notice shall be given prior to flaring when flaring can be reasonably anticipated, or as soon as possible, but in no event more than two (2) hours after the flaring occurs.

Table 910-1
CONCENTRATION LEVELS[1]

Contaminant of Concern	Concentrations
Organic Compounds in Soil	
TPH (total volatile and extractable petroleum hydrocarbons)	**500 mg/kg**
Benzene	**0.17 mg/kg[2]**

Toluene	85 mg/kg[2]
Ethylbenzene	100 mg/kg[2]
Xylenes (total	175 mg/kg[2]
Acenaphthene	1,000 mg/kg[2]
Anthracene	1,000 mg/kg[2]
Benzo(A)anthracene	0.22 mg/kg[2]
Benzo(B)fluoranthene	0.22 mg/kg[2]
Benzo(K)fluoranthene	2.2 mg/kg[2]
Benzo(A)pyrene	0.022 mg/kg[2]
Chrysene	22 mg/kg[2]
Dibenzo(A,H)anthracene	0.022 mg/kg[2]
Fluoranthene	1,000 mg/kg[2]
Fluorene	1,000 mg/kg[2]
Indeno(1,2,3,C,D)pyrene	0.22 mg/kg[2]
Napthalene	23 mg/kg[2]
Pyrene	1,000 mg/kg[2]
Organic Compounds in Ground Water	
Benzene	5 µg/l[3]
Toluene	560 to 1,000 µg/l[3]
Ethylbenzene	700 µg/l[3]
Xylenes (Total)	1,400 to 10,000 µg/l[3,4]
Inorganics in Soils	
Electrical Conductivity (EC)	<4 mmhos/cm or 2x background
Sodium Adsorption Ratio (SAR)	<12[5]
pH	6-9
Inorganics in Ground Water	
Total Dissolved Solids (TDS)	<1.25 x background[3]
Chlorides	<1.25 x background[3]
Sulfates	<1.25 x background[3]
Metals in Soils	
Arsenic	0.39 mg/kg[2]
Barium (LDNR True Total Barium)	15,000 mg/kg[2]
Boron (Hot Water Soluble)	2 mg/l[3]
Cadmium	70 mg/kg[3,6]
Chromium (III)	120,000 mg/kg[2]
Chromium (VI)	23 mg/kg[2,6]
Copper	3,100 mg/kg[2]
Lead (inorganic)	400 mg/kg[2]
Mercury	23 mg/kg[2]
Nickel (soluble salts)	1,600 mg/kg[2,6]
Selenium	390 mg/kg[2,6]
Silver	390 mg/kg[2]
Zinc	23,000 mg/kg[2,6]
Liquid Hydrocarbons in Soils and Ground Water	
Liquid hydrocarbons including condensate and oil	Below detection level

COGCC recommends that the latest version of EPA SW 846 analytical methods be used where possible and that analyses of samples be performed by laboratories that maintain state or national accreditation programs.

[1] Consideration shall be given to background levels in native soils and ground water.
[2] Concentrations taken from CDPHE-HMWMD Table 1 Colorado Soil Evaluation Values (December 2007).
[3] Concentrations taken from CDPHE-WQCC Regulation 41 - The Basic Standards for Ground Water.
[4] For this range of standards, the first number in the range is a strictly health-based value, based on the WQCC's established methodology for human health-based standards. The second number in the range is a maximum contaminant level (MCL), established under the Federal Safe Drinking Water Act which has been

determined to be an acceptable level of this chemical in public water supplies, taking treatability and laboratory detection limits into account. The WQCC intends that control requirements for this chemical be implemented to attain a level of ambient water quality that is at least equal to the first number in the range except as follows: 1) where ground water quality exceeds the first number in the range due to a release of contaminants that occurred prior to September 14, 2004 (regardless of the date of discovery or subsequent migration of such contaminants) clean-up levels for the entire contaminant plume shall be no more restrictive than the second number in the range or the ground water quality resulting from such release, whichever is more protective, and 2) whenever the WQCC has adopted alternative, site-specific standards for the chemical, the site-specific standards shall apply instead of these statewide standards.

[5] Analysis by USDA Agricultural Handbook 60 method (20B) with soluble cations determined by method (2). Method (20B) = estimation of exchangeable sodium percentage and exchangeable potassium percentage from soluble cations. Method (2) = saturated paste method (note: each analysis requires a unique sample of at least 500 grams). If soils are saturated, USDA Agricultural Handbook 60 with soluble cations determined by method (3A) saturation extraction method.

[6] The table value for these inorganic constituents is taken from the CDPHE-HMWMD Table 1 Colorado Soil Evaluation Values (December 2007). However, because these values are high, it is possible that site-specific geochemical conditions may exist that could allow these constituents to migrate into ground water at levels exceeding ground water standards even though the concentrations are below the table values. Therefore, when these constituents are present as contaminants, a secondary evaluation of their leachability must be performed to ensure ground water protection.

747

3769747 05/20/2011 11:55A Weld County, CO
1 of 3 R 21.00 D 0.00 Steve Moreno Clerk & Recorder

PRODUCERS 88-PAID UP
Rev. 5-60, No. 2-Opt.-Amended

OIL AND GAS LEASE

THIS AGREEMENT, dated the 11th day of April, 2011, is made and entered into by and between **Owens-Brockway Glass Container Inc.**, whose address is One Michael Owens Way, Perrysburg, OH, 43551, hereinafter called Lessor, and **Great Western Oil and Gas Company, LLC**, whose address is 1700 Broadway, Suite 650, Denver, CO 80290, hereinafter called Lessee.

WITNESSETH, that the Lessor, for and in consideration of TEN AND MORE ($10.00+) DOLLARS cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of drilling, mining, exploring by geophysical and other methods, and operating for and producing therefrom oil and all gas of whatsoever nature or kind, with rights of way and easements for roads, laying pipe lines, and erection of structures thereon to produce, save and take care of said products, all that certain tract of land situated in the County of **Weld**, State of **Colorado**, described as follows, to-wit:

Township 6 North, Range 67 West, 6th P.M.
Section 25: The North Half of the Northwest Quarter (N/2NW/4), containing 80.0 acres, more or less.

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, THIS IS A NO SURFACE OCCUPANCY LEASE AND LESSEE HEREBY AGREES IT SHALL NOT ENTER UPON THE SURFACE OF THE LAND UNDER ANY CIRCUMSTANCES.

1. It is agreed that this lease shall remain in force for a term of **One (1) year** from this date and as long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on acreage pooled therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled therewith but Lessee is then engaged in drilling or re-working operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith; and operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

In the event a well or wells is drilled and completed on the lands, or on the lands pooled therewith, for the purpose of developing coalbed gas, the word "operations" shall mean, in addition to those matters covered in the preceding paragraph. (1) operations of said wells to remove water or other substances from the coalbed, or to dispose of such water or other substances, even though such operations do not result in the production of hydrocarbons in paying quantities, or (2) shutting-in or otherwise discontinuing production from said wells to allow for surface or underground mining affecting the drillsite or wellbore.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal **twenty percent (20%)** part of all oil produced and saved from the leased premises.

2nd To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, **twenty percent (20%)** of the net proceeds derived from such sale or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of **twenty percent (20%)** of such gas and casinghead gas, Lessor's interest, in either case, to bear **twenty percent (20%)** of the cost of compressing, dehydrating and otherwise treating such gas or casinghead gas to render it marketable or usable and **twenty percent (20%)** of the cost of gathering and transporting such gas and casinghead gas from the mouth of the well to the point of sale or use.

3rd To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product, a royalty of **twenty percent (20%)** of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease. This lease shall not be extended for more than three years beyond its primary term by virtue of shut-in gas royalty payments.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon.

7. When requested by Lessor, Lessee shall bury Lessee's pipeline below plow depth.

8. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of Lessor.

9. Lessee shall pay for damages caused by Lessee's operations to growing crops on said land.

10. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

11. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title form Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission by any other leasehold owner.

12. Lessee, at its option, is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of the land described herein and as to any one or more of the formations hereunder, to pool or unitize the leasehold estate and the mineral estate covered by this lease with other land, lease or leases in the immediate

vicinity for the production of oil and gas, or separately for the production of either, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas, may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such unit.

13. Lessee agrees to indemnify and hold harmless Lessor of and from any and all claims, demands, losses, causes of action, damages, lawsuits, judgments, including reasonable attorneys' fees and costs, but only to the extent caused by, arising out of, or relating to Lessee's operations on the above described lands.

14. Lessor hereby agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor and be subrogated to the rights of the holder thereof, and the undersigned Lessor, for itself and its heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

15. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor," as used in this lease, shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.

(See Exhibit "A" attached for Paragraph 16 – Audits and Paragraph 17 - Notice.)

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

OWENS-BROCKWAY GLASS CONTAINER, INC.

By: John E. Mountler

Name: John E. Mountler

Title: Vice President, Assistant General Counsel and Assistant Secretary

Attest:

By: Tina A Perry

Name: Tina A. Perry

STATE of Ohio

COUNTY of Wood

ACKNOWLEDGEMENT-CORPORATE

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 14th day of April, 201__, personally appeared John E. MOUNTLER to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its Vice Pres. - Asst Gen Counsel & Asst Secretary and acknowledged to me that __ he executed the same as _____ free and voluntary act and deed and as the free and voluntary act and deed of such corporation by authority of its Board of Directors, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

MyCommission Expires:

JACQUELINE GASTON
Notary Public, State of Ohio
My Commission Expires 08-16-2011

Notary Public: Jacqueline Gaston

Address: 3559 Turret Green
Toledo, OH 43607

After recording, please return to:
Great Western Oil & Gas Company
Attn: Santiago Rodriguez
1700 Broadway, Suite 650
Denver, CO 80290

EXHIBIT "A"

to Oil And Gas Lease dated April 11, 2011
between Owens-Brockway Glass Container Inc., Lessor,
and Great Western Oil and Gas Company, LLC, Lessee.

16. AUDITS

Payment and receipt of any royalty shall not prejudice, impair, prevent, estop or otherwise limit the right of Lessor to protest, dispute or question the correctness or accuracy of any royalty. Lessor, and its agents and employees, shall have the right once each calendar year to review, check and audit Lessee's books and records regarding this lease and all royalties paid or payable to Lessor, at a mutually convenient time at Lessor's offices within the State of Colorado. Lessee's books and records shall be kept in accord with generally accepted accounting principles consistently applied. Should any such audit reveal that Lessee has not paid Lessor the full amount of the royalty due and payable, then Lessee shall promptly pay Lessor the balance due (together with interest at the rate of 18% per annum or the maximum then allowed by applicable law, whichever is less), and Lessee shall promptly pay Lessor for the cost of Lessor's audit. However, Lessee shall have the right to dispute Lessor's audit results in whole or in part. If the Parties cannot reach an agreement as to the disputed audit or audit item(s), Lessee shall promptly pay all undisputed items, if any. As to the disputed audit or audit item(s), a disinterested third party shall be hired by mutual agreement of the Parties to act as Arbitrator. Said Arbitrator will be a CPA with a minimum of five years experience auditing the books and records of oil and gas exploration and production companies. Both Parties hereto agree to be bound by the final decision of the Arbitrator. If Lessee does not prevail in arbitration, Lessee will promptly pay Lessor (1) the audit balance due plus interest, and (2) the cost of Lessor's audit.

17. NOTICE

Any notifications required for this oil and gas lease shall be directed as follows:

Owens-Illinois, Inc.
ATTN: Global Real Estate
One Michael Owens Way
Perrysburg, OH 43551-2999

Great Western Oil and Gas Company, LLC
ATTN: Land Department
1700 Broadway, Suite 650
Denver, CO 80290

Initials JM

770

3731770 11/10/2010 02:08P Weld County, CO
1 of 3 R 21.00 D 0.00 Steve Moreno Clerk & Recorder

PRODUCERS 88-PAID UP
Rev. 5-60, No. 2-Pgs.-Amended

OIL AND GAS LEASE

THIS AGREEMENT, dated the 8th day of July, 2010, is made and entered into by and between Owens-Brockway Glass Container Inc., whose address is One Michael Owens Way, Perrysburg, OH, 43551, hereinafter called Lessor, and Great Western Oil and Gas Company, LLC, whose address is 1700 Broadway, Suite 1170, Denver, CO 80290, hereinafter called Lessee.

WITNESSETH, that the Lessor, for and in consideration of TEN AND MORE ($10.00+) DOLLARS cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of drilling, mining, exploring by geophysical and other methods, and operating for and producing therefrom oil and all gas of whatsoever nature or kind, with rights of way and easements for roads, laying pipe lines, and erection of structures thereon to produce, save and take care of said products, all that certain tract of land situated in the County of Weld, State of Colorado, described as follows, to-wit:

Township 6 North, Range 67 West 6th P.M.
Section 24: That part of the Southwest Quarter (SW/4) lying South of the Railroad Right-of-Way.
containing 12.0 acres, more or less.

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, THIS IS A NO SURFACE OCCUPANCY LEASE AND LESSEE HEREBY AGREES IT SHALL NOT ENTER UPON THE SURFACE OF THE LAND UNDER ANY CIRCUMSTANCES.

1. It is agreed that this lease shall remain in force for a term of One (1) year from this date and as long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on acreage pooled therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled therewith but Lessee is then engaged in drilling or re-working operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith; and operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

In the event a well or wells is drilled and completed on the lands, or on the lands pooled therewith, for the purpose of developing coalbed gas, the word "operations" shall mean, in addition to those matters covered in the preceding paragraph, (1) operations of said wells to remove water or other substances from the coalbed, or to dispose of such water or other substances, even though such operations do not result in the production of hydrocarbons in paying quantities, or (2) shutting-in or otherwise discontinuing production from said wells to allow for surface or underground mining affecting the drillsite or wellbore.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal twenty percent (20%) part of all oil produced and saved from the leased premises.

2nd To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, twenty percent (20%) of the net proceeds derived from such sale or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of twenty percent (20%) of such gas and casinghead gas, Lessor's interest, in either case, to bear twenty percent (20%) of the cost of compressing, dehydrating and otherwise treating such gas or casinghead gas to render it marketable or usable and twenty percent (20%) of the cost of gathering and transporting such gas and casinghead gas from the mouth of the well to the point of sale or use.

3rd To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product, a royalty of twenty percent (20%) of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease. This lease shall not be extended for more than three years beyond its primary term by virtue of shut-in gas royalty payments.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon.

7. When requested by Lessor, Lessee shall bury Lessee's pipeline below plow depth.

8. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of Lessor.

9. Lessee shall pay for damages caused by Lessee's operations to growing crops on said land.

10. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

11. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title form Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission by any other leasehold owner.

12. Lessee, at its option, is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of the land described herein and as to any one or more of the formations hereunder, to pool or unitize the leasehold estate and the mineral estate covered by this lease with other land, lease or leases in the immediate

vicinity for the production of oil and gas, or separately for the production of either, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas, may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such unit.

13. Lessee agrees to indemnify and hold harmless Lessor of and from any and all claims, demands, losses, causes of action, damages, lawsuits, judgments, including reasonable attorneys' fees and costs, but only to the extent caused by, arising out of, or relating to Lessee's operations on the above described lands.

14. Lessor hereby agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor and be subrogated to the rights of the holder thereof, and the undersigned Lessor, for itself and its heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

15. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor," as used in this lease, shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.

(See Exhibit "A" attached for Paragraph 16 – Audits and Paragraph 17 – Notice.)

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

OWENS-BROCKWAY GLASS CONTAINER, INC.

By: John E Mauntler

Name: John E. Mauntler

Title: Vice President, Assistant General Counsel & Assistant Secretary

Attest:

By: Norma Fish

Name: Norma Fish

STATE of OHIO

COUNTY of WOOD

ACKNOWLEDGEMENT-CORPORATE

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 22nd day of October, 2010, personally appeared John E. Mauntler to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its Vice President, Asst. General Counsel & Asst. Secretary and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of said corporation by authority of its Board of Directors, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

My Commission Expires:

NOTARIAL SEAL STATE OF OHIO

JACQUELINE GASTON
Notary Public, State of Ohio
My Commission Expires 08-18-2015

Notary Public: Jacqueline Gaston

Address:

After recording, please return to:
Great Western Oil & Gas Company
Attn: Santiago Rodriguez
1700 Broadway, Suite 1170
Denver, CO 80290

EXHIBIT "A"

to Oil And Gas Lease dated September ____, 2010
between Owens-Brockway Glass Container Inc., Lessor,
and Great Western Oil and Gas Company, LLC, Lessee.

16. AUDITS

Payment and receipt of any royalty shall not prejudice, impair, prevent, estop or otherwise limit the right of Lessor to protest, dispute or question the correctness or accuracy of any royalty. Lessor, and its agents and employees, shall have the right once each calendar year to review, check and audit Lessee's books and records regarding this lease and all royalties paid or payable to Lessor, at a mutually convenient time at Lessor's offices within the State of Colorado. Lessee's books and records shall be kept in accord with generally accepted accounting principles consistently applied. Should any such audit reveal that Lessee has not paid Lessor the full amount of the royalty due and payable, then Lessee shall promptly pay Lessor the balance due (together with interest at the rate of 18% per annum or the maximum then allowed by applicable law, whichever is less), and Lessee shall promptly pay Lessor for the cost of Lessor's audit. However, Lessee shall have the right to dispute Lessor's audit results in whole or in part. If the Parties cannot reach an agreement as to the disputed audit or audit item(s), Lessee shall promptly pay all undisputed items, if any. As to the disputed audit or audit item(s), a disinterested third party shall be hired by mutual agreement of the Parties to act as Arbitrator. Said Arbitrator will be a CPA with a minimum of five years experience auditing the books and records of oil and gas exploration and production companies. Both Parties hereto agree to be bound by the final decision of the Arbitrator. If Lessee does not prevail in arbitration, Lessee will promptly pay Lessor (1) the audit balance due plus interest, and (2) the cost of Lessor's audit.

17. NOTICE

Any notifications required for this oil and gas lease shall be directed as follows:

Owens-Illinois, Inc.
ATTN: Global Real Estate
One Michael Owens Way
Perrysburg, OH 43551-299

Great Western Oil and Gas Company, LLC
ATTN: Land Department
1700 Broadway, Suite 1170
Denver, CO 80290

Initials

SURFACE USE AGREEMENT

The Surface Use Agreement (the "Agreement") is made and entered into this 24th day of October, 2011, by and between **BROE LAND ACQUISITION II, LLC**, a Colorado liability company, with an address of 252 Clayton Street, Fourth Floor, Denver, Colorado, 80206, hereinafter referred as "Surface Owner," and **GREAT WESTERN OIL AND GAS COMPANY, LLC**, a Colorado limited liability company with an address of 1700 Broadway, Suite 650, Denver, Colorado, 80290, hereinafter referred to as "GWOG." GWOG and Surface Owner are sometimes jointly referred to herein as the "Parties," and individually as a "Party."

RECITALS

A. Surface Owner is the owner of the surface of the estate in and to the following real property located in Weld County, Colorado (the "Property" hereinafter):

Township 6 North, Range 67 West, of the 6th P.M.
Section 23: SE/4

Notwithstanding the above description, this Agreement shall be applicable to all lands owned or hereafter acquired by Surface Owner in Sections 23, Township 6 North, Range 67 West, of the 6th P.M., Weld County, Colorado, which lands shall be included within the term "Property" as used herein.

B. Surface Owner has developed portions of the surface of the Property for industrial and other purposes, and may further develop that surface in the future.

C. GWOG has a certain rights to develop its Oil and gas mineral estate, including the drilling of wells.

D. In order to permit the coordinated development of the surface and mineral estates in the Property to the mutual benefit of the Parties, and to set forth the accommodations to be made by each Party with respect to those efforts, the Parties desire to enter into this Agreement.

NOW, THEREFORE, in consideration of the covenants set forth herein and the mutual benefits to be derived, GWOG and Surface Owner hereby agree as follows:

1. AREAS RESERVED FOR FURTURE OPERATIONS.

1.1. Future Oil and Gas Operations.

1.1.1. Under the applicable law, including the rules, regulations and order of the Colorado Oil and Gas Conservation Commission (the "COGCC"), GWOG has certain rights to drill, complete, produce, deepen, rework, frac, and recomplete vertical and directional wells to bottom hole locations on the Property, or to adjacent property in which GWOG holds an oil and gas mineral or leasehold interest, or which is pooled with the Property (collectively referred to herein as "Future Wells"). Subject to the terms and conditions hereof and applicable law, GWOG shall be entitled use the areas described on Exhibit A for such drilling, completion, production, deepening, reworking, fracing and recompletion activities. GWOG shall not use more than two and one half (2.5) acres of land within any Temporary Drilling Area for each Future Wells drilled therein. Temporary Drilling Area for each Future Wells drilled therein. Exact locations of the Temporary Drilling Areas shall be selected by GWOG, in consultation with Surface Owner prior to drilling.

1.1.2. Whenever a future Well with a surface location within Temporary Drilling Area is drilled and completed as a well capable of commercial production, GWOG may designate, by written notice to Surface Owner, an area within such Temporary Drilling Area (each a "Permanent Operating Area") in which wellheads, separators, oil tanks and other production equipment may be located. Each Permanent Operation Area shall be of the minimum size reasonably necessary for production, taking into account the rules, regulations, and orders of the COGCC (the "COGCC Rules"), operational needs and the number of Future Wells drilled therein. Once a Permanent Operating Area is designated, any additional Future Wells drilled within that applicable Temporary Drilling Area shall be in the same Permanent Operating Area; provided that, acting in its reasonable discretion, GWOG may designate, by written notice to Surface Owner, one or more additional Permanent Operating Area within a Temporary Drilling production facilities, provided however, that such additional Permanent Operating Areas shall be limited to one per governmental quarter-section. Temporary Drilling Areas and Permanent Operating Areas may be jointly referred to herein as the "Areas."

1.2. Oil and Gas Operating Areas. During the term of this Agreement, the Areas shall remain available to GWOG for the purposes of drilling all Future Wells and for the conduct of any and all related operations by GWOG in connection with the Future Wells, including but not limited to, drilling and production activities, workovers, deepenings, completions and recompletions, fracing, and other similar activities, together with drilling, completion and operating of replacement or substitute wells. In the conduct of oil and gas operations, and subject to Section 10 hereof, GWOG shall comply with all federal state and local rules and regulations, environmental and otherwise, including the COGCC Rules, applicable to oil and gas operations. Without limiting the generality of the foregoing, all drilling locations

within Areas shall be kept clean and materials cleaned up in a timely manner. No offsite fluids, mud, soil or other substances may be deposited on the Property, and no debris, slash, or other materials, except for gas flaring, shall be burned on Property. Well pads shall be fenced at all times. The slope of any well pad located in an Area to any ditch, road, fence, or any other surface improvement shall not exceed 2:1. Noise levels from oil and gas operations shall not exceed those allowed by the COGCC Rules, including during the flaring of gas. GWOG shall be responsible for controlling all noxious weeds in the Areas and for preventing such noxious weeds from spreading to other portions of the Property or any other adjacent lands. GWOG shall be responsible for controlling all erosion of soils within any Area, on areas within or adjacent to the Property that is cause by the activities of GWOG or its employees, contractors, subcontractors. GWOG shall not be permitted to have, or allow, firearms, crossbows, pets, alcohol or illegal drugs on the Property. GWOG shall conduct all oil and gas operations on the Property as a prudent operator and in a manner which will minimize, insofar as reasonably practicable and otherwise in accordance with this Agreement, the impact on Surface Owner's use occupation and enjoyment of, and operations on the Property.

1.3. Limitation on Use of the Property. Except for the Areas, areas covered by flowlines and/or gas gathering lines described herein, existing access roads and areas covered by access roads described herein, GWOG shall not use or occupy any part of the surface of the Property except in the event (and only for the duration) of an emergency, or with the prior written consent of the Surface Owner.

1.4 Limitation on Surface Use Damages. Surface Owner acknowledges and agrees that GWOG's agreement to forbear or limit the exercise of the surface use rights it otherwise has in respect of the Property by reason of the ownership of the oil and gas mineral estate in and under the Property by reason of the ownership of the oil and gas mineral estate in and under the Property constitutes adequate consideration for the rights granted to GWOG herein by Surface Owner. Accordingly, except as otherwise expressly provided for herein and without limiting the applicability of Sections 11 and 12 below, GWOG shall not be obligated to pay, and use fees, with respect to any operations conducted by GWOG on Areas or upon access roads, flowlines, gas gathering pipelines, or other easements granted herein used in connection therewith. The Waiver of surface damages provided herein shall include any claim for excessive surface use of the Areas in connection with the exploration for or production of oil and gas from any Future Well by GWOG. Notwithstanding the foregoing, in the event of GWOG's activities within any Area result in damage to the surface of the Property in excess of that normally attributable to oil and gas exploration and production operations, the event GWOG crosses, occupies or utilizes any part of the Property other than the Areas, or other than the access roads, flowlines and gas gather lines, or areas covered by easements granted herein connection therewith, or in the event GWOG's activities on the surface of the Property damage any crops or alter or damage the flow of Surface Owner's flood irrigation system, GWOG shall be liable for any damage that may occur as a result thereof. In addition, if GWOG's operations on the Property damage or destroy improvements of the Surface owner, including but not limited to buildings, fences, ditches and roads, GWOG shall promptly cause the same to be repaired or replaced, and shall restore the Surface, in a manner reasonably satisfactory to the Surface Owner. Further, if, as a result of GWOG's failure to conduct oil and gas

operations on the Property as a prudent operator and in compliance with applicable laws, rules and regulations, any fresh water supply on the Property is rendered unfit for consumption by humans, cattle or other animals. GWOG shall be liable for actual damages incurred by Surface Owner as a result thereof. To obtain damages for injury to fresh water, Surface Owner will be required to provide GWOG a water quality analysis with respect of the applicable water relating to a period prior to the activity that caused the claimed damage.

2. WELL LOCATIONS. Subject to the limitations of Section 1.1 above, GWOG shall have the right to drill one or more Future Wells within each Area at surface locations permitted under the applicable COGCC Rules or exceptions thereto. IN the event that the proposed surface location of a Future Well within an Area requires an exception to or variance from any applicable COGCC Rule (other than set back Rules), but is otherwise in accordance with the terms and conditions of this Agreement, Surface Owner shall neither protest nor object to any such exception location and, moreover, shall grant any waivers as described in Section 8 and 9 below.

3. SURFACE RECLAMATION. Subject to Surface Owner's waiver of damages as set forth in Section 1.4 above, GWOG shall be responsible for all costs of interim and final reclamation and surface restoration for its oil and gas operations within the Areas or upon or relating to the access roads, flowlines and gas gathering lines or otherwise upon the Property, as required by any governmental agency or entity having jurisdiction. Without limiting the generality of the foregoing, each Future Well not completed as a producing oil and gas well shall be plugged, capped, and abandoned and the applicable drilling location reclaimed and reseeded in accordance with applicable laws, regulations and this Agreement. After completion of any drilling activity (or cessation of any production activity, in the case of Future Wells which are capable or production in paying quantizes), GWOG's activities including, without limitations, the removal of all waster material, trash, debris, drilling fluids, hydrocarbons and other materials from GWOG's activities or operations. All materials brought into an Area by GWOG in connection with the drilling or other activities on a Future Well shall be removed; no such materials may be buried. All cleanup, reclamation and restoration requirements shall be completed by GWOG as soon as practicable and in any event with 180 days after termination of drilling production or producing activities on any Area.

4. ACCESS ROADS AND PIPELINES.

4.1. Access Roads. GWOG agrees to utilize existing roads on the Property to the extent practical in connection with its oil and gas operations within the Areas. in the event and to the extent existing roads are insufficient, Surface Owner hereby grants to GWOG a non-exclusive cost-free easement got additional or alternate road access to the Areas, over reasonably direct routes selected by GWOG in consultation with Surface Owner, and in accordance with good oil field practices. Such easements shall be for the private use of GWOG, its agents, employees, contractors, and subcontractors only, with no right to use by public, or for the access by the public to other lands. Unless otherwise agreed by Parties, any access road constructed by GWOG on the Property shall not exceed twenty (20) feet in width, except as otherwise required by applicable law or engineering requirements, and shall be properly graded and drained. GWOG's right to use existing and newly constructed access roads granted

herein shall be non-exclusive. If any Future Well is completed as a producing or shut-in well, GWOG shall (a) gravel all or part of the applicable access road constructed by it in order that such road is usable in all weather conditions, (b) use best available methods (other than hard surfacing) to limit dust from access road, and (c) install culverts and other improvements as may be necessary for the proper upkeep, maintenance and drainage of said access road. For so long as GWOG uses an access road constructed by it, GWOG shall maintain it in a state of good condition and repair at the sole expense of GWOG; provided that Surface Owner shall be responsible, as between GWOG Surface Owner, for the cost of all repairs to the extent attributable to the use of such road by Surface Owner and its invitees, contractors and subcontractors. The maximum speed limit on any such access road shall be twenty-five (25) miles per hour.

4.2. Relocation of Access Roads. Subsequent to construction of any access road by GWOG, and upon notice and consultation with GWOG, Surface Owner may relocate such roads and associated easements, so long as any substitute route does not materially interfere with GWOG's access. Any such relocated access road constructed by Surface Owner for the use of GWOG shall be of sufficient size to all GWOG to conduct the operations contemplated for Future Wells and shall be built to withstand a minimum of 26,000 pounds per axle.

4.3. Pipelines. All flowlines, gas gathering lines and pipelines outside of an Area and necessary in connection with the production, transportation or marketing of oil or gas from any Future Well shall be constructed along the reasonably direct routes selected by GWOG in consultation with Surface Owner, and in accordance with applicable laws and good oilfield practices. All flowlines, gas gathering lines and pipelines, whether located within or without an Area, shall be buried to a minimum depth of three (3) feet below the surface of the earth, and a maximum depth of five (5) feet below the surface of the earth for roads and railroads and eight (8) feet for utilities and ditches. In connection with the installation, construction operation and maintenance of all such lines, GWOG shall use all reasonable care to avoid damaging or otherwise interfering with underground utilities on the Property. Without the prior written consent of the Surface Owner, GWOG's activities in connection with such lines shall be limited to twenty-five (25) feet on either side of the line during construction and ten (10) feet either side of the line at all other times.

5. **PRODUCTION FACILITIES AND EQUIPMENT.** GWOG shall have the right to locate, install, build, repair and maintain tanks, separators, dehydrators, compressors and other facilities and equipment reasonably necessary, appropriate or convenient for the operation and production of any Future Well within Permanent Operating Areas. With respect to GWOG's equipment and facilities, other than flowlines, gas gathering lines and pipelines:

5.1. GWOG shall install and maintain fencing around its facilities and equipment within the Permanent Operating Areas in compliance with the COGCC Rules, unless more rigorous stands are otherwise agreed go in writing by Parties.

5.2. GWOG shall install and maintain gates and locks reasonably necessary for the security of any wells and/or facilities in the Permanent Operating Areas. Such gates and locks shall be of a type and quality customarily used by GWOG for such purpose.

5.3. GWOG shall paint any above-ground production facilities and equipment, including wellhead guards, with paint with appropriate earth-tone colors to blend with the surrounding landscape and that is otherwise approved by the COGCC and the Surface Owner.

5.4. if required by Surface Owner, GWOG shall place tanks below grade (with landscaped berms surrounding tanks) remaining at the Permanent Operating Areas after the completion of drilling on such Permanent Operating Area.

6. WAIVER OF THIRTY DAYS NOTICES. Surface Owner hereby waives the thirty (30) day advance notices required by COGCC Rules 305 and 306, as amended, with respect to Future Wells, and agrees to execute separate waiver for filing with COGCC if requested by GWOG. This waiver does not apply to any other wells that may be proposed by GWOG, unless subsequently accepted by Surface Owner and made a part of this Agreement.

7. DRILLING AND COMPLETION OPERATIONS. Subject to rig availability and the receipt of drilling permits and other necessary authorizations, GWOG shall use its commercially reasonable efforts to drill all Future Wells consecutively and to limit the affricate amount of time between the spudding of the first Future Well and the completion or plugging and drilling operations in a diligent manner so as to minimize the total time period on location and to avoid rig relocations or startup delays during the course of drilling. To help expedite the drilling of Future Wells, Surface Owner hereby waives and shall not assert any objections to continuous (i.e., 24-hour) drilling or completion operations.

8. BUILDING RESTRICTIONS; SETBACK REQUIRMENTS.

8.1. Surface Owner Improvements. Surface Owner shall not build, construct or install any improvements upon any portion of the Property lying within the Areas, including, but not limited to landscaping, sprinkler system, fences, sidewalks, access haul roads, paved streets, and water drainage and sewer systems without the prior written consent to GWOG which shall not unreasonably be withheld. If, after obtaining such consent and constructing any other improvements within Areas, GWOG requests that such improvements be moved or removed to accommodate GWOG's oil and gas operations thereon, Surface Owner shall be obligated, at GWOG's expense, to move or remove such improvements as soon as commercially practicable operations on the Areas, and shall be responsible for damage to any improvements constructed by Surface Owner in the Areas.

8.2. Setbacks. Except as otherwise consented to by Surface Owner, which consent may not be withheld unreasonably, GWOG agrees to comply with the setback requirements of the COGCC Rules.

9. GOVERNMENTAL PROCEEDINGS.

9.1. Surface Owner. Surface Owner shall not, directly or indirectly, oppose, or encourage opposition to, GWOG in any agency, administrative or other governmental proceedings, including but

not limited to the COGCC, Town of Windsor, County of Weld, or other governing body proceedings, related to GWOG's oil and gas operations on the Property; provided that GWOG's actual or proposed operations and position in such proceedings are consistent with this Agreement. Surface Owner further agrees to provide GWOG with whatever written support it may reasonably request to obtain permits relating to oil and gas operations from the COGCC or any local jurisdiction.

9.2. GWOG. GWOG shall not, directly or indirectly, oppose, or encourage opposition to, Surface Owner in any agency, administrative , county, Town of Windsor, County of Weld or other governing body proceedings, relating to Surface Owner' operations on and development of the Property.

10. COMPLIANCE WITH RULES AND REGULATIONS. In addition to the terms and conditions of this Agreement, GWOG shall also comply with all applicable COGCC Rules, including, without limitation, COGCC's a Series 1000 Rules. No part of this Agreement shall be construed to relieve GWOG from any or all of the COGCC Rules. If there is a conflict between this Agreement and any applicable COGCC Rule, then whichever of this Agreement or the COGCC Rule which requires stricter protection of the environment, public health, safety or welfare shall prevail and govern as the point in conflict, unless specifically waived in writing by Surface Owner and as may be allowed by COGCC. This Agreement does not constitute a waiver if any COGCC Rule unless specifically provided herein. To the 0065tent this Agreement deals with a subject covered by any COGCC Rule, but the Agreement does not provide a standard for Performance, then the standard shall be provided by the relevant COGCC Rule. GOWG shall timely provide Surface Owner with copies of any reports, notices, or documents filed by it with the COGCC or any other regulatory agency having jurisdiction over GWOG's operations hereunder.

11. LIMITATION OF LIABILITY, RELEASE AND INDEMNITY; INSURANCE.

11.1. NO PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR, OR BE REQUIRED TO PAY THE OTHER PARTY FOR, SPECIAL, PUNITIVE, CONSEQUENTIAL OR EXEMPLARY DAMAGES FOR OR IN CONNECTION WITH ACTIVITES UNDERTAKEN WITHIN THE SCOPE OF THIS AGREEMENT.

11.2. Except as Environmental Claims (which claims are defined in and governed by Section 12 below), GWOG shall be and remain responsible for all liability for losses, claims, damages, demands, suits, causes of action, fines, penalties, expenses and liabilities, including without limitation attorneys' fees and other costs associated therewith (collectively, "Claims"), arising out of or attributable to its ownership of or operations (including the activities of its invitees, agents, employees, contractors and subcontractors) on the Property, the surface of the Property or the oil and gas mineral and leasehold estates in the Property, as applicable, no matter when asserted, subject to applicable of limitations. GWOG shall release, defend indemnify and hold Surface Owner and its affiliates, and its and their officers, directors, employees, agents, successors and assigns, harmless against all such Claims. Each Party shall be and remain responsible for all liability for claims arising out of or attributable to its breach of this Agreement or any default in the performance of its obligations hereunder, no matter when asserted, subject to applicable statutes of limitations, and shall release, defend, indemnify and hold the other Party and its affiliates, and its and their officers, directors, employees, agents, successors and

assigns, harmless against all such claims. This provision does not, and shall not be construed to create any rights in persons or entities not a party to this Agreement, nor does it create any separate rights in the Parties, other than the right to be indemnified for Claims as provided herein.

11.3 Upon the assignment of a Party's entire interest in the Property, such Party shall be released from its indemnification obligation in Section 11.2 with respect to any Claims based on actions, occurrences or omissions occurring after such assignment or conveyance.

11.4 GWOG shall keep its operations insured, or comply with applicable self-insurance laws and regulations, for automobile, liability, and workmens' compensation insurance, for any incurred on the Property.

11.5 GWOG hereby waives on behalf of itself and its insures any claims that GWOG may have against Surface Owner for loss or damage resulting from perils covered by the standard form of all risk property insurance. The Parties understand that such waiver is intended to extend to all such loss or damage whether or not the same is caused by the fault or negligence of Surface Owner and whether or not insurance is in force. If required by policy conditions, GWOG shall secure from its property insurer a waiver of subrogation endorsement to its policy, and deliver a copy of such endorsement to Surface Owner if requested.

12. ENVIRONMENTAL INDEMNITY. Subject to the limitation of 11.1 above:

12.1 "Environmental Claims" shall mean all Claims asserted by governmental bodies or other third parties pollution or environmental damage of any kind, or for non compliance with Environmental Laws, arising from or attributable to operations on or ownership of the Property or ownership of the oil and gas mineral and leasehold estates in the Property, whichever is applicable, and all cleanup and remediation costs, fines and penalties associated therewith, including but not limited to any Claims arising under Environmental Laws or relating to asbestos or to naturally occurring radioactive material. Environmental Claims shall not include the costs of any remediation undertaken voluntarily by any party, unless such remediation is preformed under the imminent threat of a Claim by governmental body or third party to comply with any Environmental Law.

12.2 "Environmental Laws" shall mean any laws regulations, rules, ordinances or order of any governmental authority(ies), which relate to or otherwise impose liability, obligation, or standards with respect to pollution or the protection of the human health, safety or obligation, or standards with respect to pollution or the protection of the human health, safety or the environment, including but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C §9601 et seq.), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §§6901 et seq.), the Clean Water Act (33 U.S.C. §§466 et seq.) the Safe Drinking Water Act (14 U.S.C. §§1401-1450), the Hazardous Material Transportation Act (49 U.S.C. §§1801 et seq.), the Clean Air Act, and the Toxic Substances Control Act (15 U.S.C. §§2601-2629) or their state counterparts.

12.3 GWOG shall release, protect, indemnify, defend and hold harmless Surface Owner and its affiliates, and its and their officers, directors, employees, agents, successors and assigns, any third

party who purchases a portion of the surface of the Property from Surface Owner, from any and all Environmental Claims to the extent such Claims arise out of or are attributable to GWOG's operations on the Property. Surface Owner shall release, protect, indemnify, defend the hold harmless GWOG, its affiliates, and its and their officers, directors, employees, agents, successors and assigns, from any and all Environmental Claims to the extent such Claims arise out of or are attributable to the Surface Owner's operations on Property.

13. NOTICE OF CLAIM INDEMNIIFICATION. If a Claim is asserted against a Party for which another Party would be liable under the provisions of Section 11 or Section 12 above, it is a condition precedent to the indemnifying Party's obligations hereunder that the indemnified Party give the indemnifying Party written notice of such Claim before setting forth all particulars of the Claim, as known by the indemnified Party, including a copy of any written Claim. The Indemnified Party shall make a good faith effort to notify the indemnifying Party within five days of receipt of Claim and in any even within such time as will allow the indemnifying Party to defend against such Claim.

14. LIENS. GWOG shall, at its sole expense, keep the Property free and clear of all liens and hold harmless Surface Owner from and against any and all liens, claims, demands, costs, and expenses, including without limitation attorney's fees and cost, in connection with or arising out of any work done, labor performed, or materials furnished.

15. REPRESENATIONS. Each Party represents that it has the full right and authority to enter into this Agreement and Surface Owner specifically confirms its capacity to validly execute the rights of way and easements provided for herein. Notwithstanding the foregoing, this Agreement is made subject to any and all existing easements, rights of way, liens, agreements, burdens, encumbrances, restrictions and defects in title affecting the Property.

16. SUCCESSORS; LESSEES. The terms, covenants and conditions hereof shall be binding upon and shall inure to be benefit of the Parties and their respective successors and permitted assigns. The Parties acknowledge that GWOG may lease all or portions of its mineral estate in and under the Property to one or more third parties (each "Lessee"), and GWOG agrees to cause each Lessee to comply with abide by all relevant terms and conditions of this Agreement. Except as provided herein, GWOG may not assign delegate its rights or obligations hereunder to any third party without the prior written consent of Surface Owner.

17. TERM. This Agreement shall become effective when it is fully executed ad shall remain in full force and effect for a period of ten (10) years, or until GWOG has plugged abandoned all wells owned or in a part by GWOG (including the ownership of a royalty interest therein) and complied with the requirements of all applicable regulations and relevant oil and gas leases pertaining to removal or equipment, reclamation, cleanup and surface restoration, whichever is later in time. When this Agreement terminates, the Parties shall execute any further releases reasonably necessary to evidence the fact that this Agreement shall no longer apply to Property the indemnities set forth 11 and 12 hereof shall survive any termination or expiration of this Agreement.

18. Notices. Any notice or other communication required or permitted under this Agreement shall be sufficient if deposited in U.S. Mail, postage prepaid, addressed to each of the following:

If to Surface Owner:	Broe Land Acquisitions II 252 Clayton Street Denver, Colorado 80206 Attn: Manager
If to GWOG:	Great Western Oil and Gas Company, LLC 1700 Broadway, Suite 650 Denver, Colorado 80290 Attn: Royce Allen, Land Manager

Any Party may, by written notice so delivered to the other parties, change the address or individual to which delivery shall thereafter be made.

19. RECORDING. A Memorandum of this Agreement, and of any amendment to this Agreement, shall be promptly recorded by GWOG, which shall provide the Surface Owner with a copy showing the recording information as soon as practicable thereafter.

20. SUBSTITUTE AGREEMENT. In consideration of the Parties' respective rights, obligations and benefits herein, this Agreement shall constitute the surface use or surface damage agreement provided for under the COGCC Rules or under any oil and gas lease covering the Property.

21. DISPUTE RESOLUTION; FORUM.

21.1 Except to the extent a Party deems reasonably necessary to seek immediate injunctive equitable relief, in which event a Party may seek such relief to protect its interests in an appropriate form, in the event of any controversy or claim arising out of relating to this Agreement, or any breach thereof, the Parties agree for a period of 30 days following notification that a controversy or breach has arisen or occurred to attempt in good faith to resolve any such controversy or breach between respective senior officers for each Party who are responsible for administration of this Agreement. All applicable statutes of limitation, including without limitation any contractual statutes of limitation in this Agreement shall be tolled while the procedures of this Section 21.1 are pending. If such senior officers are unable to resolve the controversy or breach within the said 30 days, then the Parties shall submit the controversy or breach to [President] of each Party for resolution for a period of 15 days. If the Parties' respective senior officers or [Presidents] resolve the controversy or breach, the Parties will adhere to their resolution, and make such amendments to this Agreement as may be necessary.

21.2 In the event the [Presidents] are unable to resolve the controversy or breach within the said 15 day period, either Party may initiate an action in a federal or state court of competent jurisdiction of all such courts.

22. APPLICABLE LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado, without reference to its conflict of laws and provisions.

23. ENTIRE AGREEMENT. This Agreement sets forth the entire understanding among the Parties regarding the matters addressed herein and supersedes any previous communications, representations or agreement, whether oral or written. This Agreement shall not be amended, except by written document signed by all Parties.

24. HEADINGS. The section headings contained herein are for convenience in reference and are not intended to define or limit the scope of and provision of this Agreement.

25. TIME OF ESSENCE. Time is of the essence in this Agreement.

26. NON-WAIVER. Waiver by either Party or the failure of either Party to insist upon the strict performance of any provision of this Agreement shall not constitute a waiver of the right performance of any provision in the future.

27. SEVERABILITY. Any covenant, condition or provision herein contained that is held to be invalid by any court of competent jurisdiction shall be considered deleted from this Agreement, but such deletion shall in no way affect any other covenant, condition or provision herein contained so long as such deletion does not materially prejudice the Surface Owner or GWOG in their rights and obligations contained in valid covenants, conditions or provisions.

28. NO JOINT VENTURE. This Agreement is not intended to, nor shall it be interpreted to create joint venture, partnership or any other relationship between the Surface Owner and GWOG, other than that of surface owner oil and gas lessee or miner owner, respectively.

29. THE PARTIES have executed this Agreement on the day and year first written above.

GREAT WESTERN OIL AND GAS COMPANY, LLC

T.W. Rand

By: Tom W. Rand, Vice President of Operations

BROE LAND ACQUISTIONS II, LLC

By: John H. Lyda

Name: JOHN H. Lyda

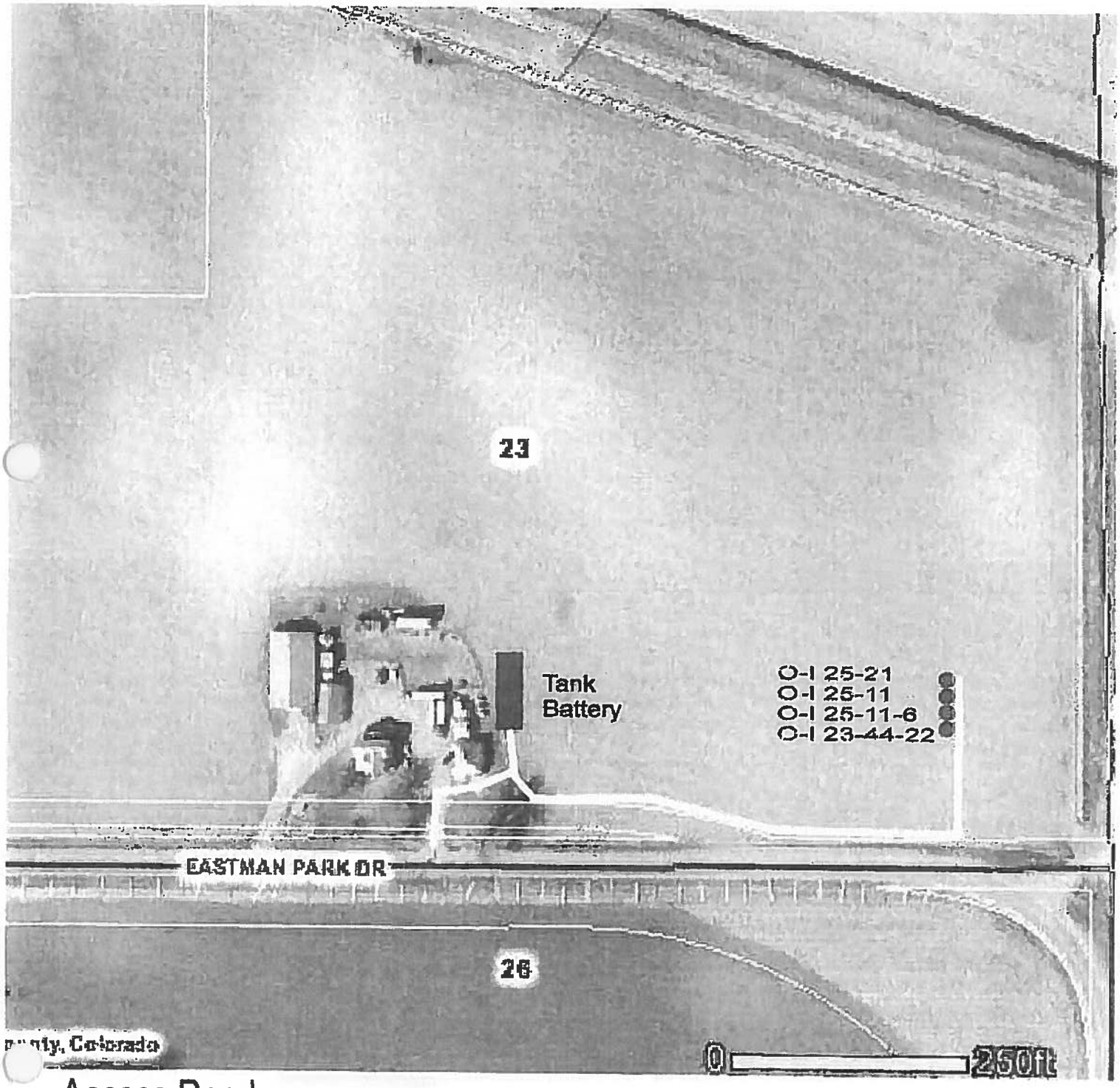
Title: Manager

EXHIBIT "A"

This Exhibit "A" is attached to that certain Surface Use Agreement between Broe Land Acquisitions, II, LLC, as "Owners" and Great Western Oil and Gas Company, LLC, as "Operator", dated October 24th, 2011.

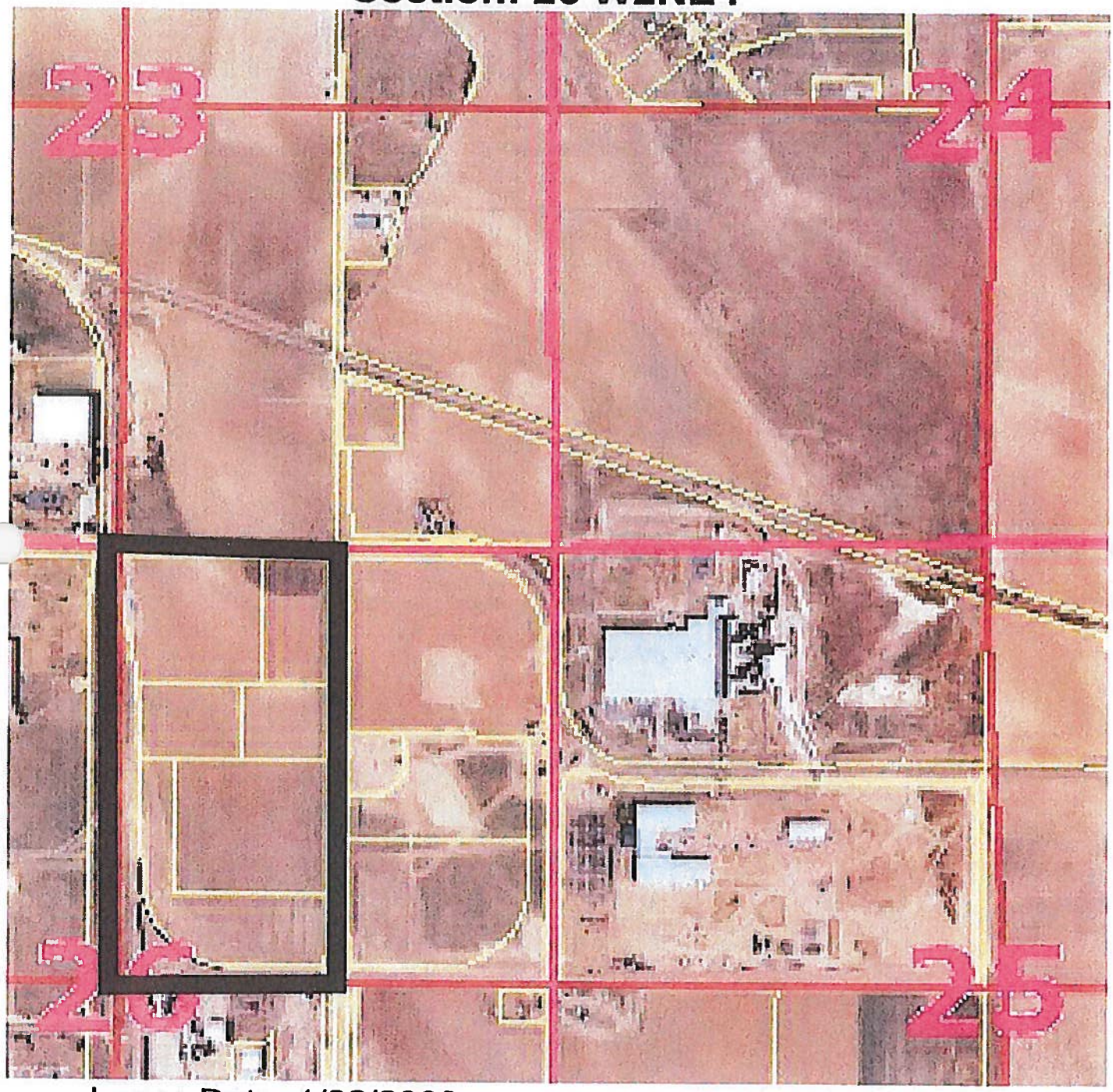
TOWNSHIP 6 NORTH, RANGE 67 WEST, 6th P.M.

Section 23: Part of the SE/4



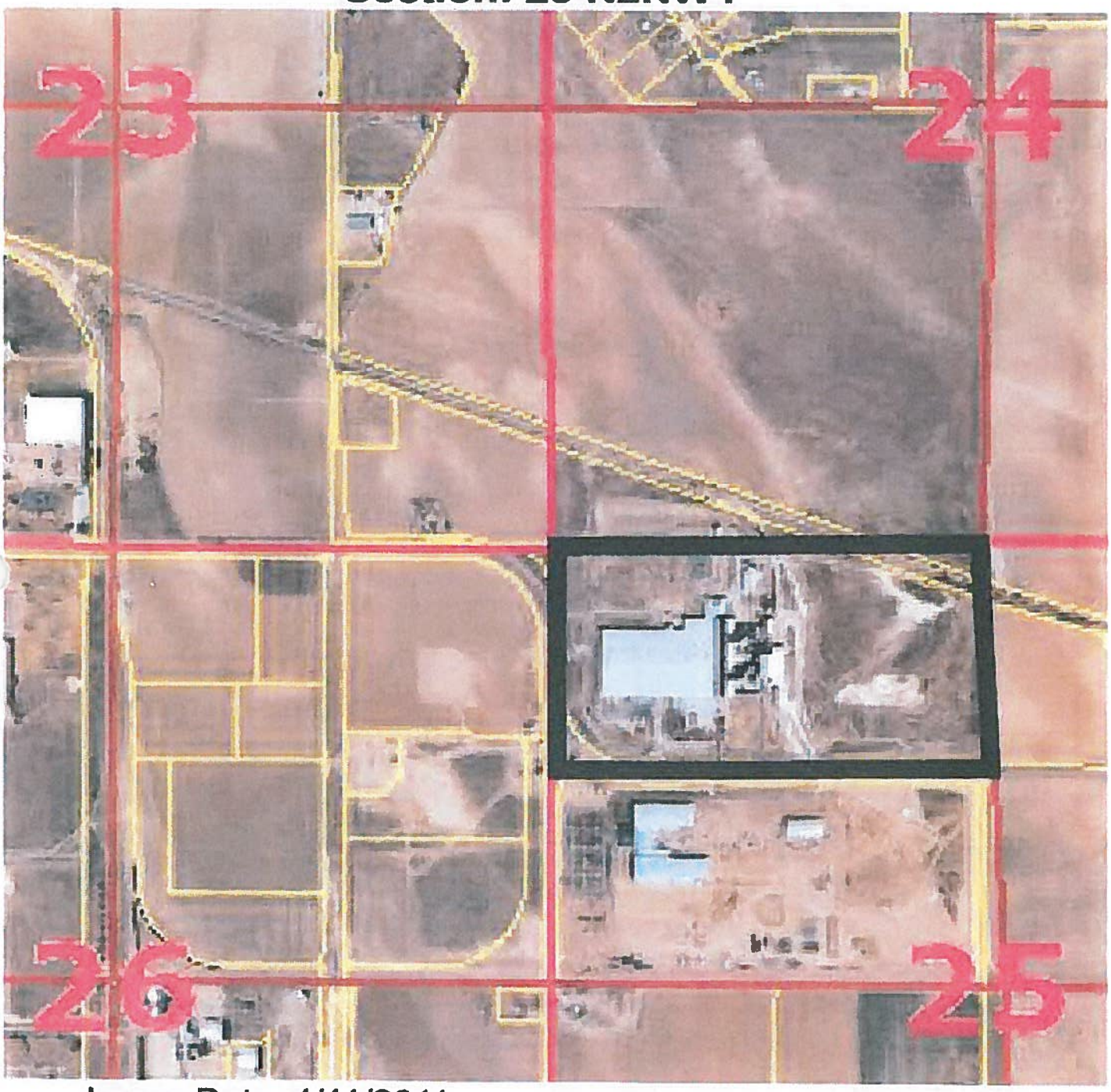
Access Road

O-I LEASE MAP
O-I 23-44-22
Township 6 North, Range 67 West, 6th P. M.
Section: 26 W2NE4



Lease Date: 1/22/2008
Recorded: 2/1/2008 at Reception No. 3532996
Lessor: Penne Powers Thomas
Acres: 80

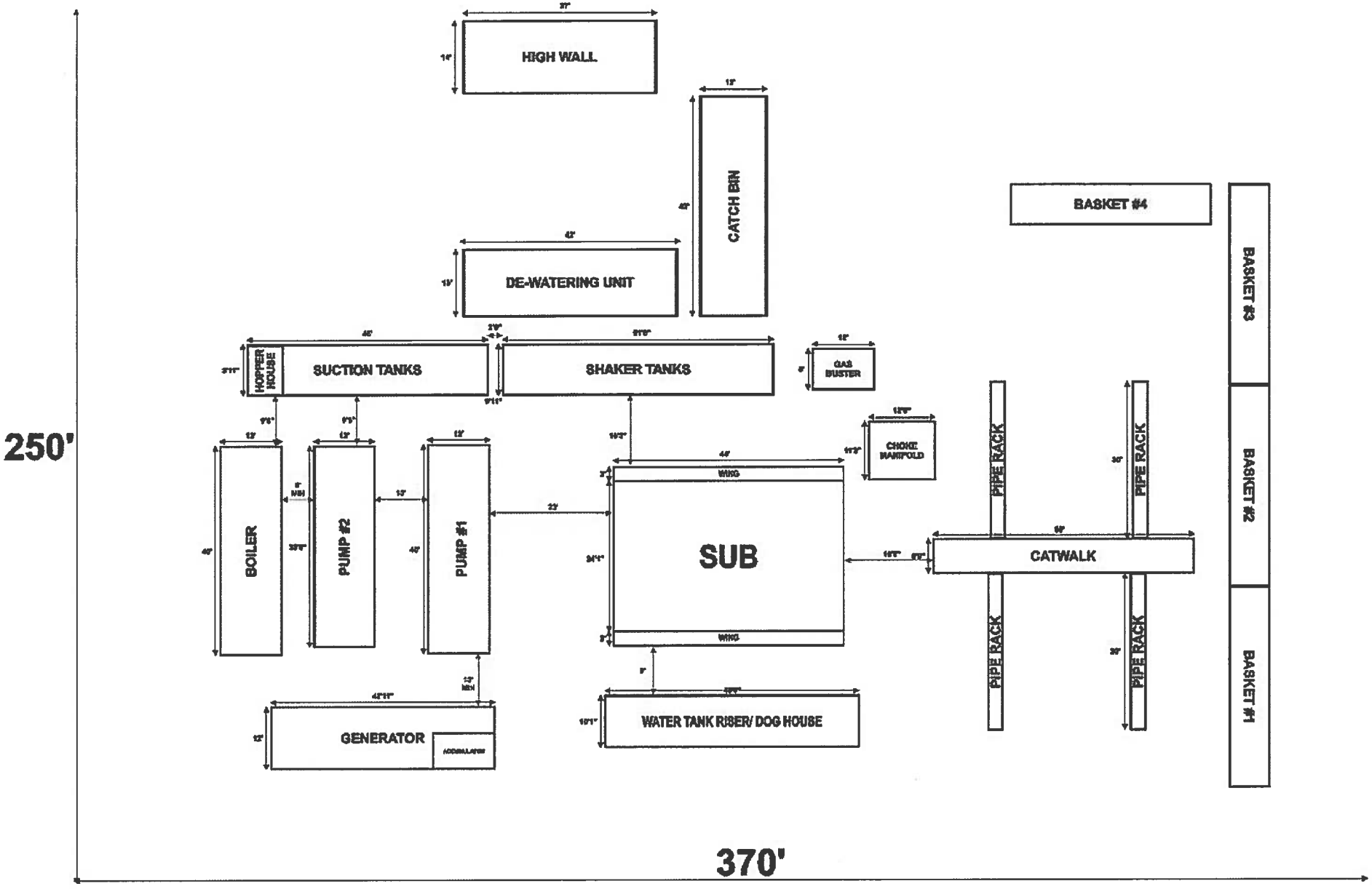
O-I LEASE MAP
O-I 25-11, O-I 25-21 AND O-I 25-11-6
Township 6 North, Range 67 West, 6th P. M.
Section: 25 N2NW4



Lease Date: 4/11/2011
Recorded: 5/20/2011 at Reception No. 3769747
Lessor: Owens-Brockway Glass Container
Acres: 80

RIG 25

REQUESTED LOCATION SIZE



EROSION AND DRAINAGE CONTROL

Culverts for cross-drainage will be installed as warranted and in conjunction with consultations with surface owner's tenant farmer. Silt fences will be installed around the drilling pad and tank battery site construction. The tank battery site is flat and only minimal grading will be required. The wellhead access road will be crowned, ditched and graveled, and culverts for cross drainage will be installed as above. The access road is bordered by an irrigated field, and an open area. The pad will be constructed such that it does not drain to the open area to the east. The operator will take whatever means are necessary to insure that access to the wellheads is maintained in all seasons. A silt fence will be installed around the drill-cuttings pad, topsoil and spoil piles to prevent soil migration. The wellhead pad is also relatively flat. No significant cuts or fills will be required.

DRILLING PHASE

After site preparation, portable drilling rig equipment is transported to location and rigged up. Weld County and Town of Windsor rig move permits will be obtained. Drilling operations are conducted 24 hours a day until completed. The surface hole is drilled to at least 700 ft using fresh water and surface casing is run and cemented back to ground level to protect fresh water zones. Surface casing setting depth and construction is approved by the Colorado Oil & Gas Conservation Commission and complies with COGCC rules and regulations. Well control equipment (BOPE) is installed and tested and drilling of the main hole is commenced. The rig uses a closed-loop pit-less drilling system. The proposed total measured depths for the wells on-site approximately 7,884 ft, depending on the directional reach. Production casing (4 ½" 11.6#/ft steel casing) is installed and cemented in place across the productive zones to isolate the oil and gas productive intervals from communication with shallower formations.

The rig will move in, drill and move out over a continuous period of approximately 5-7 days per well.

Water used in drilling the wells will be obtained from a commercial water hauling contractor from a source approved by both COGCC and the State Engineer's office.

Mud and cuttings will be trucked offsite to an approved land farming or land spreading site per COGCC regulations.

COGCC

317. GENERAL DRILLING RULES

Unless altered, modified, or changed for a particular field or formation upon hearing before the Commission the following shall apply to the drilling or deepening of all wells.

a. **Blowout prevention equipment ("BOPE").** The operator shall take all necessary precautions for keeping a well under control while being drilled or deepened. BOPE, if any, shall be indicated on the Application for Permit to Drill, Deepen, Re-enter, or Recomplete and Operate (Form 2), as well as any known subsurface conditions (e.g. under or over-pressured formations). The working pressure of any BOPE shall exceed the anticipated surface pressure to which it may be subjected, assuming a partially evacuated hole with a pressure gradient of 0.22 psi/ft. [For BOPE requirements in high density areas see Rule 603.b.(4)B. For statewide BOPE specification, inspection, operation and testing requirements see Rule 603.f.]

(1) The Director shall have the authority to designate specific areas, fields or formations as requiring certain BOPE. Any such proposed designation shall occur by notice describing the area, field or formation in question and shall be given to all operators of record within such area or field and by publication. The proposed designation, if no protest is timely filed, shall be placed on the Commission consent agenda for its next regularly scheduled meeting following the month in which such notice was given. The matter shall be approved or heard by the Commission in accordance with Rule 520. Such designation shall be effective immediately upon approval by the Commission, except as to any previously-approved Form 2.

(2) The Director shall have the authority, outside areas designated pursuant to Rule 317.a.(1), to condition approval of any application for permit to drill by requiring BOPE which the Director determines to be necessary for keeping the well under control. Should the operator object to such condition of approval, the matter shall be heard at the next regularly scheduled meeting of the Commission, subject to the notice requirements of Rule 507.

b. **Bottom hole location.** Unless authorized by the provisions of Rule 321., all wells shall be so drilled that the horizontal distance between the bottom of the hole and the location at the top of the hole shall be at all times a practical minimum.

c. **Requirement to post permit at the rig and provide spud notice.** A copy of the approved Application for Permit to Drill, Deepen, Re-enter, or Recomplete and Operate, Form 2, shall be posted in a conspicuous place on the drilling rig or workover rig. A notice shall be provided to the Director on a Sundry Notice, Form 4, no later than five (5) days following the spudding of a well. The Director may apply a condition of approval for Application for Permit to Drill, Deepen, Re-enter, or Recomplete and Operate, Form 2 requiring not less than twenty-four (24) hours nor more than seventy-two (72) hours verbal or written notice prior to spud.

d. **Casing program to protect hydrocarbon horizons and ground water.** The casing program adopted for each well must be so planned and maintained as to protect any potential oil or gas bearing horizons penetrated during drilling from infiltration of injurious waters from other sources, and to prevent the migration of oil, gas or water from one (1) horizon to another, that may result in the degradation of ground water. A Sundry Notice, Form 4, including a detailed work plan and a wellbore diagram, shall be submitted and approved by the Director prior to any routine or planned casing repair operations. During well operations, prior verbal approval for unforeseen casing repairs followed by the filing of a Sundry Notice, Form 4, after completion of operations shall be acceptable.

e. **Surface casing where subsurface conditions are unknown.** In areas where pressure and formations are unknown, sufficient surface casing shall be run to reach a depth below all known or reasonably estimated utilizable domestic fresh water levels and to prevent blowouts or uncontrolled flows, and shall be of sufficient size to permit the use of an intermediate string or strings of casings. Surface casing shall be set in or through an impervious formation and shall be cemented by pump and plug or displacement or other approved method with sufficient cement to fill the annulus to the top of the hole, all in accordance with reasonable requirements of the Director. In the D–J Basin Fox Hills Protection Area surface casing will be set in accordance with Rule 317A. (See also subparagraph g.).

f. **Surface casing where subsurface conditions are known.** For wells drilled in areas where subsurface conditions have been established by drilling experience, surface casing, size at the owner's option, shall be set and cemented to the surface by the pump and plug or displacement or other approved method at a depth and in a manner sufficient to protect all fresh water and to ensure against blowouts or uncontrolled flows. In the D–J Basin Fox Hills Protection Area surface casing shall be set in accordance with Rule 317A. (See also subparagraph g.).

g. **Alternate aquifer protection by stage cementing.** In areas where fresh water aquifers are of such depth as to make it impractical or uneconomical to set the full amount of surface casing necessary to comply fully with the requirement to cover or isolate all fresh water aquifers as required in subparagraph e. and f., the owner may, at its option, comply with this requirement by stage cementing the intermediate and/or production string so as to accomplish the required result. If unanticipated fresh water aquifers are encountered after setting the surface pipe they shall be protected or isolated by stage cementing the intermediate and/or production string with a solid cement plug extending from fifty (50) feet below each fresh water aquifer to fifty (50) feet above said fresh water aquifer or by other methods approved by the Director in each case. In the D–J Basin Fox Hills Protection Area any stage cementing shall occur only in accordance with Rule 317A. If the stage cement is not circulated to surface, a temperature log or cement bond log shall be run to determine the top of the stage cement to ensure aquifers are protected.

h. **Surface and intermediate casing cementing.** The operator shall ensure that all surface and intermediate casing cement required under this rule shall be of adequate quality to achieve a minimum compressive strength of three hundred (300) psi after twenty-four (24) hours and eight hundred (800) psi after seventy-two (72) hours measured at ninety-five degrees fahrenheit (95 °F) and at eight hundred (800) psi. All surface casing shall be cemented with a continuous column from the bottom of the casing to the surface. After thorough circulation of the wellbore, cement shall be pumped behind the intermediate casing to at least two hundred (200) feet above the top of the shallowest known production horizon and as required in 317.g. Cement placed behind the surface and intermediate casing shall be allowed to set a minimum of eight (8) hours, or until three hundred (300) psi calculated compressive strength is developed, whichever occurs first, prior to commencing drilling operations. If the surface casing cement level falls below the surface, to the extent safety or aquifer protection is compromised, remedial cementing operations shall be performed.

i. **Production casing cementing.** The operator shall ensure that all cement required under this rule placed behind production casing shall be of adequate quality to achieve a minimum compressive strength of at least three hundred (300) psi after twenty-four (24) hours and eight hundred (800) psi after seventy-two (72) hours measured at ninety-five degrees fahrenheit (95 °F) and at eight hundred (800) psi. After thorough circulation of a wellbore, cement shall be pumped behind the production casing (200) feet above the top of the shallowest known producing horizon. All fresh water aquifers which are exposed below the surface casing shall be cemented behind the production casing. All such cementing

around an aquifer shall consist of a continuous cement column extending from at least fifty (50) feet below the bottom of the fresh water aquifer which is being protected to at least fifty (50) feet above the top of said fresh water aquifer. Cement placed behind the production casing shall be allowed to set seventy-two (72) hours, or until eight hundred (800) psi calculated compressive strength is developed, whichever occurs first, prior to the undertaking of any completion operation.

j. **Production casing pressure testing.** The installed production casing shall be adequately pressure tested for the conditions anticipated to be encountered during completion and production operations.

k. **Protection of aquifers and production stratum and suspension of drilling operations before running production casing.** In the event drilling operations are suspended before production string is run, the Director shall be notified immediately and the operator shall take adequate and proper precautions to assure that no alien water enters oil or gas strata, nor potential fresh water aquifers during such suspension period or periods. If alien water is found to be entering the production stratum or to be causing significant adverse environmental impact to fresh water aquifers during completion testing or after the well has been put on production, the condition shall be promptly remedied.

l. **Flaring of gas during drilling and notice to local emergency dispatch.** Any gas escaping from the well during drilling operations shall be, so far as practicable, conducted to a safe distance from the well site and burned. The operator shall notify the local emergency dispatch as provided by the local governmental designee of any such flaring. Such notice shall be given prior to the flaring if the flaring can be reasonably anticipated, and in all other cases as soon as possible but in no event more than two (2) hours after the flaring occurs.

m. **Protection of productive strata during deepening operations.** If a well is deepened for the purpose of producing oil and gas from a lower stratum, such deepening to and completion in the lower stratum shall be conducted in such a manner as to protect all upper productive strata.

n. **Requirement to evaluate disposal zones for hydrocarbon potential.** If a well is drilled as a disposal well then the disposal zone shall be evaluated for hydrocarbon potential. The proposed hydrocarbon evaluation method shall be submitted in writing and approved by the Director prior to implementation. The productivity results shall be submitted to the Director upon completion of the well.

o. **Requirement to log well.** For all new drilling operations, the operator shall be required to run a minimum of a resistivity log with gamma-ray or other petrophysical log(s) approved by the Director that adequately describe the stratigraphy of the wellbore. A cement bond log shall be run on all production casing or, in the case of a production liner, the intermediate casing, when these casing strings are run. These logs and all other logs run shall be submitted with the Well Completion or Recompletion Report and Log, Form 5. Open hole logs shall be run at depths that adequately verify the setting depth of surface casing and any aquifer coverage. These requirements shall not apply to the unlogged open hole completion intervals, or to wells in which no open hole logs are run.

p. **Remedial cementing during recompletion.** The Director may apply a condition of approval for Application for Permit to Drill, Deepen, Re-enter, or Recomplete and Operate, Form 2, to require remedial cementing during recompletion operations consistent with the provisions for protecting aquifers and hydrocarbon bearing zones in this Rule 317.

317A. SPECIAL DRILLING RULES - D–J BASIN FOX HILLS PROTECTION AREA

The following special drilling rules shall apply to wells in the D–J Basin Fox Hills Protection Area as defined in the 100 Series of the Rules and Regulations:

a. **Surface Casing - Minimum Requirements for Well Control.** In all wells drilled within the D–J Basin Fox Hills Protection Area, surface casing shall be run to a minimum depth of five percent (5%) of the projected total depth to which the well is to be drilled, provided that in no event shall the surface casing be run to a depth less than two hundred (200) feet. The Director may, on a case-by-case basis, grant variances in this five percent (5%) requirement where the Director finds that the well is a development well in which pressures can be accurately predicted and finds that, based upon those predictions, the five percent (5%) requirement should be varied to achieve effective well control. In all cases, however, the actual depth at which the surface casing is set shall be calculated to position the casing seat to a depth within a competent formation (preferably shale) which will contain the maximum pressure to which the casing will be exposed during normal drilling operations.

b. **Surface Casing - Aquifer Protection.** For purposes of aquifer protection, surface casing must be set as follows in wells which are not exploratory wells:

   (1) Surface casing shall be run to a depth at least fifty (50) feet below the Fox Hills transition zone in wells drilled within Townships 5 South through 5 North, Ranges 65 West through 70 West or within Townships 3 North through 5 North, Range 64 West.

   (2) With respect to Townships 5 South through 5 North, Ranges 58 West through 63 West, Townships 5 South through 2 North, Range 64 West; and Township 6 South, Ranges 65 West through 70 West, in all wells located within one (1) mile of a permitted producing water well, surface casing shall be set to a depth sufficient to protect the deepest permitted producing water well within such one mile area. Said depth shall be at least fifty (50) feet below the depth of the base of the aquifer from which said deepest water well is producing, or fifty (50) feet below the base of the Fox Hills Transition Zone if such deepest water well produces from the Fox Hills Aquifer.

   Upon the request of the operator, the Director (or the Commission upon appeal) may grant a variance to the requirements of this subparagraph b. upon a showing to the Director, or the Commission upon appeal, that the variance does not violate the basic intent of said requirements. For such variance purpose, the basic intent of said requirements is stated to be to provide reasonable aquifer protection for the water well(s) which are permitted by the State of Colorado Division of Water Resources and are currently producing in the area potentially affected by the oil or gas well to be drilled.

c. **Exploratory Wells.** For purposes of the D–J Basin Fox Hills Protection Area only, the term exploratory well means any well:

   (1) Which targets the classically demonstrated zones with limited geographic extent such as channel, bar, valley fill and levee type sandstones that were deposited prior to the x-bentonite time stratigraphic event; or

   (2) Which can be demonstrated to be separated from a known producing horizon by a dry hole; or

(3) Which can be demonstrated to be targeted to a horizon which is geologically separate from the producing horizon in an offsetting producing well, or

(4) Which the Director, or the Commission upon appeal, may define as an exploratory well by variance, it being the basic intent of this definition that the requirements of subparagraph b. not operate to discourage the drilling of high risk wells.

317B. PUBLIC WATER SYSTEM PROTECTION

a. **Definitions.** For purposes of this Rule 317B:

(1) **Drilling, Completion, Production and Storage ("DCPS") Operations** shall mean operations at (i) well sites for the drilling, completion, recompletion, workover, or stimulation of wells or chemical and production fluid storage, and (ii) any other oil and gas location at which production facilities are operated. DCPS Operations shall exclude roads, gathering lines, pipelines, and routine operations and maintenance.

(2) **Existing Oil and Gas Location** shall mean an oil and gas location, excluding roads, pipelines, and gathering lines, permitted or constructed prior to the later of May 1, 2009 for federal land or April 1, 2009 for all other land or the date that the oil and gas location becomes subject to Rule 317B by virtue of its proximity to a Classified Water Supply Segment.

(3) **New Oil and Gas Location** shall mean an oil and gas location, excluding roads, pipelines, and gathering lines, that is not an existing oil and gas location.

(4) **New Surface Disturbance** shall mean surface disturbance that expands the area of surface covered by an oil and gas location beyond that initially disturbed in the construction of the oil and gas location.

(5) **Non-Exempt Linear Feature** shall mean a road, gathering line, or pipeline that is not necessary to cross a stream or connect or access a well or a gathering line.

b. **Applicability Determination.**

(1) Rule 317B is applicable to DCPS Operations within Surface Water Supply Areas. The applicability of Rule 317B will be determined by reviewing the Public Water System Surface Water Supply Area Map, attached as part of Appendix VI, or by entering information into the Public Water System Surface Water Supply Area Applicability Determination Tool, also located on the Commission website.

(2) The Public Water Systems subject to the protections of this Rule 317B are those listed in Appendix VI. Any additions or deletions to the Public Water Systems listed in Appendix VI or the Public Water System Surface Water Supply Area Map, also located in Appendix VI, shall be by Commission rulemaking, as provided in Rule 529.

(3) DCPS Operations at New Oil and Gas Locations within a Surface Water Supply Area will be subject to the requirements in Rules 317B.c, 317B.d, or 317B.e based on the buffer zones defined in Table 1, below. DCPS Operations at Existing Oil and Gas Locations within a Surface Water Supply Area at which no new surface disturbance has occurred after the date Rule 317B became applicable to that oil and gas location will be subject to the requirements in Rule 317B.f.(1) based on the buffer zones defined in Table 1. DCPS Operations at Existing Oil and Gas

Locations within a Surface Water Supply Area at which new surface disturbance has occurred after the date Rule 317B became applicable to that oil and gas location will be subject to the requirements in Rule 317B.f.(2) based on the buffer zones defined in Table 1.

(4) For Classified Water Supply Segments that are perennial and intermittent streams, buffer zones shall be determined by measuring from the ordinary high water line of each bank to the near edge of the disturbed area at the oil and gas location at which the DCPS Operations will occur.

(5) The buffer zones shall apply only to DCPS Operations located on the surface. The buffer zones shall not apply to subsurface boreholes and equipment or materials contained therein. The buffer zones shall not apply to DCPS Operations located in an area that does not drain to a classified water supply segment protected by this Rule 317B.

TABLE 1. Buffer Zones Associated with DCPS Operations.

Zone	Classified Water Supply Segments (ft)
Internal Buffer	0 - 300
Intermediate Buffer	301 - 500
External Buffer	501 - 2,640

c. **Requirements for DCPS Operations Conducted at New Oil and Gas Locations in the Internal Buffer Zone.**

DCPS Operations conducted and Non-Exempt Linear Features located at New Oil and Gas Locations within a Surface Water Supply Area may not occur in whole or in part within the Internal Buffer Zone identified in Table 1 unless a variance is granted pursuant to Rule 502.b and consultation with the Colorado Department of Public Health and Environment occurs pursuant to Rule 306.d and a Form 2A or Form 2 with appropriate conditions of approval has been approved, or the Director has approved a Comprehensive Drilling Plan pursuant to Rule 216 that covers the operation. In determining appropriate conditions of approval for such operations, the Director shall consider the extent to which the conditions of approval are required to prevent impacts to the Public Water System.

(1) The Commission shall grant a variance if the operator demonstrates that:

A. The proposed DCPS Operations and applicable best management practices and operating procedures will result in substantially equivalent protection of drinking water quality in the Surface Water Supply area; and

B. Either:

i. Conducting the DCPS Operation outside the Internal Buffer Zone would pose a greater risk to public health, safety, or welfare, including the environment and wildlife resources, such as may be the case where conducting the DCPS Operations outside the

Internal Buffer Zone would require construction in steep or erosion-prone terrain or result in greater surface disturbance due to an inability to use infrastructure already constructed such as roads, well sites, or pipelines; or

ii. Conducting DCPS Operations beyond the Internal Buffer Zone is technically infeasible and prevents the operator from exercising its mineral rights.

(2) At a minimum, for any DCPS Operation at a New Oil and Gas Location within the Internal Buffer Zone, the Director shall include as conditions of approval in the Form 2A, Form 2, or Comprehensive Drilling Plan, the requirements of Rule 317B.d.

d. **Requirements for DCPS Operations at New Oil and Gas Locations in the Intermediate Buffer Zone.**

The following shall be required for all DCPS Operations at New Oil and Gas Locations within a Surface Water Supply Area and in the Intermediate Buffer Zone as defined in Table 1.

(1) Pitless drilling systems;

(2) Flowback and stimulation fluids contained within tanks that are placed on a well pad or in an area with downgradient perimeter berming;

(3) Berms or other containment devices shall be constructed in compliance with Rule 603.e.(12) around crude oil, condensate, and produced water storage tanks; and

(4) When sufficient water exists in the Classified Water Supply Segment, collection of baseline surface water data consisting of a pre-drilling surface water sample collected immediately downgradient of the oil and gas location and follow-up surface water data consisting of a sample collected at the same location three (3) months after the conclusion of any drilling activities and operations or completion. The sample parameters shall include:

A. pH;

B. Alkalinity;

C. Specific conductance;

D. Major cations/anions (chloride, fluoride, sulfate, sodium);

E. Total dissolved solids;

F. BTEX/GRO/DRO;

G. TPH;

H. PAH's (including benzo(a)pyrene); and

I. Metals (arsenic, barium, calcium, chromium, iron, magnesium, selenium).

Current applicable EPA-approved analytical methods for drinking water must be used and analyses must be performed by laboratories that maintain state or nationally accredited programs.

Copies of all test results described above shall be provided to the Commission and the potentially impacted Public Water System(s) within three (3) months of collecting the samples. In addition, the analytical results and surveyed sample locations shall be submitted to the Commission in an electronic data deliverable format.

(5) Notification of potentially impacted Public Water Systems within fifteen (15) stream miles downstream of the DCPS Operation prior to commencement of new surface disturbing activities at the site.

(6) An emergency spill response program that includes employee training, safety, and maintenance provisions and current contact information for downstream Public Water System(s) located within fifteen (15) stream miles of the DCPS Operation, as well as the ability to notify any such downstream Public Water System(s) with intake(s) within fifteen (15) stream miles downstream of the DCPS operations.

In the event of a spill or release, the operator shall immediately implement the emergency response procedures in the above-described emergency response program.

If a spill or release impacts or threatens to impact a Public Water System, the operator shall notify the affected or potentially affected Public Water System(s) immediately following discovery of the release, and the spill or release shall be reported to the Commission in accordance with Rule 906.b.(3), and to the Environmental Release/Incident Report Hotline (1-877-518-5608) in accordance with Rule 906.b.(4).

e. Requirements for DCPS Operations at New Oil and Gas Locations within the External Buffer Zone.

The following shall be required when DCPS Operations are conducted at New Oil and Gas Locations within a Surface Water Supply Area and in the External Buffer Zone as defined in Table 1.

(1) Pitless drilling systems or containment of all drilling flowback and stimulation fluids pursuant to Rule 904; and

(2) When sufficient water exists in the Classified Water Supply Segment, collection of baseline surface water data consisting of a pre-drilling surface water sample collected immediately downgradient of the oil and gas location and follow-up surface water data consisting of a sample collected at the same location three (3) months after the conclusion of any drilling activities and operations or completion. The sample parameters shall include:

A. pH;

B. Alkalinity;

C. Specific conductance;

D. Major cations/anions (chloride, fluoride, sulfate, sodium);

E. Total dissolved solids;

F. BTEX/GRO/DRO;

G. TPH;

H. PAH's (including benzo(a)pyrene); and

I. Metals (arsenic, barium, calcium, chromium, iron, magnesium, selenium).

Current applicable EPA-approved analytical methods for drinking water must be used and analyses must be performed by laboratories that maintain state or nationally accredited programs.

Copies of all test results described above shall be provided to the Commission and the potentially impacted Public Water System(s) within three (3) months of collecting the samples. In addition, the analytical results and surveyed sample locations shall be submitted to the Commission in an electronic data deliverable format.

(3) Notification of potentially impacted Public Water Systems within fifteen (15) stream miles downstream of the DCPS Operation prior to commencement of new surface disturbing activities at the site.

(4) An emergency spill response program that includes employee training, safety, and maintenance provisions and current contact information for downstream Public Water System(s) located within fifteen (15) stream miles of the DCPS Operation, as well as the ability to notify any such downstream Public Water System(s) with intake(s) within fifteen (15) stream miles downstream of the DCPS operations.

In the event of a spill or release, the operator shall immediately implement the emergency response procedures in the above-described emergency response program.

If a spill or release impacts or threatens to impact a Public Water System, the operator shall notify the affected or potentially affected Public Water System(s) immediately following discovery of the release, and the spill or release shall be reported to the Commission in accordance with Rule 906.b.(3), and to the Environmental Release/Incident Report Hotline (1-877-518-5608) in accordance with Rule 906.b.(4).

f. **Requirements for DCPS Operations at Existing Oil and Gas Locations.**

(1) Existing Oil and Gas Locations and DCPS Operations at Existing Oil and Gas Locations within a Surface Water Supply Area and within zones specified in Table 1 shall be subject to the following requirements instead of the requirements of Rules 317B.c, 317B.d, or 317B.e provided that no new surface disturbance at the Existing Oil and Gas Location occurs after the later of May 1, 2009 for federal land or April 1, 2009 for all other land or the date Rule 317B became applicable to the oil and gas location:

A. Collection of surface water data from a Classified Water Supply Segment consisting of a sample collected immediately downgradient of the oil and gas operation will occur by the latest of June 1, 2009, within six (6)

months after the date Rule 317B became applicable to the oil and gas location, or when sufficient water exists in the stream:

i. pH;

ii. Alkalinity;

iii. Specific conductance;

iv. Major cations/anions (chloride, fluoride, sulfate, sodium);

v. Total dissolved solids;

vi. BTEX/GRO/DRO;

vii. TPH;

viii. PAH's (including benzo(a)pyrene); and

ix. Metals (arsenic, barium, calcium, chromium, iron, magnesium, selenium).

Current applicable EPA-approved analytical methods for drinking water must be used and analyses must be performed by laboratories that maintain state or nationally accredited programs.

Copies of all test results described above shall be provided to the Commission and the potentially impacted Public Water System(s) within three (3) months of collecting the samples. In addition, the analytical results and surveyed sample locations shall be submitted to the Commission in an electronic data deliverable format.

B. An emergency spill response program that includes employee training, safety, and maintenance provisions and current contact information for downstream Public Water System(s) located within fifteen (15) stream miles of the DCPS Operation, as well as the ability to notify any such downstream Public Water System(s) with intake(s) within fifteen (15) stream miles downstream of the DCPS Operations.

In the event of a spill or release, the operator shall immediately implement the emergency response procedures in the above-described emergency response program.

If a spill or release impacts or threatens to impact a Public Water System, the operator shall notify the affected or potentially affected Public Water System(s) immediately following discovery of the release, and the spill or release shall be reported to the Commission in accordance with Rule 906.b.(3), and to the Environmental Release/Incident Report Hotline (1-877-518-5608) in accordance with Rule 906.b.(4).

C. Operators shall employ and maintain Best Management Practices, as necessary, to comply with this rule.

(2) Existing Oil and Gas Locations and DCPS Operations at Existing Oil and Gas Locations within a Surface Water Supply Area and within zones specified in Table 1 for which new surface disturbance occurs on or after the later of May 1, 2009 for federal land or on or after April 1, 2009 for all other land or the date Rule 317B became applicable to the oil and gas location shall be subject to the requirements of Rule 317B.f.(3) instead of the requirements of Rules 317B.c, 317B.d, or 317B.e where the additional new surface disturbance is addressed in a Comprehensive Drilling Plan accepted pursuant to Rule 216, or if:

A. The new disturbance from the DCPS Operation will not increase the existing disturbed area prior to interim reclamation by more than one hundred (100) percent up to a maximum of three (3) acres, and

B. The new surface disturbance occurs in a direction away from the stream or no closer to the stream if moving away from the stream would result in more damaging surface disturbance such as location on a steep slope, in an area of high soil erosion potential, or in a wetland.

(3) Where the provisions of Rule 317B.f.(2) apply, the following zone requirements shall apply:

A. For all zones, the requirements of Rule 317B.f.(1), except that the sampling parameters in Rule 317B.f.(1).A shall occur no later than six (6) months after commencing the DCPS Operations at the Existing Oil and Gas Location.

B. For External and Intermediate Buffer Zones: pitless drilling systems or containment of drilling, flowback, and stimulation fluids with impervious liners, as provided in Rule 904.

C. For Internal Buffer Zones:

i. Pitless drilling systems;

ii. Flowback and stimulation fluids contained within tanks and placed on a well pad or in an area with downgradient perimeter berming;

iii. Berms constructed in compliance with Rule 603.e.(12) around all crude oil, condensate, and produced water tanks; and

iv. Notification of potentially impacted Public Water Systems within fifteen (15) stream miles downstream of the DCPS Operation prior to commencement of new surface disturbing activities at the site.

318. LOCATION OF WELLS

All wells drilled for oil or gas to a common source of supply shall have the following setbacks:

a. **Wells 2,500 feet or greater in depth.** A well to be drilled two thousand five hundred (2,500) feet or greater shall be located not less than six hundred (600) feet from any lease line, and shall be located not less than one thousand two hundred (1,200) feet from any other producible or drilling oil or gas well when drilling to the same common source of supply, unless authorized by order of the Commission upon hearing.

b. **Wells less than 2,500 feet in depth.** A well to be drilled to less than a depth of two thousand five hundred (2,500) feet below the surface shall be located not less than two hundred (200) feet from any lease line, and not less than three hundred (300) feet from any other producible oil or gas well, or drilling well, in said source of supply, except that only one producible oil or gas well in each such source of supply shall be allowed in each governmental quarter-quarter section unless an exception under Rule 318.c. is obtained.

c. **Exception locations.** The Director may grant an operator's request for a well location exception to the requirements of this rule or any order because of geologic, environmental, topographic or archaeological conditions, irregular sections, a surface owner request, or for other good cause shown provided that a waiver or consent signed by the lease owner toward whom the well location is proposed to be moved, agreeing that said well may be located at the point at which the operator proposes to drill the well and where correlative rights are protected. If the operator of the proposed well is also the operator of the drilling unit or unspaced offset lease toward which the well is proposed to be moved, waivers shall be obtained from the mineral interest owners under such lands. If waivers cannot be obtained from all parties and no party objects to the location, the operator may apply for a variance under Rule 502.b. If a party or parties object to a location and cannot reach an agreement, the operator may apply for a Commission hearing on the exception location.

d. **Exemptions to Rule 318.**

(1) This rule shall not apply to authorized secondary recovery projects.

(2) This rule shall apply to fracture or crevice production found in shale, except from fields previously exempted from this rule.

(3) In a unit operation, approved by federal or state authorities, the rules herein set forth shall not apply except that no well in excess of two thousand five hundred (2,500) feet in depth shall be located less than so hundred (600) feet from the exterior or interior (if there be one) boundary of the unit area and no well less than two thousand five hundred (2,500) feet in depth below the surface shall be located less than two hundred (200) feet from the exterior or interior (if there be one) boundary of the unit area unless otherwise authorized by the order of the Commission after proper notice to owners outside the unit area.

e. **Wells located near a mine.** No well drilled for oil or gas shall be located within two hundred (200) feet of a shaft or entrance to a coal mine not definitely abandoned or sealed, nor shall such well be located within one hundred (100) feet of any mine shaft house, mine boiler house, mine engine house, or mine fan; and the location of any proposed well shall insure that when drilled it will be at least fifteen (15) feet from any mine haulage or airway.

318A(I). GREATER WATTENBERG AREA SPECIAL WELL LOCATION, SPACING AND UNIT DESIGNATION RULE (EXCEPT THE CITY AND COUNTY OF BROOMFIELD)

The provisions of Rule 318A(I)., recited below, pertain to those lands within the Greater Wattenberg Area defined herein, excepting those lands within the City and County of Broomfield, Colorado as it existed on August 8, 2011.

a. **GWA, GWA wells, GWA windows and unit designations.** The Greater Wattenberg Area ("GWA") is defined to include those lands from and including Townships 2 South to 7 North and Ranges 61 West to 69 West, 6th P.M. In the GWA, operators may utilize the

following described surface drilling locations ("GWA windows") to drill, twin, deepen, or recomplete a well ("GWA well") and to commingle any or all of the Cretaceous Age formations from the base of the Dakota Formation to the surface:

(1) A square with sides four hundred (400) feet in length, the center of which is the center of any governmental quarter-quarter section ("400' window"); and,

(2) A square with sides eight hundred (800) feet in length, the center of which is the center of any governmental quarter section ("800' window").

(3) Absent a showing of good cause, which shall include the existence of a surface use or other agreement with the surface owner authorizing a surface well location outside of a GWA window, all surface wellsites shall be located within a GWA window.

(4) Unit designations.

A. 400' window. When completing a GWA well in a 400' window to a spaced formation, the operator shall designate drilling and spacing units in accordance with existing spacing orders.

B. 800' window. When completing a GWA well in an 800' window, whether in spaced or unspaced formations, the operator shall: (i) designate drilling and spacing units in accordance with existing spacing orders where units are not smaller than a governmental quarter section; or (ii) form a voluntary drilling and spacing unit consisting of a governmental quarter section; or (iii) where designating a drilling and spacing unit smaller than a governmental quarter section, secure waiver(s) from the operator or from the mineral owners (if the operator is also the holder of the mineral lease) of the lands in the governmental quarter section that are not to be included in the spacing unit; or (iv) apply to the Commission to form an alternate unit or to respace the area.

C. Unspaced areas and wellbore spacing units. When completing a GWA well to an unspaced formation, the operator shall designate a drilling and spacing unit not smaller than a governmental quarter-quarter section if such well is proposed to be located greater than four hundred sixty (460) feet from the quarter-quarter section boundary in which it is located. If a well is proposed to be located less than four hundred sixty (460) feet from the governmental quarter-quarter section boundary, a wellbore spacing unit ("wellbore spacing unit") for such well shall be comprised of the governmental quarter-quarter sections that are located less than four hundred sixty (460) feet from the wellbore regardless of section or quarter section lines.

D. Horizontal GWA well. Where a drilling and spacing unit does not exist for a horizontal well, a horizontal wellbore spacing unit shall be designated by the operator for each proposed horizontal well. The horizontal wellbore spacing unit may be of different sizes and configurations depending on lateral length and orientation but shall be comprised of the governmental quarter-quarter sections in which the wellbore lateral penetrates the productive formation as well as any governmental quarter-quarter sections that are located less than four hundred sixty (460) feet from the portion of the wellbore lateral that penetrates the productive zone regardless of section or quarter section lines. However, if the horizontal component of the horizontal wellbore is located entirely within a GWA

window, the operator shall designate a drilling and spacing unit in accordance with subsections a.(4)A. and a.(4)B. of this rule. A horizontal wellbore spacing unit may overlap portions of another horizontal wellbore spacing unit or other wellbore spacing unit designated in accordance with subsection a.(4)C. GWA horizontal wells and horizontal wellbore spacing units shall be subject to the notice and hearing procedures as provided for in Rule 318A(I).e.(6).

b. **Recompletion/commingling of existing wells.** Any GWA well in existence prior to the effective date of this rule, which is not located as described above, may also be utilized for deepening to or recompletion in any Cretaceous Age formation and for the commingling of production therefrom.

c. **Surface locations.** Prior to the approval of any Application for Permit-to-Drill submitted for a GWA well, the proposed surface well location shall be reviewed in accordance with the following criteria:

(1) A new surface well location shall be approved in accordance with Commission rules when it is less than fifty (50) feet from an existing surface well location.

(2) When the operator is requesting a surface well location greater than fifty (50) feet from a well (unless safety or mechanical considerations of the well to be twinned or topographical or surface constraints justify a location greater than fifty (50) feet), the operator shall provide a consent to the exception signed by the surface owner on which the well is proposed to be located in order for the Director to approve the well location administratively.

(3) If there is no well located within a GWA window but there is an approved exception location well located outside of a GWA window that is attributed to such window, the provisions of subsections (1) and (2) of this subsection c. shall be applicable to such location.

d. **Prior wells excepted.** This rule does not alter the size or configuration of drilling units for GWA wells in existence prior to the effective date of this rule. Where deemed necessary by an operator for purposes of allocating production, such operator may allocate production to any drilling and spacing unit with respect to a particular Cretaceous Age formation consistent with the provisions of this rule.

e. **GWA infill.**

(1) **Interior infill wells.** Additional bottom hole locations for the "J" Sand, Codell and Niobrara Formations are hereby established greater than four hundred sixty (460) feet from the outer boundary of any existing 320-acre drilling and spacing unit ("interior infill wells"). Pursuant to the well location provisions of subsection a., above, interior infill well locations shall be reached by utilizing directional drilling techniques from the GWA windows.

A. If a bottom hole location for an interior infill well is proposed to be located less than four hundred sixty (460) feet from the outer boundary of an existing drilling and spacing unit, a wellbore spacing unit as defined in a.(4)C., above, shall be designated by the operator for such well.

B. If a bottom hole location for an interior infill well is proposed to be located greater than four hundred sixty (460) feet from an existing 80-acre or existing 320-acre drilling and spacing unit, the spacing unit for such well

shall conform to the existing 80-acre or existing 320-acre drilling and spacing unit.

(2) **Boundary wells.** Additional bottom hole locations for the "J" Sand, Codell and Niobrara Formations are hereby established less than four hundred sixty (460) feet from the outer boundary of a 320-acre governmental half section or from the outer boundary of any existing 320-acre drilling and spacing unit ("boundary wells"). A wellbore spacing unit as defined in a.(4)C., above, shall be designated by the operator for such well.

(3) **Additional producing formations.** An operator wanting to complete an interior infill well or boundary well in a formation other than the "J" Sand, Codell, or Niobrara Formations ("additional producing formation") must request an exception location prior to completing the additional producing formation. The spacing unit dedicated to the exception location shall comply with subsections (1) or (2), above, as appropriate.

(4) **Water well sampling.** The Director shall require initial baseline testing prior to the first well proposed within a governmental section. The following shall be used as guidance for the Director in establishing initial baseline testing:

A. Within the governmental quarter section of the proposed well, the closest water well ("water quality testing well") completed in the Laramie/Fox Hills Aquifer shall be sampled.

B. If no Laramie/Fox Hills water wells are located within the governmental quarter section, then the deepest representative water quality testing well within the governmental quarter section of the proposed well shall be sampled.

C. If no water wells are located within the governmental quarter section, a water quality testing well (preferably completed in the Laramie/Fox Hills Aquifer) within one-half (½) mile of the proposed well shall be selected.

D. If there are no water quality testing wells that meet the foregoing criteria, then initial baseline testing shall not be required.

E. Initial baseline testing shall include laboratory analysis of all major cations and anions, total dissolved solids, iron and manganese, nutrients (nitrates, nitrites, selenium), dissolved methane, pH, and specific conductance.

F. If free gas or a methane concentration level greater than 2 mg/l is detected in a water quality testing well, compositional analysis shall be performed to determine gas type (thermogenic, biogenic or an intermediate mix of both). If the testing results reveal biogenic gas, no further isotopic testing shall be required. If the testing results reveal thermogenic gas, carbon isotopic analyses of methane carbon shall be conducted. The Director may require further water well sampling at any time as a result of the laboratory results or in response to complaints from water well owners.

G. Copies of all test results described above shall be provided to the Director and the landowner where the water quality testing well is located within three (3) months of collecting the samples used for the test. Laboratory results shall also be submitted to the Director in an electronic format.

(5) Existing production facilities. To the extent reasonably practicable, operators shall utilize existing roads, pipelines, tank batteries and related surface facilities for all interior infill wells and boundary wells.

(6) Notice and hearing procedures. For proposed boundary wells, wellbore spacing units, and additional producing formations provided by this subsection e., and for proposed horizontal wells and horizontal wellbore spacing units as provided by 318A(I).a.(4)D., the following process shall apply:

A. Notice shall be given by certified mail by the operator of a proposed boundary well, wellbore spacing unit, horizontal well or horizontal wellbore spacing unit to all owners in the proposed wellbore spacing unit. Notice shall be given by certified mail by the operator of a proposed additional producing formation to all owners in cornering and contiguous spacing units of the requested completion and the proposed spacing unit; if the additional producing formation is unspaced only the owner in the proposed spacing unit needs to be notified. Notice for a boundary well, wellbore spacing unit, horizontal well or horizontal wellbore spacing unit shall include a description of the wellbore orientation, the anticipated spud date, the size and shape of the proposed wellbore spacing unit (with depiction attached), the proposed surface and bottom hole locations, identified by footage descriptions, and the survey plat. For proposed horizontal wells and horizontal wellbore spacing units, the operator shall also identify by footage descriptions, the location at which the wellbore penetrates the target formation.

B. Each owner shall have a thirty (30) day period after receipt of such notice to object in writing to the operator. The written objection must be based upon a claim that the notice provided by the operator does not comply with the informational requirements of subsection A., above, and/or a technical objection that either waste will be caused, correlative rights will be adversely affected, or that the operator is not an "owner", as defined in the Act, of the mineral estate(s) through which the wellbore penetrates within the target formation. Specific facts must form the basis for such objection. The objecting party shall provide a copy of the written objection to the Director.

C. If an objection pursuant to subsection B. is timely received, the operator may seek a hearing before the Commission on the objection. The objecting party will bear the burden of proving that the notice provided by the operator does not comply with the informational requirements of subsection A., above, that the operator is not an owner, as defined by the Act, and/or the approval of the boundary well location, wellbore spacing unit, horizontal well, horizontal wellbore spacing unit or additional producing formation would either create waste or adversely affect the objecting party's correlative rights. The objection may be first presented to the hearing officer of the Commission and such hearing officer, based on the facts, may recommend to the Commission that such objection shall stand or be dismissed.

D. If the objection stands, the Commission may either enter an order approving or denying the proposed boundary well location, wellbore spacing unit, horizontal well location, horizontal wellbore spacing unit or additional producing formation, with or without conditions. Such conditions may be requisites for the Application for Permit-to-Drill, Form 2, if the operator

chooses to proceed with an Application for Permit-to-Drill, Form 2, relative to the proposed boundary well, wellbore spacing unit, horizontal well, horizontal wellbore spacing unit or additional producing formation. If the objection is dismissed, the operator shall treat the objection as withdrawn and otherwise proceed with subsection E. below.

E. Absent receipt of a timely objection pursuant to subsections A. and B., above, the Director may administratively approve the boundary well, wellbore spacing unit, horizontal well, horizontal wellbore spacing unit or additional producing formation. A location plat evidencing the well location, wellbore spacing unit, or additional producing formation and applicable spacing unit shall be submitted to the Director together with copies of any surface waivers and a certification that no timely objections were received. An Application for Permit-to-Drill, Form 2, specifically identifying that a boundary well, wellbore spacing unit, horizontal well, horizontal wellbore spacing unit or additional producing formation is proposed, shall also be filed with the Director in accordance with Rule 303. within ninety (90) days of the expiration of the thirty (30) day notice period or such notice shall be deemed withdrawn. Should such notice be withdrawn or deemed withdrawn, the proposed operator shall not submit another notice for the same well or wellbore spacing unit within forty-five (45) days of the date the original notice is withdrawn or deemed withdrawn.

f. **Limit on locations.** This rule does not limit the number of formations that may be completed in any GWA drilling and spacing unit nor, subject to subsection c., above, does it limit the number of wells that may be located within the GWA windows.

g. **GWA water sampling.** The Director may apply appropriate drilling permit conditions to require water well sampling near any proposed GWA wells in accordance with the guidelines set forth in subsection e.(4), above.

h. **Waste Management.** In conjunction with filing an Oil and Gas Location Assessment, Form 2A, the operator shall include a waste management plan meeting the general requirements of Rule 907.a.

i. **Exception locations.** The provisions of Rule 318.c. respecting exception locations shall be applicable to GWA wells, however, absent timely objection, boundary wells, wellbore spacing units, and additional producing formations shall be administratively approved as provided in subsection e.(6) above.

j. **Correlative rights.** This rule shall not serve to bar the granting of relief to owners who file an application alleging abuse of their correlative rights to the extent that such owners can demonstrate that their opportunity to produce Cretaceous Age formations from the drilling locations herein authorized does not provide an equal opportunity to obtain their just and equitable share of oil and gas from such formations.

k. **Supersedes orders and policy.** Subject to paragraph d. above, this rule supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of GWA wells. Where the Commission has issued a specific order limiting the number of horizontal wells permitted in a drilling and spacing unit, the well density in such unit shall be governed by that order.

l. The landowner notice provision for the owner(s) of surface property within five hundred (500) feet of the proposed oil and gas location under Rule 305.e. shall not apply to any such locations that are subject to the provisions of this subsection 318A(l).

m. **Minimum intrawell distance.** No horizontal wellbore lateral shall be located less than one hundred fifty (150) feet from any existing or permitted oil or gas wellbore as illustrated in the directional survey for drilled wellbores or as illustrated in the deviated drilling plan for permitted wellbores or as otherwise reflected in the COGCC well records. This requirement may be waived in writing by the operator of the encroached upon well.

318A(ll). GREATER WATTENBERG AREA SPECIAL WELL LOCATION, SPACING AND UNIT DESIGNATION RULE (THE CITY AND COUNTY OF BROOMFIELD)

The provisions of Rule 318A(ll)., recited below, pertain to those lands within the Greater Wattenberg Area within the City and County of Broomfield, Colorado as it existed on August 8, 2011.

a. **GWA, GWA wells, GWA windows and unit designations.** The Greater Wattenberg Area ("GWA") is defined to include those lands from and including Townships 2 South to 7 North and Ranges 61 West to 69 West, 6th P.M. In the GWA, operators may utilize the following described surface drilling locations ("GWA windows") to drill, twin, deepen, or recomplete a well ("GWA well") and to commingle any or all of the Cretaceous Age formations from the base of the Dakota Formation to the surface:

(1) A square with sides four hundred (400) feet in length, the center of which is the center of any governmental quarter-quarter section ("400' window"); and,

(2) A square with sides eight hundred (800) feet in length, the center of which is the center of any governmental quarter section ("800' window").

(3) Absent a showing of good cause, which shall include the existence of a surface use or other agreement with the surface owner authorizing a surface well location outside of a GWA window, all surface wellsites shall be located within a GWA window.

(4) Unit designations.

A. <u>400' window.</u> When completing a GWA well in a 400' window to a spaced formation, the operator shall designate drilling and spacing units in accordance with existing spacing orders.

B. <u>800' window.</u> When completing a GWA well in an 800' window, whether in spaced or unspaced formations, the operator shall: (i) designate drilling and spacing units in accordance with existing spacing orders where units are not smaller than a governmental quarter section; or (ii) form a voluntary drilling and spacing unit consisting of a governmental quarter section; or (iii) where designating a drilling and spacing unit smaller than a governmental quarter section, secure waiver(s) from the operator or from the mineral owners (if the operator is also the holder of the mineral lease) of the lands in the governmental quarter section that are not to be included in the spacing unit; or (iv) apply to the Commission to form an alternate unit or to respace the area.

C. <u>Unspaced areas and wellbore spacing units.</u> When completing a GWA well to an unspaced formation, the operator shall designate a drilling and spacing unit not smaller than a governmental quarter-quarter section if such well is proposed to be located greater than four hundred sixty (460) feet from the quarter-quarter section boundary in which it is located. If a well is proposed to be located less than four hundred sixty (460) feet

from the governmental quarter-quarter section boundary, a wellbore spacing unit ("wellbore spacing unit") for such well shall be comprised of the four (4) governmental quarter-quarter sections nearest to the wellbore regardless of section or quarter section lines.

b. **Recompletion/commingling of existing wells.** Any GWA well in existence prior to the effective date of this rule, which is not located as described above, may also be utilized for deepening to or recompletion in any Cretaceous Age formation and for the commingling of production therefrom.

c. **Surface locations.** Prior to the approval of any Application for Permit-to-Drill submitted for a GWA well, the proposed surface well location shall be reviewed in accordance with the following criteria:

(1) A new surface well location shall be approved in accordance with Commission rules when it is less than fifty (50) feet from an existing surface well location.

(2) When the operator is requesting a surface well location greater than fifty (50) feet from a well (unless safety or mechanical considerations of the well to be twinned or topographical or surface constraints justify a location greater than fifty (50) feet), the operator shall provide a consent to the exception signed by the surface owner on which the well is proposed to be located in order for the Director to approve the well location administratively.

(3) If there is no well located within a GWA window but there is an approved exception location well located outside of a GWA window that is attributed to such window, the provisions of subsections (1) and (2) of this subsection c. shall be applicable to such location.

d. **Prior wells excepted.** This rule does not alter the size or configuration of drilling units for GWA wells in existence prior to the effective date of this rule. Where deemed necessary by an operator for purposes of allocating production, such operator may allocate production to any drilling and spacing unit with respect to a particular Cretaceous Age formation consistent with the provisions of this rule.

e. **GWA infill.** This subsection applies to the following area of the GWA: Township 1 North, Ranges 66 West through 68 West; Township 1 North, Range 69 West: E½; Township 2 North, Ranges 64 West through 68 West; Township 2 North, Range 69 West: E½; Township 3 North, Ranges 64 West through 67 West; Township 4 North, Ranges 63 through 67 West; Township 5 North, Ranges 63 West through 67 West; Township 6 North, Ranges 63 West through 66 West, 6th P.M.

(1) **Interior infill wells.** Additional bottom hole locations for the "J" Sand, Codell and Niobrara Formations are hereby established greater than four hundred sixty (460) feet from the outer boundary of any existing 320-acre drilling and spacing unit ("interior infill wells"). Pursuant to the well location provisions of subsection a., above, interior infill well locations shall be reached by utilizing directional drilling techniques from the GWA windows.

A. If a bottom hole location for an interior infill well is proposed to be located less than four hundred sixty (460) feet from the outer boundary of an existing drilling and spacing unit, a wellbore spacing unit as defined in a.(4)C., above, shall be designated by the operator for such well.

B. If a bottom hole location for an interior infill well is proposed to be located greater than four hundred sixty (460) feet from an existing 80-acre or

NOISE AND FUGITIVE LIGHT POLLUTION MITIGATION

Noise levels will be maintained at levels not to exceed COGCC specifications currently in existence, measured at a point 350' from the noise source, or as defined by current COGCC regulations. Where possible, drilling rig engine exhaust will be vented away from occupied buildings. Light sources will likewise be directed downwards and away from occupied buildings. Light sources will likewise be directed downwards, and away from occupied structures where possible. Great Western will utilize electric motors in order to mitigate the noise impacts on the adjacent residential neighborhoods. Once the drilling and completion rigs leave the site, there will be no permanently installed lighting on site.

WASTE DISPOSAL:

Drilling mud will be hauled off-site following drilling operations. A trash bin will be used for solid waste; no trash will be buried on site. Human waste will be handled by portable sanitary facilities. Produced water from the well will be disposed of at a site approved by the COGCC. Attached E & P Waste Plan.

1700 Broadway
Suite 650
Denver, Colorado 80290

700 Automation Lane
Tel: 970.686.8831
Fax: 1.866.742.1784

Great Western
OIL & GAS COMPANY

E&P WASTE MANAGEMENT PLAN

For all Off-Site Land Application of Water-Based Bentonitic Drilling Fluids and Cuttings

To maintain compliance with rule 907.d.(3), Great Western Oil and Gas Co. (GWOG) adheres to the following procedures in regards to the application of water-based bentonitic drilling fluids and associated drill cuttings (waste) to private and/or company owned spread fields.

Written authorization from the surface owner of private spread fields will be obtained. Spread fields are designated areas specifically for GWOG generated waste. No other E&P waste will be deposited at the designated area.

Water-based drilling fluids and cuttings may be applied as a soil amendment, or may be used in the construction and maintenance of production facilities.

Waste will be sampled and tested prior to removal from the drilling location, and on a periodic basis at the spread field location after incorporation into the soil. Resulting concentrations will not exceed the limits referenced in Table 910-1 of the COGCC rule 910.

Spread field applications will be no more than three (3) inches average thickness of waste prior to incorporation. Waste shall be incorporated into the soil within ten (10) days of application.

Records will be maintained which identify the source (well name and location), date of transport, transporter, type and volume of waste, disposition and location where the land application of waste occurs.

Spread field locations will be updated and amended as new agreements are entered into.

Current spread field location is:
M&M Excavation Co.
Weld County Airport
Weld County, Colorado

County Road 62 & 47
West ¼ North 400 yards

Former location:
Western Equipment & Truck, Inc.
E/2SW/4, Sec. 10, T4N, R66W
Weld County, Colorado

North of County Road 46 and approximately
½ mile west of 47th Ave.

1700 Broadway
Suite 650
Denver, CO 80290
Tel: 303.398.0302

Great Western
OIL & GAS COMPANY

503 Main Street
Windsor, CO 80550
Tel: 970.686.8831

E&P WASTE MANAGEMENT PLAN
For all waste streams

To maintain compliance with rule 907.a, Great Western Oil & Gas Company (GWOG) adheres to the rule in regards to identifying all waste streams and outlines the manner in which they are handled.

Water-based Bentonitic Drilling Fluids and Drill Cuttings
Water-based bentonitic drilling fluids and drill cuttings will be handled as described in the GWOG E&P Waste Management Plan for off-site land application of water-based bentonitic drilling fluids and cuttings. This plan is submitted as a separate item to comply with rule 907.d.(3). Cuttings will be hauled and disposed of at the CO&GCC approved spread field facility ID# 425490.

Frac Flowback Water
Water generated during flowback operations is stored in flowback tanks and hauled to High Sierra Water Services, LLC's (High Sierra) approved disposal facility.

Produced Water
Water produced by the well and stored in produced water tanks is hauled to High Sierra's approved disposal facility.

Tank Bottoms
Oily waste in the form of tank bottoms is stored in production tanks and treated on-site if possible. Waste will be hauled to High Sierra's approved disposal facility if untreatable.

Solid Waste Contaminated with Hydrocarbons
In the case of hydrocarbons contaminating solids, the resulting waste will be handled in the following manner. Hydrocarbons spilled on the ground will be treated, and if it is untreatable the waste will be hauled to Waste Management with manifest.

Hydrocarbon contaminated solids resulting from flowback operations are contained in flowback tanks. Resulting waste from flowback operations is properly handled by the owners of the flowback tanks.

M&M Excavation Co.

Surface Owner Authorization

I, Greeley Weld County Airport declare that I am the legal owner or am legally authorized to make decisions and can enter into agreements regarding the land application or lining material of water-based Bentonitic drilling fluids (definitions attached).

Land dumping directions: CR 62 & 47 west 1/4 North 400 yards

I agree to the following:

1. I authorize M&M Excavation Co to dump and/or spread drilling fluids on land as identified below.
2. Where applicable, I agree to accomplish cultivation of the drilling fluids into the site soils as soon as possible.
3. I release the following companies from all further responsibility for clean-up or future action related to these drilling fluids:

M&M Excavation Co. and Great Western Oil & Gas Company

Printed Name of Oil Company

Mandy Longstreth — 12/9/11

Signature Land Owner — Date

Mandy Longstreth - Business Manager Greeley-Weld County Airport

Printed Name of Owner

P.O. Box 727 | 1600 Airport Road Greeley, CO 80632

Address

970-336-3003 — 84-0930586

Telephone Number — SS#/Tax ID for booking

Tax Exempt 98-03485

Signature M&M Excavation Co. representative — Date 12/9/11

Roland Schillsr Sup.

Printed Name and Title

Signature Company representative — Date 12/13/11

JACK BRUNER Sup. — Date 12/13/11

Printed Name of Company Representative and Title — Date

POLITICAL SUBDIVISION EXEMPTION CERTIFICATE

(for use by States, Territories, or Political Subdivision thereof, or the District of Columbia)

The undersigned hereby certifies that he is Airport Manager
Title of Officer

of Greeley-Weld County Airport Authority
State, Territory, or Political Subdivision, or District of Columbia

and that he is authorized to execute this certificate, and that the articles specified in the accompanying order or on the reverse side hereof, are purchased from

_____

for the exclusive use of Greeley-Weld County Airport Authority
State, Territory, or Political Subdivision, or District of Columbia

It is understood that the exemption from tax in the case of sales or articles under this exemption certificate to the State, Territory, or Political Subdivision, or District of Columbia, is limited to the sale of the article purchased for their exclusive use, and it is agreed that if articles purchased tax-free under exemption certificates are used otherwise or are sold to employees or others, such fact must be reported to the manufacturer of the articles covered by this certificate. It is understood that the fraudulent use of this certificate to secure exemption will subject the undersigned and all guilty parties to a fine of not more than $10,000.00 or to imprisonment for not more than five years, or both, together with costs of prosecution.

COLORADO SALES TAX CERTIFICATE OF EXEMPTION NUMBER: **98-03485**

FEDERAL EMPLOYER IDENTIFICATION NUMBER: 84-093058L

Date: April 20th, 2007

By: M. A. Reisman
Michael A. Reisman, A.A.E.

DR 0100 (02/98/07)
COLORADO DEPARTMENT OF REVENUE
DENVER CO 80261-0013

CERTIFICATE OF EXEMPTION FOR COLORADO STATE SALES/USE TAX ONLY

THIS LICENSE IS NOT TRANSFERABLE

USE ACCOUNT NUMBER for all references	LIABILITY INFORMATION	ISSUE DATE
98-03485-0000	03 057 N 120180	MAR 30 2007

600 AIRPORT RD GREELEY CO

GREELEY WELD CNTY AIRPORT AUTHORITY
PO BX 727
GREELEY CO 80632-0727

Executive Director
Department of Revenue

RESTORATION / RECLAMATION

Reclamation will be conducted under company supervision per COGCC regulations. Following drilling operations, all drilling mud and cuttings will be removed from the reserve area using trucks, pumps and mechanical squeezing with a dozer. The mud and cuttings will be trucked offsite to an approved land farming or land spreading site, per COGCC regulations. The pad will be backfilled with soils in the reverse order removed and capped with the separated topsoil. Sub soils will be mechanically compacted while backfilling

COGCC regulations give the operator six months to complete restoration activities, but it is expected that restoration will be essentially completed in three months following the drilling of the last well drilled.

COMPLETION PHASE

The completion phase begins when the drilling equipment is transported off the location. Completion operations are conducted intermittently over a period of several weeks. Completion operations are conducted during daylight hours. The site is again bladed and leveled to accommodate the completion rig. Additional operations including cementing, drilling and logging may occur as circumstance require. The Niobrara and Codell formations are perforated through the casing and are hydraulically fractured. In this form of stimulation water is pumped at high rates and pressures which hydraulically fractures the formation. Sand is then pumped into the created fracture to allow gas and oil to flow freely from the formation into the well bore. The fracturing equipment will consist of multiple tanks for water storage, pressure pumps, blending and bulk material trucks with other necessary equipment. While the actual fracturing operation only takes a few hours, preparing for the procedure requires up to three weeks to move in necessary equipment and schedule services. After fracturing is completed the mobile equipment is removed, excluding tanks that are used to retain the water that is produced during flowback and testing operations. No water is allowed to accumulate or be disposed of on the surface. All water is hauled to approved disposal sites. The flowback tanks will remain on location until the well is rerouted through standard production equipment. The Codell and Niobrara formations may be completed during separate periods, then subsequently commingled and produced from a single wellbore.

PRODUCTION AND EQUIPMENT PHASE

Production facilities will comply with City of Windsor and COGCC regulations. The standard production equipment to be installed on the wellhead pad is a wellhead assembly buried flowline, separator, steel production tanks_and fiberglass water tank. The separator and tank must be located 75' from each other and the wellhead, per COGCC regulations.

The production tanks comply with the town of Windsor condition of approval to ensure that the wells and tanks are of the minimum size required to satisfy present and future functional requirements to mitigate visual impacts.

A tank battery site will be constructed on the existing flat area 160 ft west of the proposed O-I well pad wellhead. Buried flowlines will connect the well pad with the tank battery. Four (4) steel oil tanks, one fiberglass water tank, and 4 three-phase separators, will be installed at the tank battery site, per the attached facility detail site plan. Tanks and separators will be painted in uniform, non-reflective, earth tone after consultation with the surface owner. A berm will be constructed around the oil and water tanks to hold 110% of the capacity of the largest tank on located within the berm.

Emergency containment. The earthen containment berm surrounding all storage vessels shall be designed and constructed to contain a minimum of 110% of the volume of the largest vessel located within the berm or to the State of Colorado standards, whichever requirements are more stringent. If any storage vessels are interconnected, then the containment berm must be constructed to contain a minimum of 110% of the combined volume of all interconnected vessels.

Within thirty days after completion of operations, Great Western shall provide to the town "as built" drawings showing all facilities, pipelines, flow lines and gathering lines installed to service the proposed wells. Building permits will be obtained for permanent above-ground structures.
A "pumper/gauger" (Great Western employee or contractor), will monitor the well every day. The pumper/gauger reports the tank measurements of the oil, gas sales and pressure readings and performs normal maintenance duties. This production information is compiled and submitted to the Colorado Oil & Gas Commission on a monthly basis. In addition, the pumper/gauger will inspect the site for hazards, control weeds and maintain the appearance of the production and well site. A crude oil truck will periodically haul out oil and a water truck will remove the produced water and haul it to an approved disposal site.

VISUAL MITIGATION

The wellhead pad lies approximately 2' above the level of the road to the south so the wellheads will be naturally hidden as best as is possible. Tanks and separators will be painted in uniform, non-reflective, earth tones selected after consultation with the surface owner.

WEED CONTROL

The site will be maintained to prevent accumulation of trash and noxious weeds. Great Western will comply with the Colorado Oil and Gas Conservation Commission (COGCC) rules 603g, 1003e1, 1003f, 1004c2 regarding weed control. All weeds, noxious or otherwise, will be prevented from growing or will be removed from the tank battery site, access road and wellhead pad. Weed spraying by a licensed applicator will be conducted annually, and any fugitive weeds will be removed manually.

ROAD MAINTENANCE

Access roads will be bladed or "dragged" to minimize ruts following wet weather. Fugitive dust is not expected to be a problem as disturbed areas will be either reseeded or graveled.

SIGNS

Signs required by COGCC will be maintained in good, readable condition.

AIR POLLUTION MITIGATION

All drilling, well completion and production activities will be in compliance with the permit and control provisions of the Colorado Air Quality Control Program, Title 25, Article 7, C.R.S. After completion, thermal oxidizers will be installed at the tank battery for Volatile Organic Compound control and elimination.

Great Western will participate in any available Environmental Protection Agency (EPA) air quality monitoring and/or testing by allowing EPA to install equipment on site for said monitoring and testing.

Great Western shall install and operate an emissions control device (ECD) capable of reducing Volatile Organic Compound (VOC) emissions on the subject oil and gas equipment in accordance with Colorado Oil and Gas Conservation Commission rules and regulations.

ENDANGERED SPECIES

The site has been continuously maintained as cropland and as such is not a habitat for Preble's meadow jumping mouse or other endangered species, and the operator will take all reasonable precautions to protect same if encountered.

ABANDONMENT

At the time that the well becomes permanently sub-economic to operate Great Western will engage the services of a plugging rig to remove production equipment from the wellbore and plug the productive zones with a combination of bridge plugs and cement plugs in accordance with Section 319 of the rules and regulations promulgated by the Colorado Oil & Gas Conservation Commission. After the well has been plugged, the surface separator and tanks will be removed. Flow lines will be filled with water an capped in accordance with Section 1103 of the COGCC regulations. Surface restoration will involve removal of any above-ground casing and installation of required markers that will not interfere with subsequent surface use.

After all production equipment is removed, the surface will be restored to the original grade in a matter compatible with the then-existing surface usage.

EMERGENCY RESPONSE
AND FIRE PROTECTION PLAN

Scope
Great Western Oil & Gas Company, LLC (Great Western) has prepared this Emergency Response and Fire Protection Plan (the Plan) to address potential emergency response issues associated with the drilling, completion, and production of four (4) oil and gas wells located within the city limits of Windsor, Colorado. Great Western plans to drill the wells in 1st quarter, 2013.

Regulatory Requirements
This Plan incorporates best management practices and safety, health, fire prevention, and environmental requirements outlined in the rules of Colorado Oil and Gas Conservation Commission (COGCC). A complete copy of the COGCC 600 Series rules and those parts of the Series 900 rules addressing safety and environmental protection are included as Attachment 1.

Location of Wells
The wells will be located in the SE/4SE/4 of Section 23, Township 6 North, Range 67 West. The well names, location, and directions necessary for access by emergency responders are presented below. The well and tank battery location are also shown on the included maps. All roads leading to and those in the drilling/storage area will be designed and maintained to support fire apparatus and shall be constructed to provide for all weather driving capability. A circular turnaround shall be provided on site which is suited to all fire apparatus.

Three wells will be directionally drilled to spots in the NW/4 of Section 25 and one in the SE/4 of Section 23. The wellheads are to be located 20' apart as shown on the included site plan.

Well Names: **O-I 25-21, O-I 25-11, O-I 25-11-6, O-I 23-44-22**

Location: SESE Sec. 23, T6N R67W
Directions: From Hwy 257 and Eastman Park Drive, turn East on Eastman Park Drive, go East, location is approximately 636 feet East of County Road #23.

Emergency Response

All drilling, completion, and production activities will be performed by Great Western and its contractors in a manner that is protective of public health, safety, welfare, and the environment to minimize the potential need for emergency response activities. In the event of fire, injury, spill or release of hazardous materials, or any other incident requiring an emergency response, the following contacts will be made:

Spill / Release Response

Great Western will comply with federal and state spill response / reporting requirements.

If a spill or release were to occur, field personnel are instructed to:

- Assess immediate danger or threat to health, safety, and welfare and contact emergency responders, if appropriate;
- Locate and stop the source of the spill, if safe to do so;
- Report the spill to supervisors and arrange for additional response support, including contact support;
- Take whatever steps are necessary to prevent the spill from impacting surface water, public health, safety, and welfare.

Safety and Fire Prevention Guidelines

Great Western and its contractors will employ best management practices during the drilling and production of its wells and facilities and will comply with appropriate COGCC rules concerning safety.

- Tanks and containers for the storage of liquids above ground shall be conspicuously marked with the name of the product which they contain and the words: FLAMMABLE-KEEP FIRE AND FLAME AWAY.;

- Employees will be familiar with the COGCC rules and regulations concerning safety and fire prevention as they apply to their specific job duties, specifically COGCC Rule 606A;

- The wellhead access road will be approximately 12 to 15 feet wide, and shall be graded to provide simple drainage from the roadway and allow for cross drainage by means of adequate culvert pipes, if necessary. The gravel turnaround for the tank battery will be wide enough to allow for safe access of tanker trucks and emergency equipment, and will also be constructed to code. All roads shall be maintained so as to provide a roadway passable for emergency vehicles and shall be generally rut-free. Signs will be posted in conformance with the regulations of the Colorado Oil and Gas Conservation Commission;

- All facilities will be visited daily by Great Western field personnel. Unsafe or potentially unsafe conditions will be reported immediately to the field supervisor. All tanks and above ground piping are visually inspected daily for leakage, malfunction of seals, and other potential problems. All storage tank material and construction will comply with API specifications for hydrocarbon storage. All tanks shall be appropriately labeled indicating the material contained within the tanks;

- Accidents that result in significant injury or property damage will be reported to the COGCC within 24 hours;

- Great Western and its contractors will cooperate fully with local and state emergency responders;

- Vehicles not involved in drilling, production, or well servicing operations will be kept at least 100 ft. from the wellbore, or if in the fall line, at a distance equal to the height of the drilling derrick;

- Appropriate weed abatement measures will be taken prior to and during drilling, workover, and production operations to minimize fire danger;

- The drilling rig shall be positioned a distance of 150 ft. or one and one-half times the height of the rig derrick, whichever is greater, from any occupied building, public road, major above ground utility line, or railroad;

- During well drilling and well servicing operations, a safety valve with connections suitable for use with each size and type of tool joint or coupling being used will be present on the rig floor;

- The drilling rig substructure, derrick, or mast will be designed and operated to prevent the accumulation of static charge;

- Prior to well servicing operations, the well's pressure will be checked and appropriate steps taken to remove pressure or operate safely under pressure before beginning servicing operations;

- Appropriate blowout prevention equipment (BOPs) will be utilized during well drilling, completion, workover, or servicing activities, as required by COGCC Rule 317, and in accordance with American petroleum Institute (API) RP 53: Recommended Practices for Blowout Prevention Equipment Systems, as amended;

- BOP equipment will be inspected daily and a preventer operating test shall be performed on each round trip (not to exceed more than once per 24 hour period). Notes of the test shall be made on the daily report;

- All fittings, valves, and unions connected to the BOP, well casing, casinghead, drill pipe, or tubing will have a working pressure rating suitable for the maximum anticipated surface pressure and will be maintained in good working order;

- The BOP will contain pipe rams to enable closure of the pipe being used and the choke lines and kill lines will be anchored or secured;

- All rig employees shall have an adequate understanding to operate the BOP system;

- The drilling contractor will place a sign or marker at the intersection with the well access road that will include emergency contact telephone numbers;

- The road coordinates used to access the rig and appropriate emergency response numbers will be posted on the drilling rig;

- All wells and tank batteries will be kept free of weeds, debris, surplus equipment, and surplus vehicles;

- Above ground storage tanks (ASTs) for storage of crude oil and hydrocarbon condensate will be constructed of materials compatible with materials stored in accordance with appropriate API and Underwriters Laboratories, Inc., standards;

- ASTs will be located at least one-sixth the sum of their diameters apart;

- ASTs will be located at least 200 ft. from residences, normally occupied buildings, or well defined normally occupied outside areas;

- Earthen berms sufficient to contain the contents of the largest AST will be constructed and maintained at each tank battery, and no ignition source will be located within the berm, per 40 C.F.R. §112;

- ASTs will be located at least 75 ft. from the wellhead, any fired vessel, or other ignition source;

- Hatches on all ASTs will be kept closed when not in use;

- All fired vessels will be located at least 75 ft. from the wellhead;

- Production facilities will be fenced to prevent access from the public;

- Location signs will be posted and maintained identifying the wells, Great Western as the operator, emergency contact telephone members, and directions to the facility;

- All valves, pipes and fittings will be securely fastened and inspected at regular intervals to ensure they are maintained in good working order;

- Smoking will be prohibited in the vicinity of any fire hazard and signs will be posted to state "No Smoking or Open Flame";

- No source of ignition will be permitted within the "No Smoking" area.

- Adequate fire extinguishers will be carried in every field vehicle, plainly labeled as to their type and method of operation, and field personnel will be trained in their use; and,

- Fire protection equipment will be inspected regularly and maintained in good working order, in accordance with NFPA requirements.

Material Safety Data Sheets (MSDS)

MSDS sheets for hazardous materials used during the drilling, completion, and production process and for crude oil and hydrocarbon condensate stored in the ASTs are included as Attachment 2.

SPCCP

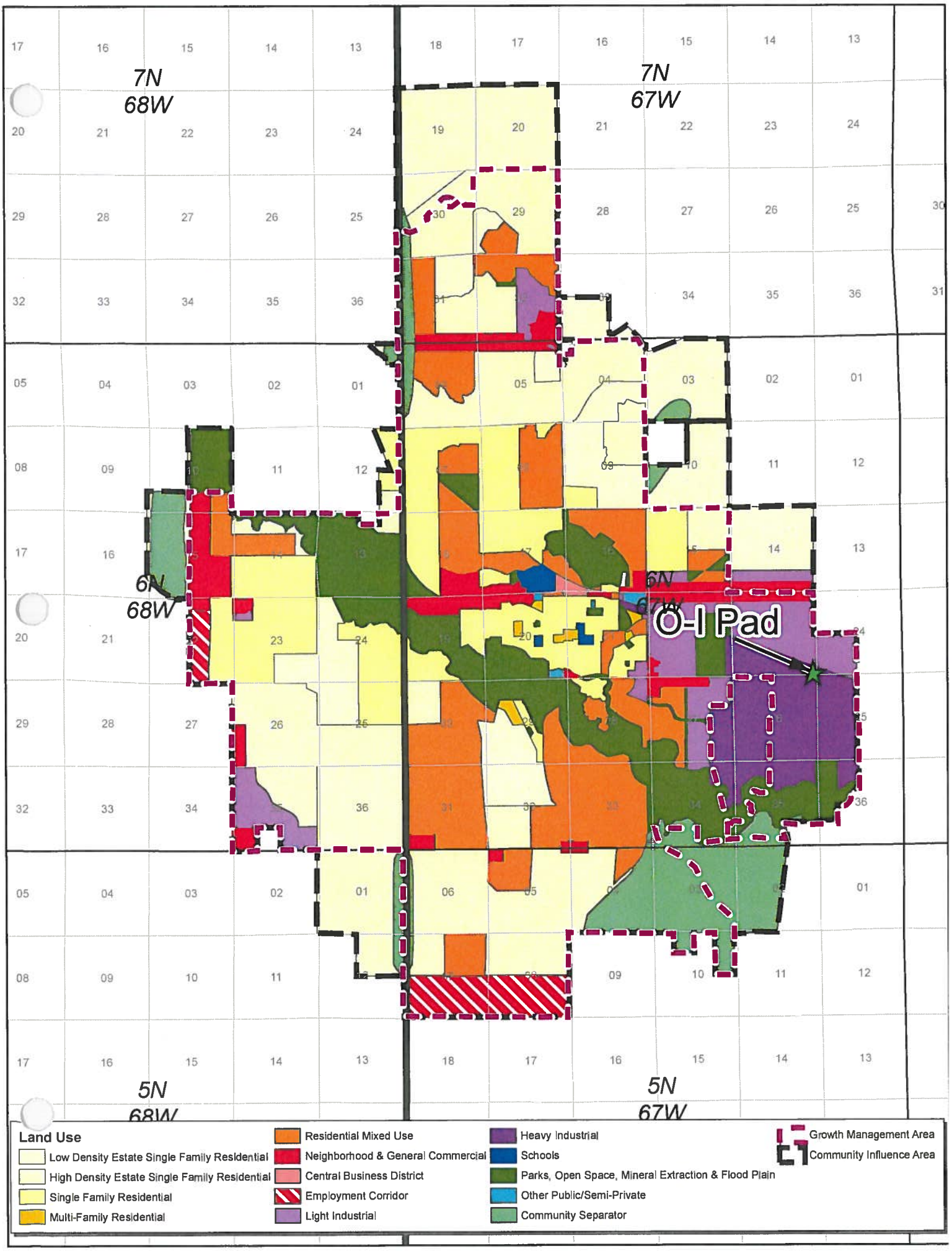
A spill Prevention Control and Countermeasure Plan will be prepared for this site after construction of The facility.

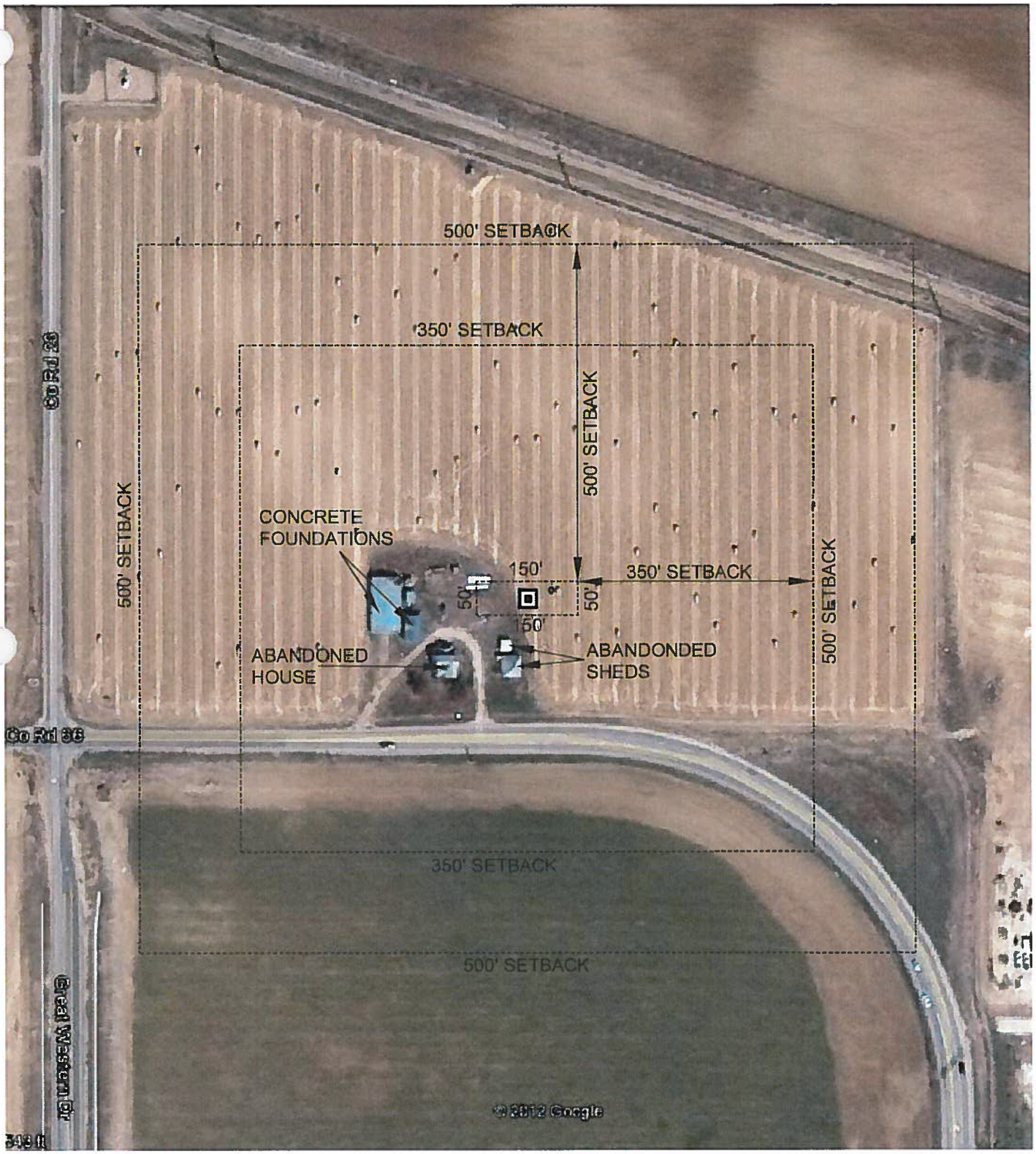
INCIDENT	CONTACT	PHONE NUMBER	COMMENTS
F[illegible]xplosion, serious injury	Windsor Fire Department	911 or (970) 686-9596	
	Windsor Police Department	(970) 686-7433	
	COGCC	(303) 894-2100	

Fire, explosion, associated with loss of well control	Windsor Fire Department	911 or (970) 686-9596	
	Windsor Police Department	(970) 686-7433	
	COGCC	(303) 894-2100	

Spill or release	COGCC	(303) 894-2100	E&P waste exceeding 5 bbl or all spills that impact surface or ground water
	Windsor Fire Department	911 or (970) 686-9596	Reportable quantity spills of CERCLA hazardous substances.
	Colorado Department of Public Health and Environment	(303) 692-2000	Reporting required for spills impacting surface water or for reportable quanitity spills of CERCLA hazardous substances.
	US EPA - Region 8	(303) 312-6312	Reporting required for spills impacting surface water or for reportable quanitity spills of CERCLA hazardous substances.
	EPA National Rsponse Center	(202) 260-4610 (800) 227-8914	Reporting required for spills impacting surface water or for reportable quanitity spills of CERCLA hazardous substances.

Great Western Contact	Jack Bruner - Prod/Const Superviosr	(970) 300-8040 (970) 686-8831	Drilling & Completion Operations
	Mike Hettinger-Const. Supervisor	(970) 685-9619 (970) 686-8831	Secondary Emergency Contact
	Tim Musgrave-Prod. Foreman	(970) 768-6097 (970) 686-8831	Third Emergency Contact
	Tom Rand-V.P. Operations	(970) 531-8736 (303) 398-2309	Corporate Office-Operations


7N
68W
7N
67W
6N
68W
6N
67W
O-I Pad
5N
68W
5N
67W
Land Use
Low Density Estate Single Family Residential
High Density Estate Single Family Residential
Single Family Residential
Multi-Family Residential
Residential Mixed Use
Neighborhood & General Commercial
Central Business District
Employment Corridor
Light Industrial
Heavy Industrial
Schools
Parks, Open Space, Mineral Extraction & Flood Plain
Other Public/Semi-Private
Community Separator
Growth Management Area
Community Influence Area



Great Western
OIL & GAS COMPANY

0 200' 400'
SCALE 1"=200'

PROPOSED TANK BATTERY
O-I 25-21, O-I 25-11, O-I 25-11-6, O-I 23-44-22
SECTION 23, T 6 N, R 67 W

POWER™ Surveying Company, Inc.
Established 1968
123 W. 84TH AVENUE
THORNTON, COLORADO 80260
PH. 303-703-1617
FAX. 303-703-1488
WWW.POWERSURVEYING.COM

501-12-165
REF 501-11-145

DEVELOPMENT REVIEW COMMITTEE COMMENTS

TRANSMITTAL DATE:	9-20-12
TO:	Janni Keidel/ Alex Yeros/ Clay Drake
OF:	Great Western Oil & Gas Company/ Broe Land Acquisitions/ Broe Land Company
FROM:	Windsor Planning Department, 970-674-2415, ptremelling@windsorgov.com
PROJECT:	Great Western Industrial Park Subdivision, Fourth Filing, Lot 1, Block 1 (O-I Pad)
NEXT STEP:	Please provide the required information as noted in the review comments. After this information has been received and approved and the neighborhood meeting has been conducted and approved, the public hearings will be scheduled.

Please find the attached red line comments for the above project.
Additional Departmental Comments are below.
Contacts: Brett Walker, bwalker@windsorgov.com ; Doug Roth, droth@windsorgov.com ; Ray Hays, rhays@windsorgov.com

Staff Review Deadline: 9-14-12	
Planning:	See attached.
Engineering:	Only the west access point was retained as part of the recent Eastman Park Dr. work. The east access at the old farm house is abandoned. However, the east access point is the access that should be used due to conflicts with the Great Western Dr. left turn lane if using the west access. Therefore, remove the culvert at the western access point and move to the eastern access point. Only one access point is allowed, so the western access will need to be abandoned. The portion of the access located in the public ROW will need to be paved.
Parks, Recreation & Culture:	No Comments
Public Works:	Need a tracking pad, need to repair any damage to the asphalt back to Town standards.
SAFEbuilt:	No Comments
WSFR:	

M E M O R A N D U M

Date: November 13, 2012
To: Mayor and Town Board
Via: Regular meeting packets
From: Ian D. McCargar, Town Attorney
Re: Resolution approving Larimer County law enforcement IGA
Item #: C.6.

Background / Discussion:

The Larimer County Sheriff's Office provides law enforcement services in that portion of Windsor that lies within Larimer County. The Sheriff's Office has reached out to other municipalities and CSU with a proposal to "deputize" local law enforcement officers, so that the municipal and CSU law enforcement personnel can legally enforce state law and carry out arrests within Larimer County. Chief Michaels has considered this proposal and is in favor of it. The Recitals in the attached Resolution give further explanation of the basis for the proposal.

The attached Agreement for Law Enforcement Authorization contains the terms by which the Town's peace officers are given authority to serve in this capacity. The Agreement does not change the Town's practices or procedures, and does not create any employment relationship with the County. The peace officers are simply serving as county law enforcement only to the extent of being authorized to enforce state law and make arrests within the County.

The Agreement acknowledges that each entity is by law prohibited from indemnifying the others, but then goes on to say such duty exists to the extent permitted by law. This is a legal fiction, and does not reduce the Town's defenses to a claim for indemnification by the other parties.

Financial Impact: None.

Relationship to Strategic Plan: Residents Feeling Safe and Secure.

Recommendation: Approve attached Resolution (simple majority required).

Attachments: Agreement for Law Enforcement Authorization; Resolution Approving an Intergovernmental Agreement Between the Town of Windsor, Colorado, and Larimer County Law Enforcement Agencies for the Purpose of Coordinated Law Enforcement Services, and Authorizing the Mayor to Execute Same

TOWN OF WINDSOR

RESOLUTION NO. 2012-72

A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE TOWN OF WINDSOR, COLORADO, AND LARIMER COUNTY LAW ENFORCEMENT AGENCIES FOR THE PURPOSE OF COORDINATED LAW ENFORCEMENT SERVICES, AND AUTHORIZING THE MAYOR TO EXECUTE SAME

WHEREAS, the Town of Windsor ("Town") is partially located within Larimer County, Colorado ("County"); and

WHEREAS, the Town enjoys a cooperative relationship with the Larimer County Sheriff's Office; and

WHEREAS, other neighboring communities, including the City of Fort Collins, the City of Loveland, the Town of Estes Park, the Town of Berthoud and the Town of Timnath (collectively, "Towns") likewise have a cooperative relationship with the Larimer County Sheriff's Office; and

WHEREAS, pursuant to Colorado Revised Statutes Section 29-1-203(1), the County is authorized to cooperate with the Towns and the Colorado State University Board of Governors ("CSU") to provide any function or service lawfully authorized to each; and

WHEREAS, the County, the Town, the Towns and CSU ("Parties") recognize that cooperative and coordinated multi-jurisdiction law enforcement is the most effective and efficient way to impact criminal activity and to alleviate the strain on law enforcement resources devoted to problems that cross jurisdictional boundaries within Larimer County; and

WHEREAS, the Parties believe that the authorization of commissioned Peace Officers employed by each party to enforce laws and effectuate arrests throughout Larimer County allows for a greater impact on crime and potential reduction of harm to the overall community than any one agency could achieve within its own jurisdictional boundaries; and

WHREAS, the primary objectives of the Parties participating in cross-jurisdictional law enforcement and arrest authority are to impact crime locally and regionally through a balanced enforcement approach and to provide a deterrent to cross-jurisdictional crime by increasing the risk to offenders of detection, apprehension, prosecution and conviction; and

WHEREAS, the Parties have negotiated the attached Agreement For Law Enforcement Authorization ("Agreement"), and by its terms desire to provide for the most effective performance of cross-jurisdictional law enforcement impacting and benefiting these regional governmental entities; and

WHEREAS, the Windsor Chief of Police has reviewed the attached Agreement, and has requested that the Town Board approve it and authorize its execution; and

WHEREAS, the Town Board has reviewed the attached Agreement and finds that it promotes the public health, safety and welfare.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN BOARD OF THE TOWN OF WINDSOR, COLORADO, AS FOLLOWS:

1. The attached Agreement is hereby approved by the Town Board for the Town of Windsor.

2. The Chief of Police is hereby authorized to execute the said Agreement in the form attached hereto.

Upon motion duly made, seconded and carried, the foregoing Resolution was adopted this 13th day of November, 2012.

TOWN OF WINDSOR, COLORADO

By:_____
John S. Vazquez, Mayor

ATTEST:

_____
Patti Garcia, Town Clerk

Agreement For Law Enforcement Authorization

Berthoud Police Department
Colorado State Patrol
Colorado State University Police Department
Estes Park Police Department
Fort Collins Police Services
Larimer County Sheriff's Office
Loveland Police Department
Windsor Police Department
Timnath Police Department

INTERGOVERNMENTAL AGREEMENT REGARDING THE

Authorization of Peace Officers to enforce laws and arrest throughout Larimer County

This Agreement is made and entered into this _____day of _____, 2012, by and between the Larimer County Sheriff's Office ("LCSO") and Larimer County, a political subdivision of the State of Colorado; the City of Fort Collins, Colorado, a municipal corporation on behalf of Fort Collins Police Services ("FCPS"); the City of Loveland, Colorado, a municipal corporation on behalf of Loveland Police Department ("LPD"); the Town of Windsor, Colorado, a municipal corporation on behalf of Windsor Police Department ("WPD"); the Town of Estes Park, Colorado, a municipal corporation on behalf of Estes Park Police Department ("EPPD"); the Town of Timnath, a municipal corporation on behalf of Timnath Police Department ("TPD"); the Town of Berthoud, a municipal corporation on behalf of Berthoud Police Department ("BPD"), and the Board of Governors of the Colorado State University System, acting by and through Colorado State University for use of its Police Department ("CSUPD"); and the Colorado State Patrol ("CSP") collectively referred to as the "Parties".

WITNESSETH:

Whereas, the County is a political subdivision of the State of Colorado duly organized and existing in accordance with Colorado law. The City of Fort Collins, City of Loveland, Town of Timnath and the Town of Windsor are home rule municipalities and the Town of Estes Park and the Town of Berthoud are statutory towns, all duly organized and existing in accordance with Colorado law; and

Whereas, pursuant to C.R.S. Section 29-1-203(1), the County of Larimer, the City of Fort Collins, the City of Loveland, the City of Windsor, the Town of Estes Park, the Town of Timnath, the Town of Berthoud, the Board of Governors of the Colorado State University System, and the State of Colorado are authorized to cooperate with one another to provide any

function or service lawfully authorized to each and are therefore each authorized under C.R.S. Section 29-1-203(1) to enter into this Agreement; and

Whereas, the Parties recognize that cooperative and coordinated multi-jurisdiction law enforcement is the most effective and efficient way to impact criminal activity and to alleviate the strain on law enforcement resources devoted to problems that cross jurisdictional boundaries within Larimer County; and

Whereas**,** the Parties believe that the authorization of commissioned Peace Officers employed by each party to enforce laws and effectuate arrests throughout Larimer County allows for a greater impact on crime and potential reduction of harm to the overall community than any one agency could achieve within its own jurisdictional boundaries; and

Whereas, the objectives of the Parties participating in this authorization of cross-jurisdictional law enforcement and arrest authority are to impact crime locally and regionally through a balanced enforcement approach and to provide a deterrent to cross-jurisdictional crime by increasing the risk to offenders of detection, apprehension, prosecution and conviction; and

Whereas, some of the Parties to this agreement have previously entered into agreements providing for the formal commissioning of peace officers throughout Larimer County and although the previous agreements and commissions have been mutually beneficial, the Parties desire to provide for the most effective performance of cross-jurisdictional law enforcement impacting and benefiting these regional governmental entities.

NOW, THEREFORE, in consideration of the Parties' mutual promises and agreements contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereto agree as follows:

1. Termination of Prior Intergovernmental Agreements: Those Parties to previous Intergovernmental Agreements, Memorandums of Understanding or Commissions of Peace Officers to act within the jurisdiction of unincorporated Larimer County agree that this Agreement shall replace, terminate and supersede in all respects any previous agreement, understanding, deputization or commission between the Parties and individual Peace Officers concerning cross-jurisdictional authorization throughout Larimer County.

2. Definitions:

A. Foreign Officer: a Peace Officer employed by a jurisdiction other than where he is enforcing state laws or effectuating an arrest, as contemplated by C.R.S. § 16-3-102 and 16-3-106.

B. Home Jurisdiction: the jurisdiction within the territorial boundary in which the peace officer is employed.

C. Unincorporated Larimer County: The territory between the county boundaries, exclusive of the territory of incorporated towns and cities that exists within Larimer County and exclusive of the original territory known as Rocky Mountain National Park.

3. Term of Agreement: The term of this Agreement shall begin August 1, 2012 and continue until December 31, 2014, unless sooner terminated as provided herein or extended by mutual written agreement of the Parties. If no written extensions or separate agreements are enacted, this Authorization shall automatically terminate at the end of December 31, 2014.

Any party may immediately terminate its participation in this Agreement by providing notice of such termination to all other Parties. Termination pursuant to this paragraph will affect any authorization provided by statute.

4. Local Authorization: Commissioned Peace Officers employed by a Party agency, are hereby authorized by the Larimer County Sheriff to enforce state laws and effectuate arrests throughout Larimer County.

A. Notice: Foreign Officers acting under this agreement shall notify the local jurisdiction or the Larimer County Sheriff's Office, as applicable, prior to taking action under this agreement, or if circumstances make prior notification unreasonable, they shall notify the local jurisdiction or the Larimer County Sheriff's Office as soon as reasonable after taking action within that jurisdiction.

B. Agency: Foreign Officers acting under this agreement, while authorized by the Larimer County Sheriff to exercise law enforcement authority, shall remain the employees of their home agency. Nothing contained in this Agreement, and no performance under this Agreement by personnel of the Parties hereto shall in any respect alter or modify the status of officers, agents, or employees of the respective Parties for purposes of workers' compensation or their benefits or entitlements, pension, levels or types of training, internal discipline, certification, or rank procedures, methods, or categories, or for any purpose, or other conditions or requirements of employment.

C. Home Jurisdiction Policy: A Peace Officer enforcing state laws or effectuating an arrest throughout Larimer County under this agreement, must comply with their home jurisdiction's policies, procedures or other requirements.

D. Investigative Authority. This Agreement does not limit, restrict or hinder a Law Enforcement Agency or Peace Officer from conducting an investigation or require them to obtain prior authorization before conducting an investigation throughout Larimer County. This Agreement does not authorize a Law Enforcement Agency or Peace Officer to execute a search warrant unless in compliance with state law, including but not limited to C.R.S. §16-3-305.

5. Indemnification: The Parties acknowledge that each are governmental entities that may not be permitted under current Colorado law to indemnify another entity, and further acknowledge that each party's agreement to indemnify the other is limited by applicable constitutions, statutes and case law. As such, to the extent expressly authorized by law, and consistent with the requirements of the Colorado Governmental Immunity Act (C.R.S. Section 24-10-101, et seq.), the Parties hereby indemnify and hold harmless the others from any loss, liability or damage, including attorneys' fees that each party may incur arising out of any

negligent acts or omissions of the others in exercising authority in another jurisdiction granted under this Agreement. No term or condition in this Agreement shall constitute a waiver of any provision of the Colorado Governmental Immunity Act.

6. Liability: The Parties acknowledge that each is a governmental entity that may be covered by the Colorado Governmental Immunity Act.

A. The Parties agree that during the time a Peace Officer employed by a Party exercises their authority under this agreement to enforce state laws or effectuate an arrest throughout Larimer County, any liability which accrues under the provisions of the Colorado Governmental Immunity Act, C.R.S. Section 24-10-101, et seq., on account of a negligent or other tortious act or omission of the Peace Officer while exercising authority under this agreement throughout Larimer County shall be imposed upon the Party employing such Peace Officer.

B. Each Party, to the extent permitted by federal and state law, shall be liable for the acts or omissions of its respective personnel. Nothing herein shall be deemed a waiver of the notice requirements, defenses, immunities and limitations of liability that the Parties and their respective officers and employees may have under the Colorado Governmental Immunity Act (C.R.S. Section 24-10-101, et seq.) and under any other law.

C. Each Party, to the extent permitted by law, waives all claims and causes of action against the other Parties for compensation, damages, personal injury or death occurring as a consequence, direct or indirect, of the exercise of authority under this Agreement. Each Party shall be responsible for any worker's compensation claims filed by its respective personnel arising from injuries sustained as a result of exercising authority under this agreement within the course and scope of their employment.

7. Revocation of Authority: Each Party at its discretion may revoke the authorization of individual Peace Officers from exercising authority under this Agreement. Once authorization for a specific Peace Officer has been revoked, that Officer's authority to act throughout Larimer County shall be limited as outlined by law, including but not limited to C.R.S. § 16-3-102 and 16-3-106. Revocation shall be issued by the Sheriff or by the chief law enforcement officer employing the Peace Officer, and shall be effective upon transmission of the revocation action to the other Parties' chief law enforcement officer.

8. No Third Party Beneficiaries: This Agreement is made for the sole and exclusive benefit of the Parties hereto and shall not be construed to be an agreement for the benefit of any third party or parties and no third party shall have a right of action hereunder for any cause whatsoever.

9. Waiver: No waiver by any of the Parties hereto of any of the terms and conditions of this Agreement shall be deemed to be or be construed as a waiver of any other term or condition of this Agreement, nor shall a waiver of any breach of this Agreement be deemed to constitute a waiver of any subsequent breach of the same provision of this Agreement.

10. Severability: If any provision of this Agreement, or the application of such provision to any person, entity or circumstance, shall be held invalid, the remainder of this Agreement, or the application of such provision to persons, entities, or circumstances other than those in which it is held invalid, shall not be affected thereby.

11. Relationship of Parties: The Parties hereto enter into this Agreement as separate and independent governmental entities and each shall maintain such status throughout the term of this Agreement.

12. Signature Authority: The persons who sign and execute this Agreement represent that they are duly authorized to execute this Agreement in their individual or representative capacity.

13. Binding Effect: The Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

14. Counterpart Signatures: The Parties agree that counterpart signatures of this Agreement shall be acceptable and that execution of the Agreement in the same form by each and every party shall be deemed to constitute full and final execution of the Agreement.

_____

Glenn Johnson, Chief, Berthoud Police Department Date

_____

Wendy Rich-Goldschmidt, Chief, CSU Police Department Date

_____

Wes Kufeld, Chief, Estes Park Police Department Date

_____

John Hutto, Chief, Fort Collins Police Services Date

_____

Justin Smith, Sheriff, Larimer County Date

_____

Luke Hecker, Chief, Loveland Police Department Date

_____

John Michaels, Chief, Windsor Police Department Date

_____

Colonel James M. Wolfinbarger, Colorado State Patrol Date

TOWN OF WINDSOR
COLORADO

M E M O R A N D U M

Date: November 13, 2012
To: Mayor and Town Board
From: Carrie Knight, Art & Heritage Manager
Re: Resolution approving application to the Preserve America Program
Item #: C.7.

Background / Discussion:

The Town of Windsor Art & Heritage Division, working with the support of the Historic Preservation Commission, has prepared an application to the Preserve America Program. The Preserve America Program is administered by the Advisory Council on Historic Preservation, a Federal Agency established in 1966 with the passage of the National Historic Preservation Act. Preserve America status enables the Town of Windsor to apply for Preserve America Grants which can be used to "support community preservation and use of historic and cultural sites for heritage tourism and education." Past recipients and approved projects may be reviewed in the attached document. A sample grant agreement has also been attached for your convenience.

Staff has researched and believes application to the Preserve America program will increase awareness of historic preservation within the community and will cultivate mechanisms for continued preservation efforts. The designation does not carry any restrictions that would inhibit DDA activities or re-development in historic structures. Through continued education, recognition of past achievements, and promotion of Windsor's heritage resources the town has the potential to strengthen its economic vitality and sense of community spirit and pride.

Staff has worked with Legal Counsel to develop the attached resolution of support.

Financial Impact:

No financial impact.

Relationship to Strategic Plan:

Goal 1: Build Community Spirit and Pride
- D. Encourage healthy, family-friendly neighborhoods.
- E. Promote a "One Windsor – One Community" philosophy.

Goal 2: Promote Vibrant Downtown and Lake as a Destination and Focal Point
- B. Encourage Historic Preservation

Recommendation:

Move to approve Resolution 2012-73 supporting the Town of Windsor application to the Preserve America program.

Attachments:

b. Town of Windsor Preserve America Application
c. Preserve America Fact Sheet
d. Preserve America State Funding since 2006
e. Preserve America Sample Grant Agreement
f. HPC Letter of Support
g. HPC Resolution 2012-01

COMMUNITIES PROGRAM: 2012 COMMUNITY APPLICATION

BACKGROUND
Preserve America is a national program developed in cooperation with the Advisory Council on Historic Preservation (ACHP) and the U.S. Departments of the Interior, Agriculture, and other agencies. It highlights the efforts of the President and First Lady to preserve our national heritage. It has several components, one of which is the designation of Preserve America Communities.

Preserve America Community designation will be granted to eligible communities that meet three general criteria:

1) The community has recently supported a historic or cultural preservation project that has promoted and/or is currently promoting heritage tourism or otherwise fostering economic vitality, and also involved a public-private partnership between government entities and at least one civic association, non-profit, and/or business enterprise.
2) The governing body of the community has adopted a resolution indicating its commitment to the preservation of its heritage assets.
3) The community meets at least five criteria specified in three broad categories: discovering heritage through historic places, protecting historic resources, and promoting historic assets.

ELIGIBLE COMMUNITIES
Communities eligible to apply for designation as a Preserve America Community may be located in any U.S. state or territory, including the District of Columbia, and include:

- Municipalities of any size with a mayor, city council or board chair, or equivalent chief elected governing official;
- Counties with a county executive, board or commission chair, or equivalent chief elected governing official; and
- Clearly defined, populated, unincorporated communities that lack an elected governing official and that are located within a county or territory, provided the application for designation is submitted by the appropriate county or territorial government.

All of the above may use this application form, which is available in .pdf or Word formats at www.preserveamerica.gov/communities-form.pdf or www.preserveamerica.gov/communities-form.doc.

[Note: There are two other kinds of Preserve America Community application forms. One is for use by federally recognized Indian tribes or Alaska Native Village corporations with a tribal chairman, and for subdivisions of such tribes that are represented by elected officials within the greater tribal

government – districts, villages, chapters, and other equivalent communities. For details, see www.preserveamerica.gov/tribal-communities-form.pdf or www.preserveamerica.gov/tribal-communities-form.doc. The other is for clearly defined neighborhoods within large cities or consolidated city-counties (cities with a population of 200,000 or higher). For details, see www.preserveamerica.gov/neighborhoods-form.pdf or www.preserveamerica.gov/neighborhoods-form.doc.]

THE APPLICATION PROCESS

Copies of the application forms, sample resolution language, a list of deadlines, and links to information on previously designated communities can be found at www.PreserveAmerica.gov/communities.html. Requests for information or forms can also be made by calling Judy Rodenstein at the ACHP at (202) 606-8584, or by e-mailing her at jrodenstein@achp.gov.

Applications are received and reviewed by ACHP staff for completeness. Complete applications are shared with the National Park Service (NPS), and sometimes other agencies, for their independent review. Communities with incomplete or unclear applications will be contacted by ACHP staff for additional information or clarification.

When an application is judged complete by the ACHP and the NPS, the name of the community is added to a list pending the next announcement of designated communities. Announcement of designated Preserve America Communities will take place several times a year and may be made by official letter or at a public event.

Attached to your application, please provide the name and title of the head of your local convention and visitors bureau and of your state tourism office, as well as both mailing addresses. If your community is designated as a Preserve America Community, the ACHP will notify them of your designation.

HELPFUL HINTS FOR PREPARING SUCCESSFUL APPLICATIONS

Communities should follow some simple guidelines in preparing their applications for Preserve America Community designation to ensure their applications are complete and can be processed in a timely manner (item numbers refer to sections of the application form):

Item 1: Be sure to consult with your State Historic Preservation Officer while developing your application and mail him or her a copy of the completed application.

Items 3 & 7: The application must be signed and submitted by the chief elected governing official of the jurisdiction. In most cases, this will mean a mayor, county executive, or chair of a Board of Supervisors. If someone else is designated to do this, there should be a clear authorization for this delegation included in the submission package.

Item 4A: The project you select to feature needs to be one that has been supported by the community within the last three years and is complete and/or already having a positive economic impact. Make sure the project description includes information on the public and private partners involved and their roles, and clearly documents how the specific project is promoting heritage tourism or economic vitality in the community. Any data you can share on the economic or other impacts of the project is desirable. If the project is a program that has been ongoing for longer than three years, please specify what has been added or changed within that time frame. Please note that a history of the community, a list of projects supported over the years, or information about planned projects that are still prospective do **not** meet this criterion. However, such information is welcome as supplementary material.

Item 4B: Resolutions of the local government should be recent and specific to the Preserve America initiative, or should be comprehensive and current enough (within the last five years) to show the

community's present commitment to the preservation of its heritage assets and the goals of the program. Make sure the resolution is signed and dated, and that the governing body that has adopted it is clearly identified. Model resolution language is available at www.PreserveAmerica.gov/communities.html.

Item 4C: Communities should carefully read through the additional criteria for designation and ensure that they adequately document how they meet **at least** five of the criteria, including at least one from each of the three categories (discovering heritage through historic places, protecting historic resources, and promoting historic assets). If there is any question about how well the community meets one of the five selected criteria, then the community should provide information on more than five. Communities should feel free to contact ACHP staff if they have a question about how they fulfill and document specific criteria.

Item 4C(1): An "ongoing, publicly available inventory of historic properties" means the product of a survey that identifies, describes, and evaluates the condition of historic properties in the community. Be sure to include information on when this was done, any subsequent updates, as well as how and where the public can access the results of this research.

Item 4C(5): The "local governmental body, such as a board or commission, charged with leading historic preservation activities within the community" should be specifically authorized or established by the local government to carry out its duties. Its members must be appointed by the local government and its duties spelled out in a governmental document. Non-profit or quasi-governmental organizations with ex-officio membership of a governmental representative do not meet this requirement unless they have a recognized role under a governmental charter or ordinance.

Item 4C(10): "A historic preservation awards or recognition program" means a program through which the community seeking designation gives awards recognizing outstanding efforts in historic preservation. It does not mean that the community has received awards for its preservation efforts.

Item 4D: Communities are asked to submit three to five color images that illustrate their community's character and show people using and enjoying local historic resources. Digital images on a CD with a minimum resolution of 300 dots per inch (dpi) are preferred; 4" x 6" or larger photographs are acceptable. Photocopies and images printed on paper are not acceptable. Please provide captions and credits for these images and identify the community on the CD or on the back of the photos. Do not superimpose captions, credits, or dates on the images. The images may be used on the Preserve America Web site or for other publicity purposes, which will increase the visibility of the community.

Item 5: Additional materials are strongly encouraged, since applications will certainly be enhanced with a showing of community interest and involvement through letters of endorsement and illustrative materials. However, they are not required.

Items 6 & 7: Make sure to read the release authorization and logo use agreement, and to have the chief elected official sign and date the application. Since applications are reviewed by at least two reviewers, remember to submit an original and one copy set.

Application Form

1. GENERAL INSTRUCTIONS

Communities must consult with their State Historic Preservation Officer (SHPO) during the development of this application and send a copy of the completed application to the SHPO when it is submitted. SHPO names and addresses can be found at www.ncshpo.org or by calling (202) 624-5465.

X Check this box to signify that you have completed the above instructions.

Applications must be submitted in hard copy and will not be returned. **Please provide an original and one copy set of all materials and three to five related images as described on page 5.** Please do not use sheet protectors, binders, or tabbed dividers. Submission well in advance of one of the quarterly deadlines **(March 1, June 1, September 1, December 1)** will facilitate timely review.

Submit applications to:
Preserve America Communities
Advisory Council on Historic Preservation
1100 Pennsylvania Avenue, NW, Suite 803
Washington, DC 20004

Sources of additional information:
Office of Preservation Initiatives
Advisory Council on Historic Preservation
(202) 606-8584
Web site: www.PreserveAmerica.gov

2. COMMUNITY INFORMATION

All incorporated or unincorporated communities are eligible to seek designation as Preserve America Communities. Eligible tribal communities and neighborhoods within very large cities should use specialized application forms available at www.PreserveAmerica.gov/communities.html.

Name of community seeking designation __TOWN OF WINDSOR_____Certified Local Government? _Y_

☐ City ☐ County X Other _____TOWN_____Population 19,066 (2011)

This community is in _____WELD/LARIMER_____ County, _____COLORADO_____State or Territory.

Congressional District _____4TH_____Name of Representative_____CORY GARDNER_____

3. APPLICANT INFORMATION

The applicant for designation can only be one of the following:

- A mayor or equivalent chief elected governing official of an incorporated community; or
- A county executive or equivalent chief elected governing official of a county or of the appropriate jurisdiction of an unincorporated community

Applicant's Name: _____JOHN VAZQUEZ_____Title: _____MAYOR_____

Mailing Address: _____301 WALNUT STREET_____

City: _____WINDSOR_____ State: _____CO_____ Zip: _____80550_____

Phone: __970-674-1679_____ Fax:_____970-674-2456_____ E-mail: _____JVAZQUEZ@WINDSORGOV.COM

Street/Delivery Address *(No Post Office Boxes)*: _____SAME AS ABOVE_____

City: _____ State: _____Zip: _____

Attn: _____ Phone: _____E-mail: _____

For more information, contact: ___CARRIE KNIGHT_____Title: __ART & HERITAGE MANAGER_____

Phone: _970-674-2443_____ Fax: 970-674-2456_____ E-mail: ___CKNIGHT@WINDSORGOV.COM_____

4. DESIGNATION CRITERIA AND REQUIRED DOCUMENTATION

A community will qualify for designation as a Preserve America Community if:

A. The community has supported (within the last three years) a historic or cultural preservation project that has promoted and/or is promoting heritage tourism or otherwise fostering economic vitality. The project must have involved a public-private partnership between government entities and at least one civic association, non-profit organization, or business enterprise. ***(Please provide a written description of one specific project, documenting how it fulfills these requirements. Do not exceed 500 words.)***

B. The governing body of the community has recently adopted a resolution indicating its commitment to the preservation of its heritage assets. ***(Please include a signed and dated copy of the resolution.)***

C. The community meets at least five of the criteria outlined below (with at least one from each specified category). ***(Please check the criteria below under which you are seeking Preserve America Community designation. For each criterion, please provide a written description of no more than 250 words explaining how your community meets the criterion.)***

Category 1: Discovering Heritage Through Historic Places

- X An ongoing, publicly available inventory of historic properties
- X A community-supported museum, interpretive facility, archive, or local history records collection (private or public)
- ❑ Active citizen volunteer involvement, such as a docent or guide program for interpretation of local history and culture, or volunteer participation in improving the condition of heritage assets within the community
- X Opportunities for children to learn about local heritage in the schools, through either established curriculum or special outreach activities

Category 2: Protecting Historic Resources

- X A local governmental body, such as a board or a commission, charged with leading historic preservation activities within the community
- ❑ An adopted community-wide historic preservation plan that is being implemented
- X A historic preservation review ordinance and volunteer or professional staff to implement it

Category 3: Promoting Historic Assets

- X A local heritage tourism program or active participation in a regional program, with such promotional material as a walking/driving trail or tour itinerary, map of historic resources, etc.
- X A regularly scheduled heritage observance or event
- ❑ A historic preservation awards or recognition program

D. Submit three to five images that show people using and enjoying your historic cultural and natural resources (CD with digital images scanned at a resolution of 300 dots per inch (dpi) or greater or 4" x 6" color photographs) and provide caption and credit information for each.

E. Provide approximately 100-200 words on the history of your community, including founding date, key events, evolution of the economy, and information on historic attractions not otherwise noted in the application. This information will be edited and incorporated into profiles of designated communities (for examples see www.preserveamerica.gov/PAcommunities.html).

5. ADDITIONAL SUPPORTING MATERIAL

Written endorsements by preservation organizations, civic organizations, members of Congress, and other elected officials are encouraged. These should be addressed to Mr. Ronald D. Anzalone, Director, Office of Preservation Initiatives, Advisory Council on Historic Preservation, 1100 Pennsylvania Avenue NW, Suite 803, Washington DC 20004. ***(Please provide copies of any letters of endorsement.)***

Documenting participation in other nationwide preservation programs is encouraged. ***(Please let us know if your community is a Certified Local Government, a Main Street Community, a recipient of funds under the Save America's Treasures program, or a recipient of Transportation Enhancements funding for historic preservation, etc.)***

Brochures, additional photos, reports, publications, etc. may be appended if desired.

6. RELEASE AUTHORIZATION/LOGO USE AGREEMENT

The undersigned gives the ACHP and the Preserve America Communities program absolute right to use, in whole and in part, all material submitted in furtherance of this application. All submitted materials become the property of Preserve America. Materials may be used in program activities, including publications and Web sites. Preserve America is given permission to make any editorial changes and/or additions to the subject material. The undersigned guarantees to have on file all necessary individual agreements and signatures to ensure Preserve America unencumbered use of all associated material.

I further acknowledge that, if designated a Preserve America Community, our community will be authorized to use the Preserve America logo or to refer to Preserve America solely for non-commercial purposes related to the promotion and public understanding of the Preserve America Community designation and the Preserve America initiative. I agree that the logo, or any reference to Preserve America, will not be used in for-profit commercial applications or ventures and acknowledge that the Preserve America logo is a registered trademark entitled to the legal protections attendant to such status. I further agree that any use of the Preserve America logo, or any reference to Preserve America, will be consistent with the stated purposes of the Preserve America Community designation and the Preserve America initiative. I further acknowledge that the authorizations described in this paragraph can be revoked at any time and for any reason by the ACHP.

7. SIGNATURE OF APPLICANT

The chief elected governing official of the community must sign and date this form.
Signature must be original and in ink.

Signature: _____ **Date:** _____

Name (please print): ___JOHN VAZQUEZ_____

Title: _____MAYOR_____

Organization (if applicable): ____**TOWN OF WINDSOR BOARD**_____

DESIGNATION CRITERIA – TOWN OF WINDSOR, CO

A.
In 2010, the Town of Windsor completed a Colorado Cultural Resource Survey with funding and support from the State Historical Fund, a branch of History Colorado, formerly the Colorado Historical Society. The survey was contracted out to private-firm Historitecture who undertook an inventory of historic structures within a two-block section of Windsor's downtown. Central goals of the project were to capture as much historic and architectural information as possible about the buildings included in the survey, assess their applicability to the National Register and local landmark status, discuss the feasibility of a historic district, and to develop a final report that could be shared with the community with the survey's findings.

The survey included 48 structures within the 2-block area. Of these, two were already on the National Register of Historic Places, while another five were deemed field eligible. The survey recommended that these properties be nominated to the Register, as well as encouraged surveying residential neighborhoods about their interest in creating downtown historic districts and digitization of private newspaper holdings that were in precarious condition.

Since that time, the Town has begun conversations with private property owners about their interest in obtaining National Register of Historic Places listing. Greater public education is required, with emphasis on the intrinsic value of pursuing such action. It is the belief that Preserve America status will augment a culture of historic preservation that the town and its Historic Preservation Commission seek to cultivate. In 2011, voters approved the creation of a Downtown Development Authority (DDA) which has worked steadily to improve the downtown profile. This voter initiative demonstrates a community commitment to Windsor's downtown and its unique historic character.

The survey's recommendation concerning digitization of newspapers in private ownership encountered its own challenges. Windsor newspapers dating back to the late 19th and early 20th centuries, of which only one known copy still exists, are in the ownership of a local subsidiary of Gannett Company, Inc. Gannett has indicated that they will not pursue digitization of these papers for free use by the public at this time.

The 2010 survey produced an exceptional survey report which has been used extensively by town staff and community stakeholders. In tandem with the written report, a video was produced, which along with the report, can be accessed online at http://www.historitecture.com/projects/windsordowntown.html. Repeat airings of the survey video can be seen on the town's local cable access channel. The survey has proven a crucial step for the ongoing efforts of the town's Historic Preservation Commission and has provided them with momentum for the future.

C. Qualifying Criteria

Category 1: Discovering Heritage Through Historic Places

4C(1)
In 2010, the Town of Windsor completed a cultural resource study with the support of the Colorado Historical Fund, a branch of History Colorado, formerly the Colorado Historical Society. The survey, which was conducted by private historic planning consultant Historitecture, identified those properties within a 2-block area of downtown Windsor which were eligible for National Register and Local Landmark designation, as well as provided crucial historic information about each and a comprehensive report for public use. The project has been a catalyst for further local landmark designations by the town's Historic Preservation Commission, including the 2011 designation of the 1882 Greeley, Salt Lake, and Pacific Depot which is located outside the boundaries of the 2010 survey. The survey has lent additional support to the revitalization of downtown as evidenced by voter approval for the development of a Downtown Development Authority (DDA) in 2011. The DDA is now actively engaged with downtown property owners in promoting economic development, preservation, and beautification of Windsor's downtown. The 2010 Cultural Resource Survey is available online to the public via the Town of Windsor's website. The specific link can be found on the Planning Dept.-Historic Preservation page, or at http://www.windsorgov.com/index.aspx?NID=460.

4C(2)
The Town of Windsor Museum traces its roots to the 1970's during a period of rapid town expansion. In response, community members sought to preserve their material past by actively collecting and exhibiting objects of historic value. The Windsor-Severance Historical Society continued to collect and store two and three-dimensional objects, as well as operate a collection of five historic buildings open to the public, until 2003 when dwindling membership and funding prompted the organization to deed its collections and buildings to the Town of Windsor. Since that time, the Town of Windsor Museum has served as stewards of a material collection approximating some 20,000 objects, including the historic buildings aforementioned which remain open to the public on a seasonal basis. The Town of Windsor Museum also hosts an ambitious schedule of temporary exhibits, both created in-house and traveling which are free and open to the public. Several of these exhibits are hosted at the town's Art & Heritage Center built in 1909 as the original town hall and rehabilitated in 2009 through a grant obtained by the State Historical Fund. Mission Statement: *The Town of Windsor Museum serves the local and regional community by creating and fostering opportunities for curious investigation and appreciation of Windsor's unique past and present through exhibitions, collections stewardship, and educational programming.* More information about the museum can be found at www.windsorgov.com/artandheritage or on the museum's Facebook page at www.facebook.com/windsormuseum.

4C(4)
The Town of Windsor Museum actively engages with the educational community by providing material resources, on-site programming, as well as training to facilitate classroom integration. Material resources include traveling trunks and tested-curriculum which have direct correlation to Colorado State Teaching Standards. On-site programming includes organized visits to the Town of Windsor Museum at Boardwalk Park. Here, teachers have an opportunity to visit five historic buildings which interpret Windsor's unique past, as well as participate in hands-on activities that solidify teaching points and engage students individually. Special exhibitions hosted by the museum provide additional opportunities for outreach with school-children.

Changing exhibitions allow the museum an opportunity to introduce students to new ideas and perspectives on a wide array of subjects. Evaluation is a critical component of outreach with area educators and so the museum incorporates it into its operations so as to inform its effectiveness and relevancy within the community. More information about educational opportunities with the Town of Windsor Museum can be found at www.windsorgov.com/artandheritage.

4C(5)
In 2004, the Town of Windsor adopted Ordinance No. 2004-1194 establishing a Historic Preservation Commission whose purpose and intent is to "provide for the protection and preservation of the Town's historic and cultural heritage through the designation of historic landmarks and districts." [See Item 4B] Members of the Commission are appointed by the Town Board and serve 4-year staggered terms from the date of appointment. Commission members are selected for their "demonstrated interest, knowledge or training in fields closely related to historic preservation" and receive annual training at the Saving Places Conference conducted by Colorado Preservation, Inc. The establishment of the Historic Preservation Commission was a critical step in obtaining Certified Local Government status for the town which was granted in 2007. The Town of Windsor Museum continues to satisfy those standards established by the State of Colorado for CLG eligibility.

4C(6)
See 4B and 4C(5). Ordinance No. 2004-1194 establishes both a Historic Preservation Commission as well as outlines their powers and duties. The Historic Preservation Commission receives administrative support by the Town of Windsor Planning Department which dedicates at least one staff member to serve as a town liaison and reviewer.

4C(7)
The Town of Windsor is an active participant in the Cache La Poudre Heritage Alliance and partnered to produce a guidebook in 2011 for the Cache La Poudre River National Heritage Area. The guidebook provides both auto tours and biking/hiking tours as well as a historic narrative and timeline of the Poudre River. Tour routes are highlighted with cultural/heritage sites of importance. The guidebook also features a directory of cultural institutions, sites, and resources of importance. The guidebook is available in print for a donation to the Cache La Poudre Heritage Alliance.

4C(9)
Each year, during late September-early October, the Town of Windsor Art & Heritage Division hosts an event honoring its German-from-Russia population. The event has traditionally been called "Oktoberfest", but calls special attention to unique German-from-Russia traditions, including the Dutch Hop dance. Over the last 10 years, the event has grown from a few couples gathering to dance, to an event attracting several hundred families. The Town of Windsor Art & Heritage Division continues to strengthen the events connection to Volga German traditions and has consistently met with community members to implement suggested recommendations.

4E
The Town of Windsor is a rapidly developing community located in the heart of northern Colorado, situated between the mountains and the plains where open sky meets towering

peaks. The town's incorporation in 1890 was quickly met with a surge in both agricultural production and population growth. Windsor's rich alluvial plains lent themselves to extensive wheat production and, with the advent of ditch irrigation, sugar beets. Like many northern Colorado towns, the sugar beet dramatically changed the shape and character of Windsor. Sugar beet cultivation attracted German-from-Russia families to hand pick and cultivate the beets essential to the industry. Windsor's period of sugar beet production parallels its growth as a town and its historic buildings stand as testament to the wealth of the industry and the entrepreneurial spirit of its residents. The sugar beet industry in Windsor drew to a close in 1966 and subsequent industries, including a Kodak processing plant, continued to employ generations of Windsor residents**.** Windsor has experienced unprecedented growth since 1990 and continues to attract families with its small town charm and quality of life. It's widening diversity and attraction of innovative, green industries has been achieved at no expense to the town's small-town feeling its residents are so proud of.

THE PRESERVE AMERICA PROGRAM

NEWTON, NEW JERSEY—TASTE OF NEWTON EVENT

Preserve America is a federal program that encourages and supports community efforts to preserve and enjoy our priceless cultural and natural heritage. The program's goals include expanding knowledge about the nation's past, strengthening regional identities and local pride, increasing public participation in preservation, and supporting the economic vitality of our communities. Since 2003, the White House has been involved in supporting and promoting Preserve America. The First Lady designates Preserve America Communities and Stewards.

PRESERVE AMERICA COMMUNITIES

The Preserve America Communities designation recognizes communities that protect and celebrate their heritage, use their historic assets for economic development and community revitalization, and encourage people to experience and appreciate local historic resources and culture through tourism and education. Hundreds of communities have been designated in all 50 states, the District of Columbia, and U.S. territories. Municipalities, counties, urban neighborhoods, and tribal communities are all eligible.

Promotional tools, technical assistance, and grants (when funded by Congress) are among the benefits of designation. Preserve America Communities may also be featured in National Park Service Travel Itineraries and educational materials.

PRESERVE AMERICA STEWARDS

The Preserve America Stewards program honors exemplary volunteer efforts at historic resources around the country. Dozens of organizations have been recognized for programs successfully using volunteer time to help care for our cultural heritage. Government entities (federal, tribal, state, or local), non-profits, and businesses are eligible to apply.

EXECUTIVE ORDER 13287: "PRESERVE AMERICA"

The Preserve America Executive Order (2003) emphasizes federal policy for the protection, enhancement, and contemporary use of historic properties owned by the federal government. The order encourages agencies to seek partnerships with state, tribal, and local governments and the private sector to make more informed use of these resources for local economic development and other public benefits. The Advisory Council on Historic Preservation (ACHP) reviews agency stewardship and partnership efforts and, since 2006, has provided a status report to the President every three years.

PRESERVE AMERICA GRANTS

From 2006 through 2010 more than $21 million in matching grants was awarded to 280 projects throughout the country.

CONTINUED >>>

PRESERVE AMERICA
Explore and Enjoy Our Heritage

"The Preserve America initiative is an inspiring and proactive approach to preserving our nation's history. It would be a privilege for any city in this nation to achieve the title 'Preserve America Community.'" —City of Santa Monica, California

NEW MEXICO SITEWATCH VOLUNTEERS

ADVISORY COUNCIL ON HISTORIC PRESERVATION
PRESERVING AMERICA'S HERITAGE

LEON COUNTY, FLORIDA—
JONES TENANT FARM HOUSE EXHIBIT

The Advisory Council on Historic Preservation, an independent federal agency, promotes the preservation, enhancement, and sustainable use of our diverse historic resources and advises the President and the Congress on national historic preservation policy.

EXPLORE AND ENJOY OUR HERITAGE

FOR MORE INFORMATION ABOUT PRESERVE AMERICA:

www.preserveamerica.gov

www.nps.gov/history/hps/hpg/preserveamerica/index.htm

www.achp.gov

The grants are designed to support community preservation and use of historic and cultural sites for heritage tourism and education. Grant amounts ranged from $20,000 to $250,000 and required a 1:1 match. Though the Preserve America Grants have been authorized by Congress, no funding has been allocated for the grants in the current budget.

PRESERVE AMERICA PRESIDENTIAL AWARDS

Four awards were given annually from 2004-2008 to organizations, businesses, or government entities for exemplary accomplishments in the sustainable preservation of cultural or natural heritage assets; demonstrated commitment to heritage interpretation; and innovative integration of these assets into contemporary community life. Awards went to national initiatives and projects in 19 states.

EDUCATIONAL RECOGNITION AND OUTREACH

Since 2004, outstanding history teachers at the K-12 level have been recognized in each state, the District of Columbia, and U.S. territories, followed by selection of the National History Teacher of the Year. State winners receive $1,000 and a core archive of history materials for their school libraries. The Gilder Lehrman Institute of American History administers this program, in association with HISTORY™, and Preserve America, and hosts a national recognition event each fall. Preserve America partners have also worked on service learning projects and on Youth Summit programs.

PRESERVE AMERICA SUMMIT AND THE FUTURE OF PRESERVATION

In recognition of the 40th anniversary of the National Historic Preservation Act, a Preserve America Summit was convened in 2006 to consider the future of the national preservation program. Key recommendations adopted by the ACHP improved resource identification, stewardship, community support, education, and program leadership. These are now being implemented by federal agencies in cooperation with non-federal partners.

PROGRAM INFORMATION

For more information about Preserve America and how to get involved, visit **www.preserveamerica.gov**. Preserve America is administered jointly by the ACHP and the Department of the Interior, in cooperation with the National Park Service, the U.S. Forest Service, the Bureau of Land Management, the National Oceanic and Atmospheric Administration, and other federal agencies.

ADVISORY COUNCIL ON HISTORIC PRESERVATION
1100 Pennsylvania Avenue NW, Suite 803 Washington DC 20004
Phone: 202-606-8503 • Fax: 202-606-8647 • achp@achp.gov • www.achp.gov

Preserve America Grants

Since funding began in 2006:

- $17 million awarded through 6 competitive rounds.
- 228 projects awarded in 47 states.
- 601 project proposals received by the National Park Service requesting over $30 million.
- 5 funding categories for project funding:
  - Interpretation and Education – 71 projects
  - Promotion – 66 projects
  - Planning – 49 projects
  - Research and Documentation – 34 projects
  - Training – 8 projects

www.PreserveAmerica.gov

Preserve America Grants

The Preserve America competitive matching-grant program provides funding to designated Preserve America Communities, State Historic Preservation Offices, and Tribal Historic Preservation Offices to support preservation efforts through heritage tourism, education, and historic preservation planning.

Administered by the National Park Service in partnership with the Advisory Council on Historic Preservation, funded activities include interpretation and education, planning, promotion, training, and research and documentation of cultural and historic resources.

Projects are funded between a range of $20,000 and $250,000. Successful projects involve public-private partnerships and require a 50/50 non-federal match. Innovative projects serve as models to communities nationwide for heritage tourism, historic preservation planning, history education, and economic development.

For more information on Preserve America grants, contact the National Park Service's Historic Preservation Grants Division at 202-354-2020 or Preservation_Grants_Info@nps.gov.

ALABAMA

Ensley Historic Building Survey and National Register Nomination
Birmingham, Alabama
$25,000
Tuxedo Junction and Ensley were the birthplace and training ground for many of Alabama's Jazz, Soul, and R&B legends. This grant will support research that will lead to the nomination of Ensley's Commercial District and Tuxedo Junction to the National Register of Historic Places, an architectural guide to Ensley's commercial district, the publication of a history of the cultural and industrial communities of Ensley and Tuxedo Junction, and the establishment of these areas as destination points.

ALASKA

Ketchikan Waterfront Wayfinding Program
Ketchikan, Alaska
$100,000
The City of Ketchikan will develop a wayfinding system to introduce and educate visitors arriving by cruise ship to the historic and cultural resources of the downtown area.

Downtown Anchorage Historic Walking Tour and Education Project
Anchorage, Alaska
$20,000
As Anchorage prepares to celebrate the 50th anniversary of Alaska's statehood throughout 2009, the city and its partners will launch a new website, develop a walking tour, install historical markers, and create an education program that provides materials to teachers. In completing these tasks, Anchorage seeks to provide visitors with consistent, free, and easily accessible options to explore Anchorage's history and enhance heritage tourism.

Alaska State Park National Historic Landmark Preservation Plan
Anchorage, Alaska
$52,912
This project will result in preservation plans for Baranof Castle Hill, Old Sitka Site, Fort Abercrombie and Fort Rousseau National Historic Landmarks to provide each a road map for the management, rehabilitation, use, and interpretation of the site.

ARIZONA

Casa Malpais Interpretive Improvements
Springerville, Arizona
$21,974
The project will develop a three-dimensional computer model of the Casa Malpais site as well as other interpretive improvements to provide visitors with an understanding of the nature of life at this ancient American site dating to 1250 A.D.

Planning the Future of Fort Apache
White Mountain Apache Tribal Historic Preservation Office, Arizona
$77,166
The project will develop a new master plan for Fort Apache Historic Park, a National Register historic district, which will provide long-term guidance for stabilization, restoration, and adaptive reuse of the park's 27 historic buildings.

Hualapai Heritage Trails Projects
Hualapai Tribal Historic Preservation Office, Arizona
$40,000
The Hualapai Tribe will preserve and promote five existing cultural heritage trails for the benefit of the local tribal community and visiting tourists with the expectation of an expanded economic tourist base for the Tribe. Funding will provide archeological and ethnographic surveys of the trail sites and create interpretive signage, a brochure, and map.

Rediscover Nogales
Nogales, Arizona
$157,000
The City of Nogales will produce effective interpretive materials about events, individuals, organizations, and cultural and historical sites that have shaped the heritage of Nogales and the Pimeria Alta region; produce a school-based educational curricula and program to train educators on how to teach local history; produce a docent-training program for the Pimeria Alta Historical Society; and conduct an evaluation of the effectiveness of these programs.

A Castle and Two Unnatural Historic Gardens
Phoenix, Arizona
$82,124
The City of Phoenix Office of Parks and Recreation Department will develop interpretive materials to assist the public in better understanding the unique and special qualities of Tovrea Castle and its two vastly different historic, unnatural gardens. Tovrea Castle is a 44-acre Phoenix city historic park created from an historic private estate built by Alessio Carraro in 1928. The property is listed in the National Register of Historic Places and has been placed on the Phoenix Historic Register.

Cultural Heritage Tourism/Experience Plan
Scottsdale, Arizona
$50,000
Funding will go toward the development of a cultural heritage plan for the City of Scottsdale and its environs in the Papago Salado region. It will include an inventory of the cultural resources, strategic analysis of the factors influencing cultural heritage tourism, recommendations for improving local tourism and public understanding of cultural resources, and promotional and educational efforts that take into account changes in travel trends and technological tools available.

ARKANSAS

Eureka Springs Backstory: Bringing the Past to Street-Level
Eureka Springs, Arkansas
$62,760
The grant will be used to promote the historical and heritage tourism pursuits of Eureka Springs through the implementation of signage, thematic tours, wayfinding, and public artwork. The primary objective of the project is to help visitors in Eureka Springs experience the historic buildings within the community.

Rural Heritage Development: Survey, Research, Documentation and Interpretation
Arkansas Historic Preservation Program
$100,000
As part of a larger Rural Heritage Development Initiative for the Arkansas Delta region, funds will be used to survey, research and document historic resources to be included in three themed heritage trails: musical heritage, African-American heritage and history, and agricultural heritage. In addition, interpretative materials, signage, brochures, tour itineraries, and tear-off maps will be produced.

Developing an Outreach Plan for Historic Central City Properties
Fort Smith, Arkansas
$46,680
This grant will create a plan to promote the historically significant, central city area to developers, investors and business. Tourism related business and persons who might consider residing in the central city will also be the focus.

Heritage 61 – The Cotton Highway
Osceola, Arkansas
$100,000
Osceola's interpretation and education project will produce and place 59 site markers along the Osceola Historic Commission's driving and walking tour as well as create other interpretive tools to explain the influence that cotton had on the development of this area and the nation.

Planning for Preservation and Heritage Tourism in Arkansas
Arkansas State Historic Preservation Office
$150,000
The State Historic Preservation Office will award subgrants to city and county governments that hold both Certified Local Government and Preserve America designations to develop local heritage tourism and preservation plans.

Arkansas Delta Gospel Institute Master Plan
Dumas, Arkansas
$60,590
Recognizing the significance of gospel music to the city's history, the City of Dumas, in partnership with Dumas Main Street, the Desha County Museum, and the Delta Area Community Foundation, will produce a Master Plan to guide the city in the recognition of the importance of the city's gospel music foundations and the development of an Arkansas Delta Gospel Institute in downtown Dumas.

Blytheville Greyhound Bus Station Interpretative Project
Blytheville, Arkansas
$55,088
The City of Blytheville and the Main Street Blytheville will partner to develop a visitor information center in the city's historic Greyhound Bus Station. It will function as the first stop in Blytheville and the Arkansas Delta, will tell stories based on the "experience" of the bus station, and will provide information about other cultural and historic sites in Blytheville and beyond.

Arkansas Civil War Sesquicentennial Markets Project
Arkansas State Historic Preservation Office
$50,000
To meet a mandate of the Arkansas Civil War Sesquicentennial Commission's plan for the 150th anniversary of the Civil War, the Commission will develop a historic marker program that will help tell the story of the Civil War and increase recognition of the importance of these places in the history of the state.

Promoting Historic Helena
Helena-West Helena, Arkansas
$203,500
Helena has a rich and unique heritage tied to the Mississippi River, agriculture, music (specifically "the blues"), the African American experience, the Civil War, and the Civil Rights movement. The City of Helena, with its many partners, will use grant funds to develop creative and unique ways to promote its heritage and improve the experience of its visitors.

CALIFORNIA

Toward a Seamless Monterey Experience
Monterey, California
$100,000
The grant will develop a coordinated interactive wayfinding and signage program to promote historic and cultural resources, document and interpret public and private heritage assets, and enhance the visitor experience in the City of Monterey.

Indian Island Interpretation and Education Project
Wiyot Tribal Historic Preservation Office, California
$100,000
The Wiyot Tribe will design and install designated interpretive trail markers at significant tribal locations and produce educational kiosks to provide a variety of audio and visual self guided presentations. The project will also develop curriculum for tour guides, compose living history enactments, and publish printed interpretive materials for visitor use.

PRISM (Preserve Richmond to Interpret and Support Memories)
Richmond, California
$75,000
The City of Richmond will sponsor reconnaissance survey work that will identify historic resources to be incorporated into the Rosie the Riveter/World War II Home Front National Historical Park.

San Clemente Wayfinding Sign Program
San Clemente, California
$30,000
San Clemente will develop a wayfinding program to direct visitors to historical and cultural resources including city hall, the downtown, the Municipal Pier, and North Beach.

Santa Monica Pier "100 Years in the Past, 100 Years in the Future"
Santa Monica, California
$100,000
Santa Monica will promote the historic and cultural value of the Santa Monica Pier through a yearlong celebration and promotional campaign. The project works towards the goal of enriching the heritage tourism experience of visitors and provoking a deeper respect for the integral importance of the pier.

Weaverville Marketing and Wayfinding Project
Weaverville, California
$28,754
This heritage marketing project works to promote local heritage festivals, advertise local museum exhibits, and develop and implement wayfinding and identity-building elements specified in the Weaverville Revitalization Plan.

Santa Monica Beach Cultural Mapping Project
Santa Monica, California
$100,000
Capitalizing on its greatest asset – its beach, Santa Monica's goal is to highlight people and events that shaped the history and culture that significantly influenced popular culture in America and abroad. Stories from the days of Jim Crow relate how use of the beach was the subject of racial tensions as African-Americans fought for equal access. The beach provided the backdrop for the birth of beach volleyball, the international physical fitness movement launched at Muscle Beach, as well as the American Skateboarding revolution. Funds will support an experienced historian to survey key sites, events, and individuals to create an inventory of resources and materials. This will provide the foundation for the future development of cultural markers and interpretive plaques, walking tours, and exhibits.

COLORADO

Soapstone Prairie Natural Area Project
Fort Collins, Colorado
$147,563
Funding will be used to collect oral histories from various sources surrounding the Fort Collins and Soapstone Prairie Natural Area community and plans for an exhibit to educate and inform the public on the history of the area.

Steamboat Springs Cultural Heritage Interpretive and Education Project
Steamboat Springs, Colorado
$35,000
Funding will support the robust development of a Cultural Heritage Tourism program in Steamboat Springs by developing an interpretive plan, infrastructure, programs, and materials. Project includes the development of a multi-media museum exhibit focused on the history and cultural development of the city, creation of 12 interpretive signs, development of two walking tour brochures, and educational programs including living history days, guided walking tours, and lectures.

Southeast Colorado Heritage Tourism Program
Colorado Historical Society, State Historic Preservation Office
$130,000
The grant will create a regional marketing program for heritage tourism in a six-county rural region of Southeast Colorado. This public-private partnership will result in increased visitation and revenues to both historic sites and to local tourism supported businesses.

Wayfinding and Marker Project
Georgetown, Colorado
$33,000
This project will place wayfinding signs and markers to guide the heritage tourist to the outstanding historic sites in the Georgetown portion of Colorado's Georgetown-Silver Plume National Historic Landmark District.

Downtown Steamboat Springs Research and Documentation Project
Steamboat Springs, Colorado
$24,000
The project will research and document approximately 70 buildings in downtown Steamboat Springs' historic area in order to update historic survey information, determine National Register district eligibility and boundaries, publish a guidebook, and nominate 4 buildings to the National Register of Historic Places.

Park County Heritage Tourism Pilot Project – Heritage Site Planning
Park County, Colorado
$58,000
This project will undertake site specific tourism and development planning at three key properties in Park County: prepare a heritage tourism master plan for Buffalo Peaks Ranch, adaptive use feasibility studies, and marketing plans for Salt Works Ranch and Como Roundhouse.

Denver Heritage Trail
Denver, Colorado
$64,300
The City and County of Denver will design a heritage tourism system to highlight and attract local residents and tourists to Denver's historic neighborhoods while promoting a city and county-wide preservation ethic.

Durango Discovery Museum Interpretive Plan and Education Program
Durango, Colorado
$35,975
Durango's 1893 Power Plant will be the site of the Durango Discovery Museum, an interactive science and technology museum focused on energy sources of the past, present, and future. An interpretative plan for the property will be developed to define the exhibits, themes, and desired visitor experiences. Also a documentary video and two history booklets will be created to increase visitor interest and understanding of the site.

Trails of Northern Colorado
Fort Collins, Colorado
$100,000
Fort Collins will create educational projects to facilitate the goal of bringing cultural and natural heritage tourists together through an established trail system of Northern Colorado's natural areas. The project will include the creation of a cultural and natural heritage trail map, in-depth topic booklets, and an interactive website.

Town of Silverton Cultural Resources Survey
Silverton, Colorado
$35,530
The Town of Silverton will survey and inventory several hundred historic architectural resources. This project will be an important first step in the preservation and protection of important historic resources that attract visitors into the downtown area.

Baca County Rural Resources Survey
Baca County, Colorado
$25,000
The survey will document the historic resources of Baca County in an effort to better promote heritage tourism and awareness of these resources.

Southern Otero County Rural Resources Survey
Otero County, Colorado
$50,000
Otero County will survey private lands in Southern Otero County in an effort to develop heritage tourism with the involvement of local ranchers, the primary landowners. The survey will include an historic context and thematic study based upon the archeological and architectural findings of the survey teams and will result in the listing of properties on the National Register of Historic Places.

Redstone Coke Ovens Education and Interpretation Program
Pitkin County, Colorado
$25,000
Pitkin County will develop an education and interpretive program for the Redstone Coke Ovens Historic Park. The program will educate the public, direct foot and car traffic, and promote the site throughout the community.

Using Historic Theaters to Promote Southeast Colorado Historic Sites
Prowers County, Colorado
$50,000
Prowers County, in partnership with the Southeast Colorado Regional Heritage Taskforce representing several other Southeast Colorado Preserve America communities, will develop a series of film shorts on the heritage sites in the region. Featured sites will include Camp Amache National Historic Landmark, Sand Creek Massacre National Historic Site, and Bent's Old Fort National Historic Site. The films will be shown prior to first-run commercial films in the historic movies theaters in the region, and will encourage audiences to visit the historic sites located in their backyards.

Mining Heritage of San Juan County Colorado
Silverton, Colorado
$27,838
Hard rock mining was the preeminent movement for Euro-American development of Colorado. This project will help to preserve and interpret these historic mining resources through the development of a Historic Structures Report and Preservation Plan for the Animas Forks mining camp, development of an interpretive tour of the Shenandoah-Dives Mill, and a full-length documentary on the mining heritage and preservation partnerships in Silverton and San Juan Counties.

Colorado Springs Heritage Tourism Pilot Project
Colorado Springs, Colorado
$33,720
The City of Colorado Springs has chosen to highlight five of its historic landmarks to develop a comprehensive strategy that advances awareness of these sites as closely connected heritage tourism resources and destinations. The sites include the Colorado Springs Museum, Monument Valley Park, the Rock Ledge Ranch Historic Site, the Red Rock Canyon Open Space, and the Garden of the Gods Park.

"Forged In Steel": 121 Years of the Colorado Fuel &Iron Company and Bessemer Neighborhood
Pueblo, Colorado
$25,000
For over 121 years, the Colorado Fuel and Iron Company was the backbone of the City of Pueblo, developing the diverse Bessemer neighborhood to house its workers. The Bessemer Historical Society is now in possession of the company's extensive archives and maintains the Steelworks Museum. This grant will allow the Society to develop materials that will educate community members and visitors about the city's roots in the steel industry.

CONNECTICUT

Historic Wethersfield Master Plan
Wethersfield, Connecticut
$50,000
The grant will be used to conduct a study to analyze existing historic and cultural resources and develop strategies to increase usage of the town's assets.

Promoting Heritage Tourism in Bridgeport: Revitalizing a Historic American City
Bridgeport, Connecticut
$75,000
With a goal of increasing visitation and cultural tourism in the historic downtown, the City of Bridgeport is undertaking a comprehensive and long-term promotional campaign that will include print, radio, and marquee advertising. The campaign will direct visitors to a new website that will provide residents and visitors with information on a walking tour and the downtown area.

Promotional Campaign for Simsbury: New England Nearby
Simsbury, Connecticut
$50,000
Simsbury will produce a campaign designed to promote and enhance resident and visitor experiences in Simsbury and the surrounding communities. The campaign will utilize pre-existing signature events involving cultural, natural, and historic resources to increase awareness through a multi-tiered marketing approach.

Historic Wethersfield Wayfinding Signage and Gateway Enhancement
Wethersfield, Connecticut
$90,000
This project will enable the Town of Wethersfield to utilize the recommended sign design from the Historic Wethersfield Master Plan. It will proceed with the recommended placement of signs, the installation of directional and informational signs, and the implementation of recommended improvements to the main gateway from the interstate to the historic area.

Ledyard Historic Resources Digitization Project
Ledyard, Connecticut
$59,000
The Town of Ledyard plans to increase the awareness of historic preservation and to aid the identification of heritage tourism opportunities by updating and digitizing its town-wide architectural survey and creating an online, searchable database of the survey. It will also add planimetric data to its GIS and create GIS maps that highlight Ledyard's cultural resources.

DELAWARE

City of Lewes Off-Season Maritime Historic Tourism Plan
Lewes, Delaware
$35,000
The City of Lewes's downtown historic district is listed in the National Register of Historic Places, and was designated as one of a Dozen Distinctive Designations in 2006 by the National Trust for Historic Preservation. With a population of 3,000, the city contains an impressive number of historic homes, structures, and sites focused on the City's maritime history, including the historic Overfalls Lightship, which is one of only 17 remaining lightships in the country. Lewes will use funds to increase heritage tourism through planning for a better visitor experience year-round. The plan will develop an integrated multi-media approach that includes audio tours, brochures with detailed maps, interpretative signage, and radio broadcasts. This will provide off-season visitors the opportunity to learn about the many significant places and events that have taken place over the nearly four centuries of Lewes' maritime history.

GEORGIA

Wayfinding Plan
Augusta (Richmond County), Georgia
$50,000
The grant will be used to develop a plan for a city-wide, coordinated wayfinding signage program with an emphasis on historic and cultural resources. The primary objectives are to assess the navigational needs of visitors; to conduct research in other cities and towns with effective signage programs; to determine the location, placement, number and design of the signs; and to design the content. The result will be a plan for a comprehensive wayfinding system to direct a diverse group of both motor tourists and pedestrians to local places of interest.

Roswell Historic District Heritage Tourism Plan
Roswell, Georgia
$100,000
Funding will be used to promote cultural resources through the development of an interpretive plan of the Roswell Historic District and implement a signage system to reflect the character of the district.

Exhibits and Kiosks at the Museum on Main
LaGrange, Georgia
$123,000
This project will create exhibits for the Museum on Main with complimentary on-line exhibits and three kiosks located throughout LaGrange, telling the local history through the stories of the people who have lived in the area. Brochures and public banners to market the exhibits will also be produced.

Campaign to Preserve Georgia's Historic Cemeteries
Georgia State Historic Preservation Office
$86,000
Grant funds will promote the recognition, preservation, documentation, and protection of Georgia's Historic cemeteries throughout the State. Funds will be used to conduct a statewide conference focusing on the preservation of the cemeteries and their use in heritage tourism, to produce a publication that gives an overview of preservation guidelines and interpretation of historic cemeteries, and promote the importance of historic cemeteries through public information. The project will also create a cemetery subgrant program where designated Preserve America communities apply for activities such as cemetery preservation planning, interpretive plans, and National Register nominations.

Historical Archaeological Survey of Kettle Creek Battlefield
Washington, Georgia
$21,729
The Kettle Creek Battlefield located 12 miles from downtown Washington was the site of a 1779 Revolutionary War battle. No archaeological study has been conducted of the site until now. The project will involve archival research, archaeological survey, and lab analysis. Collected data will be used to develop a master plan for interpretation and marketing of the battlefield.

Heritage Wayfinding Signage, Informational Kiosk and Walking Tour Brochure for the Historic Main Street District
Fayetteville, Georgia
$31,000
This interpretive project will promote heritage tourism efforts and help identify the historical and cultural resources located within the historic main street district of Fayetteville.

Celebrating 200 Years of History: Madison Bicentennial Heritage Program
Madison, Georgia
$34,458
The Madison Bicentennial Heritage Program will illuminate Madison's diverse history and provide permanent interpretive information for the physical representations of the town's past.

Downtown Directional Wayfinding Signage Program
Kennesaw, Georgia
$50,000
The City of Kennesaw boasts a rich heritage dating to the 1830s when the town was founded in conjunction with the construction of a rail line through Cobb County. The keystone of the downtown historic district is the Railroad Depot which now houses museum exhibits, artifacts, and photographs related to the history of Kennesaw. The City of Kennesaw will develop and design a consistent, comprehensive and uniform system of directional and wayfinding signage with enhanced pedestrian, vehicular, parking and gateway features.

Georgia's Community Landmark Heritage Tourism Initiative
Georgia State Historic Preservation Office
$128,560
With the help of this grant, the Georgia State Historic Preservation Office will conduct a statewide conference and produce publications that educate communities across the state about the preservation and interpretation of their landmarks. It will also be used by the office to assist Preserve America Communities and Certified Local Governments that are requesting designation for landmarks that are being developed as heritage tourism assets.

HAWAII

Developing the Visitor Infrastructure for Chinatown
Honolulu, Hawaii
$150,000
The City and County of Honolulu will develop a visitor infrastructure to showcase the historic nature of Honolulu's Chinatown through various exhibits, tours, and promotion of the area's businesses.

Ewa Villages Heritage Tourism Plan: Preserving Hawaii's Plantation Communities
Hawaii State Historic Preservation Office
$51,727
The Ewa Sugar Plantation Village contains former mill buildings, a plantation manager's residence, and an old railroad line. This grant will support the development of a plan to adaptively use these properties as interpretive and educational tools to help tell the story of Hawaii's sugar plantations.

IDAHO

City of Boise Local Landmarks
Boise, Idaho
$20,000
The city plans to research and write city landmark nominations for 30 properties not well documented nor locally designated and publish a Boise City Local Landmarks brochure. A walking tour brochure will be produced in order to expand heritage tourism and bring awareness of historic resources.

ILLINOIS

Hosting Heritage Tourism in Rock Island
Rock Island, Illinois
$43,342
Funds will be used to conduct the planning necessary to open and operate a satellite visitor center of the Quad Cities Convention & Visitors Bureau in a designated landmark building in Rock Island that has been threatened with demolition.

City of Lockport Comprehensive Marketing Campaign
Lockport, Illinois
$30,000
The City of Lockport will develop a comprehensive marketing strategy that will include a broad range of tools including brochures and the promotion of existing events such as Canal Days and the Lockport Cemetery Walk.

Will County Rural Historic Structures Intensive Survey
County of Will, Illinois
$25,000
Will County, which is developing at a rapid pace, understands that through an inventory of its historic places it can strategically plan for the preservation of its historical and cultural assets. This intensive survey will identify National Register-eligible landmarks and districts and will make recommendations for the preservation of these places. The County's Historic and Cultural Preservation Plan as a result, will be updated. The survey will also be utilized for educational and interpretive purposes.

City of Blue Island's Cultural Heritage Resources and Outreach Strategy
Blue Island, Illinois
$102,250
The City of Blue Island will develop a heritage resources and outreach strategy focusing on three National Register Historic Districts. The project will incorporate the creation of a collective identity for Blue Island, unifying the efforts and strengthening the partnerships of community members, local businesses, and city government. It plans to implement the strategy to produce materials that celebrate the city's history and cultural heritage in a contemporary context. Deliverables will include design of historic markers, development of a promotional website, and the design of a publication focusing on the under-represented immigrant populations located in the city.

INDIANA

Preservation Services for Irvington in Indianapolis
Indianapolis, Indiana
$42,100
The Irvington neighborhood in Indianapolis will create an inventory, hire a part-time preservation planner for two years, prepare feasibility studies for 2 critical vacant buildings, and prepare three historic district nominations to the National Register of Historic Places.

Tour de Lafayette
Lafayette, Indiana
$21,750
The City of Lafayette will develop interpretive and educational materials using technology such as podcasts and the Internet to digitally link the nine historic districts located within Lafayette. This endeavor will enable the City of Lafayette to encourage preservation of oral traditions, provide updated information on their historic resources, and equip visitors with the necessary tools to better appreciate the city's heritage and cultural resources.

IOWA

Dubuque on the Mississippi: The Dubuque History Trail
Dubuque, Iowa
$148,500
This project will establish the Dubuque History Trail that will feature pedestrian wayfinding and interpretation signs, maps, walking tours, historic site signage, district interpretation signage, downloadable podcasts, cell phone messaging, trolley tours, and a river taxi-tour on the Mississippi River.

Mines of Spain Exhibit and Education Program
Dubuque, Iowa
$150,000
This project strives to increase visitation, enhance interpretation, expand educational opportunities, and build partnerships within the Mines of Spain, a National Historic Landmark.

Santa Fe Passenger and Freight Complex Re-use and Restoration Planning
Fort Madison, Iowa
$20,000
The Santa Fe Passenger and Freight Complex Re-use and Restoration planning project will produce long and short term plans for the site. The vision is for the depot to house interpretive information on local railroad history while allocating space for the Railway Express Office.

"Hollywood in the Heartland"
Iowa State Historic Preservation Office
$45,300
The Iowa State Historic Preservation Office will engage the public in Iowa's movie legacy through several heritage tourism activities designed to stimulate interest in this aspect of the state's history. The "Hollywood in the Heartland" initiative will celebrate Iowa's relationship with the movie industry through an examination of the people and places related to the development and consumption of motion pictures.

Junior Main Street Program
Oskaloosa, Iowa
$90,000
The Junior Main Street Program will bring students and teachers together in collaboration with various community organizations to develop heritage tourism and preservation projects within the community as a focus for cross-curricular education. The projects, such as the development of self-guided walking tours, are envisioned to promote community sustainability through an understanding and awareness of the community's heritage, build future leadership from participating students, and be a model for other communities and states.

KANSAS

Promotion of the 18 Kansas Historic Sites Across the State
Kansas State Historic Preservation Office
$100,000
The Kansas State Historic Preservation Office will address signage and promotion of the 18 Kansas State historic sites. Result will be to raise the visibility of these sites. A recent marketing study indicated a low awareness and visibility of the sites. The goal is to increase visitation. The project will also develop a Kansas State Historic Preservation Office logo and branding strategies for the sites.

Fort Hays State Historic Site Guardhouse Interpretive Exhibits
Topeka, Kansas
$114,866
The State Historic Preservation Office will work to fabricate interpretive exhibits that will detail the history of Fort Hays from 1865 to 1889. The exhibits will be targeted to engage heritage tourists, school groups, and others interested in the fascinating history of the fort.

KENTUCKY

Rural Heritage Development Initiative Survey
Kentucky State Historic Preservation Office
$60,000
Grant funds will be used to understand, protect, and market the region's rich historic resources. The project will begin with an architectural and cultural resources survey in 2 Preserve America communities in the state with the least amount of survey and National Register listings. A comprehensive survey will be used in order to identify a basis for preservation planning measures and to develop a regional heritage tourism program. Project consultants will also gather heritage tourism data for 8 counties in the region.

The Portland Neighborhood: Linking Our Heritage to Our Future
Portland Neighborhood of Louisville, Kentucky
$150,000
The grant will create a set of interpretive master plans to interpret Portland Wharf Park and link it with key neighborhood historic sites along three heritage trails. The proposed project, because it incorporates citizen involvement throughout the planning process, will result in a local citizenry more prepared for the challenges of heritage development. The plan will result in a more cohesive interpretive strategy that insures a strong, authentic visitor experience.

Hidden River Cave Trail, Horse Cave Main Street
Horse Cave, Kentucky
$21,000
Funds will be used to complete a unique tourism pathway that will highlight the history of Hidden River Cave. The project will involve the purchase and installation of audio tour equipment and signage, research and creation of narratives in multiple languages, and pedestrian-friendly plans.

A Comprehensive Preservation Plan for Gratz Park in Lexington, Kentucky
Lexington-Fayette County, Kentucky
$55,925
Funds will be used to prepare a written and graphic comprehensive preservation and improvements plan for the Gratz Park neighborhood of Lexington.

Interpretation of Historic Bowling Green
Bowling Green, Kentucky
$62,000
The City of Bowling Green will write, design and fabricate interpretive signs, trailheads, and other interpretive materials as part of a heritage tourism marketing campaign to promote their historic resources and enhance visitor experience.

Information Signage, Kiosks, and Wayfinding for Burlington Historic District
Burlington, Kentucky
$22,500
The Burlington Historic District project will work to install plaques, wayfinding signs, and an informational kiosk describing historic buildings and sites in an effort to create a greater awareness of heritage tourism within the district.

Discover Landmark Covington! Cultural Heritage Tourism Program
Covington, Kentucky
$130,000
The goal of this project is to produce urban walking and driving cultural heritage tours that will help preserve, enhance, and promote the rich cultural assets of Covington.

Rural Heritage Development Initiative Preserve America Sub-Grant Program
Kentucky State Historic Preservation Office
$80,000
The State Historic Preservation Office will subgrant funds to market heritage tourism information and develop heritage tourism education materials and/or National Register nominations based on current survey work of three counties in Kentucky involved in the Rural Heritage Development Initiative.

Renaissance Area Master Plan
Paducah, Kentucky
$75,000
Building on the recent success of Paducah's Artist Relocation Project in its Lowertown Historic District, the city will prepare a Renaissance Area Master Plan that will link and manage the further growth and development of its new art neighborhood, its Downtown, and its Riverfront. The city eventually hopes to move cultural and natural heritage tourists seamlessly throughout all three historical and economical areas, having united their identities and visual characters.

Rural Heritage Development Initiative Design Guidelines
Bardstown, Kentucky
$48,925
The City of Bardstown, along with eight other Preserve America Communities, will work with the University of Kentucky Research Foundation to develop design guidelines that will help the region maintain the character of its rural landscapes and historic small communities. The resulting document will review regional design characteristics, case study examples, and prescriptive recommendations.

LOUISIANA

Wayfinding, Interpretation and Identity: Natchitoches and the Cane River Region
Natchitoches, Louisiana
$150,000
The City of Natchitoches will use the grant to implement the "Cane River National Heritage Area Identity, Interpretive, and Wayfinding Program" within the Natchitoches National Historic Landmark District. Funds will be used to enhance a heritage walking trail with landscape elements, wayfinding signage, interpretive plaques, map kiosks, electronic visitor information kiosks, and a guidebook. The long-term objective is to promote regional heritage assets and create a profile of a nationally significant heritage destination.

Louisiana Rebirth: Restoring the Soul of America
Louisiana State Historic Preservation Office
$150,000
Funds will be used to develop positive economic energy statewide through heritage tourism, in response to the effects of Hurricanes Katrina and Rita. The project will launch an annual state-wide Main Street extravaganza in which all 25 Main Street communities would celebrate their unique qualities during the same weekend and will create a new interactive website that would promote and rebuild tourism in New Orleans.

Marketing Historic Bastrop, Louisiana
Bastrop, Louisiana
$27,403
This project will develop wayfinding signage with a community identity to serve as a tool to market the historic and cultural assets of Bastrop.

Louisiana Main to Main: A Cultural Roadshow
Louisiana State Historic Preservation Office
$150,000
The Louisiana State Preservation Office will work in partnership with the Louisiana Main Street program to identify, showcase, and promote cultural assets unique to Main Street communities, and expand promotion of the annual Cultural Road Show initiative. The project will include involvement from Louisiana's Main Street and Preserve America Communities.

Conference for Local Preservation Commissions of Preserve America Communities
New Orleans, Louisiana
$20,480
In continuing to revive New Orleans's tourism and convention industry, the city will develop workshop sessions and tours showcasing New Orleans's heritage tourism efforts. The project will provide local preservationists tools and information for protecting historic resources and enhancing their heritage tourism. Sessions and tours will be offered by the National Alliance of Preservation Commissions' biennial National Commission Forum and are envisioned to grow into a full conference track at future Forums. This will be the first time the over 700 Preserve America communities will be invited to a national gathering and offered training.

New Orleans Historic District Design Guidelines
New Orleans, Louisiana
$54,860
The New Orleans Historic District Landmarks Commission's current design guidelines are 150 pages long and difficult for the public to understand. With this grant, the Commission will rewrite and illustrate the guidelines to make them more accessible, alert property owners to their publication, and incorporate them into a website. Clear and consistent guidelines will strengthen the Commission's relationship with community members and lead to greater awareness of and compliance with appropriate preservation techniques.

Historic Downtown Redevelopment Initiative
Crowley, Louisiana
$70,705
The city will plan a year-long multimedia campaign to announce and celebrate the completion of the redevelopment of Crowley's historic downtown. The downtown historic district, listed in the National Register of Historic Places, contains 20 blocks of Victorian homes designed in the Queen Anne style. Commercial buildings include the New City Hall, built in 1921 as a Model T assembly facility, and the Grand Opera House of the South, built in 1901 and recently renovated and reopened for performances. The district has been restored to its turn-of-the-century appearance and designed to attract both businesses and tourists. The initiative will comprise of electronic media spots, print advertising, billboards, and several commemorative community events.

MAINE

Point to the Past Heritage Interpretation Project
Portland, Maine
$62,000
The City of Portland will expand and enhance the interpretation of Portland's landmarks and history by using GPS devices to provide information and interpretation of historic resources to visitors and residents. This pilot program will focus on specific historic resources to determine if this type of technology will enhance the visitors' experience.

Public History in Public Places for Saco Bay Cities
Saco, Maine
$37,500
The City of Saco will promote heritage tourism in the region, improve local history instruction in the schools, and create a new awareness of local and regional history in the community and the Saco Bay region. Funds will pay for the creation of three history exhibits (two stationary and one traveling) on local and regional history, and an interpretative regional history guide and for use by teachers in the classroom.

Heritage Campaign for Downtown Gardiner
Gardiner, Maine
$50,000
The City of Gardiner plans to develop a multi-faceted campaign designed to enhance and promote the cultural heritage of its Downtown Historic District, Kennebec River waterfront, and the surrounding historic neighborhoods. Included will be the creation of wayfinding and interpretive signage that connects these areas and increases visitation to their significant sites.

MARYLAND

Expansion and Enhancement of Annapolis' Heritage Resources
Annapolis, Maryland
$80,000
Annapolis plans to build the awareness and appreciation of lesser-known or visited heritage resources by drawing visitors to such sites through 7 on-site exhibits and 16 interpretative signs.

Thurgood Marshall's First Public School
Baltimore, Maryland
$100,000
The City of Baltimore will work to complete the research and documentation necessary to prepare and fabricate interpretive exhibits at the Henry Highland Garnett School that will illuminate the years in which Thurgood Marshall, the country's first African American Supreme Court Justice, was educated. The exhibits will help to detail the school's segregated past as well as the rich cultural heritage of the Upton community of Baltimore City.

Maryland Heritage Areas Program Strategic Plan
Crownsville, Maryland
$75,000
The State Historic Preservation Office will work to strengthen their State heritage areas program through the creation of a strategic plan which will enable them to better serve the heritage areas as well as identify short, mid, and long-term goals for the State of Maryland's heritage tourism endeavors.

Frederick Visitors Center Exhibit and Heritage Trail
Frederick, Maryland
$150,000
The City of Frederick will use grant funds to develop a comprehensive interpretive program for the Frederick Visitors Center and heritage trail markers along pedestrian pathways leading into downtown Frederick.

Annapolis City Hall Restoration
Annapolis, Maryland
$75,000
The City of Annapolis will conduct a Historic Structures Report, including paint analysis, development of architectural drawings, and other planning documents needed for the restoration of the Annapolis City Hall. The City Hall is a contributing structure in a National Register Historic District, is listed on the Maryland Inventory of Historic Places, and is a designated local landmark.

Conspiracy! Port Tobacco and the Plot to Assassinate President Lincoln
Charles County, Maryland
$60,000
Charles County will collect information through detailed archival and archaeological research on the setting in which conspirators planned the abduction and assassination of President Lincoln, Vice President Johnson and Secretary Seward in March 1865. The final report will provide vital information for interpretation, nomination, and possible acquisition of properties in Port Tobacco related to this nationally significant event in American history.

Catoctin Mountain Scenic Byway Gateway/Wayfinding Project
Frederick, Maryland
$150,000
The City of Frederick will develop a comprehensive wayfinding and gateway signage system in Frederick that will serve as a prototype for other communities located along the Catoctin Mountain Scenic Byway in Maryland.

Rockville Historic Building Inventory Catalog
Rockville, Maryland
$20,000
The City of Rockville will utilize funds to update their Historic Building Inventory and Catalog to reflect the resources excluded from the catalog since the last update 18 years ago.

Heritage Farm at Biscoe Gray Property, Phase I: Master Plan
Calvert County, Maryland
$65,000
Calvert County will survey and document heritage resources on the Biscoe Gray property and produce a Master Plan for the protection and interpretation of its archaeological sites and structures that also incorporates the development of a working Heritage Farm as a site for heritage tourism and education.

MASSACHUSETTS

Maximizing the Gloucester Maritime Heritage Visitor Experience
Gloucester, Massachusetts
$140,000
The grant will attract and enable more visitors for the Maritime Trail through the production of a web-based promotional program and the installation of directional markers new exhibits.

Lowell Cultural Heritage Branding Project
Lowell, Massachusetts
$75,000
The Cultural Organization of Lowell, along with their partner organizations, will develop a cultural marketing strategy and implementation plan that will help to brand Greater Lowell as a unique hub of cultural and heritage activity.

Massachusetts Historic Properties Inventory Digitizing and GIS Project
Massachusetts State Historic Preservation Office
$150,000
The Massachusetts State Historic Preservation Office maintains a statewide Inventory of Historic and Archaeological Assets of the Commonwealth, which includes hundreds of thousands of records cataloguing buildings, objects, and other significant resources. This grant will allow the office to convert its paper inventory into electronic images that can be accessed by users of the online database, broadening public appreciation and awareness of the state's historic properties through ready access to 40 years of research and documentation.

MICHIGAN

Heritage Tourism Road Map for SHPOs and a Michigan Model
Michigan State Historic Preservation Office
$80,000
The grant will enable a partnership between 13 communities, the Michigan State Historic Preservation Office, and the National Conference of State Historic Preservation Officers to develop a best practice model for other State Historic Preservation Offices to use to establish a heritage tourism program in their state and document the creation of a prototype in Michigan for inclusion in the best practice model.

National Register Nominations for Cultural Tourism Destinations
Michigan State Historic Preservation Office
$68,843
Michigan's State Historic Preservation Office will use grant funding to develop National Register of Historic Places nominations and erect historical markers for two significant locations: Mary's City of David and Idlewild. Information gained from this process will serve as the foundation for further development of these locations as tourist destinations.

Back-in-Time: Tales of the Village
Douglas, Michigan
$23,265
In partnership with local schools and District library, the City of Douglass will create educational and interpretive materials in order to provide better information on the city's historic and cultural resources.

Ferndale Heritage Tourism and Wayfinding Project
Ferndale, Michigan
$120,000
The City of Ferndale will incorporate wayfinding signage, plaques, and self guided tours to promote Ferndale's downtown historic resources.

Michigan Modern
Michigan State Historic Preservation Office
$118,000
This grant will allow the Michigan State Historic Preservation Office to call attention to Michigan's important contributions to the development of Modernism in America. The project will include creation of a website titled Michigan Modern, documentation of its history through an architectural survey and the development of a narrative that includes the oral histories of architects and designers, resulting in a tourism-oriented site that provides historical and biographical information as well as a series of walking and driving tours of significant sites.

MINNESOTA

St. Cloud Heritage Preservation Community Education and Marketing Plan
St. Cloud, Minnesota
$19,489
Funds will be used to develop a Community Education and Marketing Plan to educate the public about the different aspects and effects of historic preservation in their community.

Grand Rounds Historic District Survey and National Register Documentation
Minneapolis, Minnesota
$25,000
The Grand Rounds park system will be comprehensively surveyed to document and assess the significant and character defining features located in the 53-mile parkway system. A National Register nomination will be prepared to further enhance the interpretation and protection of this historic landscape.

Linking New Ulm: Past and Present Project
New Ulm, Minnesota
$20,119
The city will develop an overall plan for signage, markers, and wayfinding for New Ulm's commercial downtown district. The project will include recommendations for interpretation of historic resources, living history site potential, and use of other media to convey New Ulm's history.

MISSISSIPPI

Rebuilding Mississippi's Heritage Tourism Industry Post Hurricane Katrina
Historic Preservation Division, Mississippi Department of Archives and History
$150,000
Funding will be used to assess the damage to culturally significant properties, to examine means and resources, as well as the development of plans, for preserving the region's remaining cultural resources. In addition, the project will seek to identify previously under-recognized historic resources, and to promote the region's historic and cultural assets through a comprehensive heritage tourism plan.

City of Biloxi Heritage Tourism Marketing Program
Biloxi, Mississippi
$50,000
The project will revise Biloxi's heritage tourism marketing program in response to the significant damage cause by Hurricane Katrina.

Corinth Civil War Preservation Project
Corinth, Mississippi
$60,000
Corinth, site of the Battles of Corinth and Shiloh, contains 16 designated sites associated with the Civil War. This project will support the marketing of these sites to all regions of the country to help build Corinth's heritage tourism industry.

Regional Tribute to the 150th Anniversary of the Vicksburg Campaign
Vicksburg, Mississippi
$100,000
Centered on the 150th anniversary of the Vicksburg Campaign, this project will develop and market educational material as well as provide cultural heritage training and education. Vicksburg will also implement activities to generate excitement and enthusiasm for the upcoming anniversary.

Development of Interpretive Exhibits for L.Q.C. Lamar House Museum
Oxford, Mississippi
$75,000
Exhibits for interpreting the life of L.Q.C. Lamar, one of Mississippi's most celebrated statesmen, will be designed and installed in the house he built and lived in from 1870 to 1888, which has been designated as a National Historic Landmark. The exhibits will center on themes that include his role during the Civil War and his service in all three branches of government.

MISSOURI

The Historic Weston Experience
Weston, Missouri
$54,055
The City of Weston will develop a variety of products, such as a Lewis and Clark exhibit, historic tour materials, a school curriculum on local history and a historic signage plan in their efforts to build a comprehensive heritage tourism program.

Discover Cape Girardeau: Where the River Turns a Thousand Tales
Cape Girardeau, Missouri
$126,235
Cape Girardeau served as a vital commercial port between St. Louis and Memphis with the development of steamboats in the early 1800s. The majority of buildings in the city's downtown were constructed between 1850 and 1920. Today the city has 23 buildings listed individually in the National Register of Historic Places, and 5 National Register historic districts. The historic Downtown has seen a recent influx of businesses due to its unique historic setting. This project will further understanding of and appreciation for the area's historic and cultural resources by developing materials and conducting outreach to them in a way that establishes the city as a heritage tourism destination. The projects will fund design and installation of advertising the community's rich history, design of downtown destination banners, and wayfinding signage throughout the historic downtown.

MONTANA

Montana Rural Heritage Experience
Montana State Historic Preservation Office
$150,000
The project will collaborate with Preserve America Communities in Montana to support regional projects including: improving signage and events, promoting education and interpretation, support of tourism trail, assist in documentation of rural barns, and develop business and marketing plans.

Montana Heritage Preservation Training Initiative
Montana State Historic Preservation Office
$100,000
The Montana SHPO will provide preservation and heritage tourism training to communities statewide. Training will focus on local heritage, preservation, tourism, and economic development.

Montana Places: Expanding the Cultural and Historical Record of Montana
Montana State Historic Preservation Office
$149,979
The Montana Historical Society will provide subgrants to several communities with a strong need to survey and inventory historic resources so that they have proper documentation for preservation of their historic resources. Funds will also be used to hold a Tribal Heritage Resource Summit for Montana's Indian Tribes for the purpose of identifying potential areas of survey and specific undocumented landscapes and historic cultural resources important to Montana's Native American history.

NEVADA

Nevada State and National Register Geographic Information System
Nevada State Historic Preservation Office
$46,966
Although the sites listed on the State and National Register of Historic Places are one of its most important assets, the State of Nevada does not have a GIS completed for them. This grant will allow the SHPO to purchase GIS information and to develop a map-based website, called "Past Places Present", which incorporates Historic Markers, museums, and interpreted heritage tourism sites in addition to its State and National Register-listed properties.

NEW HAMPSHIRE

Development of New Interpretive Tours for 5 Major Historic Sites in New Hampshire
New Hampshire State Historic Preservation Office
$28,161
The project will build heritage tourism in New Hampshire by developing improved interpretive plans at its 5 state historic site museums. The project will also reassess interpretive themes and develop new guided tours based on solid scholarship and incorporating carefully chosen objects at each of the sites.

Condition Assessment and Preservation Plan – Stone Arch Bridge
Keene, New Hampshire
$25,000
This project will result in a condition assessment and preservation plan for the Cheshire Railroad Stone Arch Bridge in Keene which will be used to preserve the bridge and assist the community in promoting its heritage tourism plans that are oriented toward railroad history.

NEW MEXICO

Joint Colorado-New Mexico Heritage Tourism Workshop
Colorado & New Mexico State Historic Preservation Offices
$24,000
The funds will support a three day conference to develop a way to incorporate heritage resources that are located in Colorado and New Mexico's public lands, but managed by Federal agencies, into the states' heritage tourism industries.

Silver City Waterworks Historic Architecture and Heritage Tourism Project
Silver City, New Mexico
$20,125
The Town of Silver City will complete a master plan, including architectural schematics for adaptive use and rehabilitation of the town's waterworks building, which is listed on the National Register of Historic Places.

NEW YORK

Rail Ride into Yesteryear – Looking at the Old in a New Way
Roxbury, New York
$40,575
The project will develop and implement an "immersive" heritage tourism program in the hamlet of Roxbury that will run for three Saturdays.

Rochester's Olmsted Parks Interpretive Signage Project
Rochester, New York
$70,000
Grant funds will be used to design and fabricate identification and interpretive signs for the Olmsted Park System in Rochester. The objective is to educate local residents and visitors about the extent, historical significance, and evolution of the city's park system, which is one of only 4 complete systems in the country designed by Frederick Law Olmsted.

Interpretation Plan for Fort Hill Park
Peekskill, New York
$32,175
Funds will be used to develop an interpretation plan to convey the history of Fort Hill Park, a little known but important Revolutionary War encampment overlooking the Hudson River in Peekskill.

Program to Revitalize Clinton Street District
Brockport, New York
$30,208
Based on the Village of Brockport's Canal Front Master Plan, the Clinton Street District was targeted for revitalization to make it a heritage tourism destination. This work will involve a series of meetings with property owners, business owners, the general public, and relevant stakeholders. The project will also develop a design plan for underutilized spaces in the district and hire an economic consultant to develop a comprehensive market analysis to determine business and heritage tourism opportunities.

Downtown Cortland's Heritage & Culture District
Cortland, New York
$50,250
This project involves a series of studies of the historic properties in downtown Cortland to assess their potential for housing commercial, arts, and cultural activities.

Public Access and Interpretation Plan at West Point Foundry Preserve
Putnam County, New York
$150,000
The 87-acre West Point Foundry Preserve, the site of a 19th century ironworks, will develop a public access and interpretation plan to help attract more visitors to the Hudson Valley. This public access and interpretation plan will provide the guidance for creating thematic trails, gathering areas, and gateways throughout the Foundry Preserve.

Rensselaer County Heritage Tour
Rensselaer County, New York
$23,075
Rensselaer County will develop a marketing template for the promotion of the County's historic and cultural resources. The project will create signage and other wayfinding tools to attract and inform local residents and visitors to the various towns.

Schenectady Heritage Tourism and Management Plan
Schenectady, New York
$20,000
Schenectady will create a tourism plan to identify and reflect current opportunities and obstacles. They will study how to incorporate revitalization efforts and help manage organizational changes with the opening of a new visitors' center and expansion of heritage activities.

City of Beacon Heritage Tourism and Wayfinding Project
Beacon, New York
$46,775
The focus of this project is to inform visitors of historic and cultural resources through the development of a variety of informational and educational materials. Additionally, funds benefit a major statewide celebration of the 400th anniversary of Henry Hudson's voyage along the river that bears his name.

Historic Village Center Pedestrian Way
Southampton, New York
$63,500
The City of Southampton will develop a pedestrian plan for the Historic Village Center that ensures pedestrian infrastructure and open spaces will be incorporated into the built environment and that future development in this area is complies with the small scale and historic character of the village.

Marketing Campaign for Historic Downtown Cortland's Cultural Events
Cortland, New York
$105,000
The City of Cortland will develop a campaign that integrates its historic downtown with its cultural events in order to find the most effective message, target market and media delivery. The end result will be a planning document that guides future outreach efforts of historic downtown Cortland.

The Tappan Zee Bridge: Transforming Rockland County
Rockland County, New York
$150,000
Rockland County will develop an educational and interpretive program chronicling the rich and dramatic history of the Tappan Zee Bridge. Elements of this project will include the fabrication of an exhibit to be displayed at the Historical Society of Rockland County as well as the development of a curriculum for Rockland County schools.

The Gilded Age of Roxbury
Roxbury, New York
$66,750
The Town of Roxbury will promote their heritage tourism programs and expand upon their current interpretive materials to engage visitors. Roxbury is the birthplace of railroad magnate Jay Gould and naturalist John Burroughs. The hamlet of Roxbury retains is seminal 19th century architecture, which has resulted in the entire hamlet being listed in the National Register of Historic Places.

Village of Owego Heritage Tourism and Education Program
Owego, New York
$20,000
The Village of Owego will develop signage, walking tour brochures, historic information kiosks, maps, additions and improvements to interpretive markers, and training for tour guides. Through a coordinated effort with its many private and public partners the Village seeks to establish an organized heritage tourism program that will highlight heritage assets and educate youth, citizens, and visitors to their rich cultural and architectural history.

Preserve the Grove: Adaptive Use Study and Site Plan
Putnam County, New York
$23,180
The Grove, an Italianate villa designed by the eminent architect Richard Upjohn, is located in the Village of Cold Spring along Route 9 Scenic Byway and is an important cultural landmark of Putnam County. The objective of this project is two-fold: first, prepare an adaptive use study, and second, develop an appropriate site plan. It is envisioned that The Grove could become an information center for historic attractions, local businesses, and outdoor activities; therefore, tying in all tourism aspects of the area.

NORTH CAROLINA

Discovering Downtown: Preserving and Promoting Gastonia's Heritage
Gastonia, North Carolina
$29,500
Funds from this grant will produce a multi-faceted marketing campaign to promote Gastonia as a heritage and cultural tourism destination. Products include wayfinding signs, a walking-tour brochure, an updated Gastonia Downtown website, and a multimedia education and heritage package.

Rural Heritage Resources Survey: Northampton, Hertford, Bertie, and Beaufort Counties
Raleigh, North Carolina
$75,000
This project will facilitate the State Historic Preservation Office compilation of comprehensive survey data for rural counties in eastern North Carolina, resulting in survey coverage and public awareness of these underserved counties rich in history and resources.

Culturally Connecting America's Hometown: Fayetteville/Cumberland County Wayfinding Initiative
Fayetteville, North Carolina
$150,000
The City of Fayetteville's will plan, design, and implement a complete wayfinding signage system throughout Fayetteville/Cumberland County, with an emphasis on historic and cultural resources.

NORTH DAKOTA

Sharing Medora's Horizon
Medora, North Dakota
$250,000
Theodore Roosevelt National Park, located in Medora, is the number one destination for visitors to North Dakota. Additionally, the City of Medora contains eight sites listed in the National Register of Historic Places and the Chateau de Mores State Historic Site. This project will market these local and state historic resources to visitors traveling to the National Park through the implementation of interpretive and educational elements throughout the city. Deliverables include print brochures, historic markers and interpretive signage, and development of a promotional video.

OHIO

Heritage Connectivity and Implementation Strategy
Dayton, Ohio
$70,000
Funds will be used to complete an economic analysis of Dayton's cultural and historical tourism industry and to develop and begin implementing a marketing strategy.

Recent Past Historic Context and Dayton-Area Pilot Survey Project
Ohio Historical Society (State Historic Preservation Office)
$87,656
The Ohio Historical Society plans to stem the tide by developing a historic context document that outlines the important social, political, and economic trends that shaped land use decisions, architectural styles, and building technology during the mid-20th century in Ohio. Significant resources associated with the "Recent Past" (1940-1970) are under-identified, under-appreciated, and beginning to disappear. With Dayton, Ohio serving as a case study, this context will provide all of Ohio's communities, State, and Federal agencies with important information for heritage tourism, education, and economic development projects involving the valuable historic resources of the "Recent Past."

OKLAHOMA

Oklahoma Landmarks Inventory Locational Information Digitization Project
Oklahoma State Historic Preservation Office
$83,695
To facilitate a more efficient and effective use of the Oklahoma Landmarks Inventory, the State Historic Preservation Office will complete the first phase of a multi-year effort to modernize its records by digitizing the locational information contained in Oklahoma Landmarks Inventory for properties within the Oklahoma City-to-Tulsa urban core.

OREGON

Downtown Salem Historic Marker Program
Salem, Oregon
$70,000
In order to promote preservation and increase citizen awareness of their historic downtown, the City of Salem will create a unique downtown logo, a template for historical markers, and install 50 markers. In addition, the city's existing downtown walking tour brochure will be redesigned and printed and a website created, allowing both residents and tourists to explore downtown Salem's historic treasures.

PENNSYLVANIA

The Pennsylvania Rural History Project
Pennsylvania State Historic Preservation Office
$75,000
Funds will be used to develop a baseline assessment tool to support and promote heritage tourism. The Pennsylvania State Historic Preservation Office and its partners propose to undertake a comprehensive survey and cultural landscape study for threatened agricultural resources in two nationally significant areas of the state. The survey will have objectives of promoting a better understanding of endangered agricultural resources, provide baseline information to support future tourism in the region, build community partnerships to raise awareness of the resources, encourage more communities to apply for Preserve America Community designation.

Cheltenham Township "Cultural Resources Survey"
Cheltenham, Pennsylvania
$20,000
The Township of Cheltenham will hire a preservation consultant to survey and document historic sites that currently are not recognized for their historic or architectural value. The goal of the project is to maintain and update existing cultural resource records in order to inform visitors of the Township's historic integrity.

Explore the Heritage of Pennsylvania's Washington County
Washington, Pennsylvania
$120,000
The project will help to develop a marketing strategy geared towards improving and advancing heritage tourism efforts in Washington County.

Pennsylvania Civil War and Underground Railroad Project
Pennsylvania State Historic Preservation Office
$80,000
The Pennsylvania State Historic Preservation Office will create a living history program in an effort to increase the visibility of Underground Railroad and Civil War resources in Franklin, Adams, Dauphin, and York Counties. In preparation for the Civil War Sesquicentennial and the 150th anniversary of the Emancipation Proclamation, this program will coordinate and train costumed interpreters to serve as living history resources to visitors during community events to enhance the educations experience.

Cheltenham Township "Richard Wall House Museum Collections Project"
Cheltenham, Pennsylvania
$20,000
The Township of Cheltenham will hire a consultant to document, inventory, and catalog the costume, clothing, and textiles collection of the Richard Wall House Museum. This endeavor will enable the museum to better interpret Cheltenham's 300 years of local history.

Preserving Pennsylvania's African American Heritage: An Initiative for Education, Community Revitalization & Economic Development
Pennsylvania Historical and Museum Commission (State Historic Preservation Office)
$142,250
The Pennsylvania Historical and Museum Commission will develop a comprehensive survey and context study on African American historic and cultural resources throughout the state of Pennsylvania. This study will provide guidance for public programs and nominations for resources to local, state, and national inventories. The funds will also enable the Commission to allow Pennsylvania communities to develop and implement African American heritage tourism projects through a sub-granting program.

Fairmount Park Sculpture Interpretive Project
Philadelphia, Pennsylvania (Fairmount Park Commission)
$50,000
With a large concentration of public art, possibly the largest collection of outdoor sculpture in the nation, located along Philadelphia's "museum mile," the city and Fairmount Park Commission will use funds to promote and cultivate an understanding of the many pieces of public art and sculpture found along the Benjamin Franklin Parkway and Fairmount Park corridor through interpretive signs coupled with a brochure and an online presence.

Creating a Visitor Experience at the Bethlehem Steel Site
Bethlehem, Pennsylvania
$125,768
Grant funds will be used for the planning, design, adaptive reuse assessment, and related interpretation of the historic Stock House building located on the former Bethlehem Steel Site. The Stock House is well situated to welcome visitors; therefore, its rehabilitation as a visitor's center is a critical first step in preserving the entire site.

Supporting and Strengthening Pennsylvania's Preserve America Communities
Pennsylvania State Historic Preservation Office
$250,000
This grant will allow the State to create a program that will be available to Preserve America Communities in Pennsylvania for historic preservation planning. It will also provide a Preserve America Community Coordinator to administer this project and to deliver additional historic preservation planning and heritage tourism development assistance to the designated Communities. A report will be developed detailing the economic benefits of historic preservation in Pennsylvania.

Fairmount Park Houses Heritage Tourism Study
Philadelphia, Pennsylvania
$37,500
The Fairmount Park Commission will increase the visibility of a premiere collection of 18th and early 19th century historic house museums located in East and West Fairmount Park. Funding will be used for a Fairmount Park Houses Heritage Tourism Study to define the goals of these heritage tourism assets, assess the Fairmount Park Historic Houses strengths and weaknesses; conduct audience research and provide actionable recommendations for enhancing understanding, conservation and visitation to these significant cultural resources.

RHODE ISLAND

Blackstone Valley "Footsteps in History"
Rhode Island State Historic Preservation Office
$120,000
The project will develop a sustainable heritage tourism program in the 24 Preserve America Communities embraced in the John H. Chafee Blackstone River National Heritage Corridor to promote and enhance the visitor and resident experience.

Connecting Our Heritage: Wayfinding Master Plan for Downtown Woonsocket
Woonsocket, Rhode Island
$45,000
Woonsocket will create a wayfinding master plan to propose design solutions, suggest opportunities for new connections between Main Street and the Blackstone Riverfront, propose improvements to the bypass, and improve visitor movement through the downtown.

Broad Street Regeneration Initiative
Pawtucket, Cumberland, and Central Falls, Rhode Island
$50,000
This project will help 3 Preserve America Communities produce sustainable development principles in an effort to support heritage tourism in the region.

Historical Inventory, Interpretive Signage, and Historical Interactive Displays
East Providence, Rhode Island
$25,000
The City of East Providence will conduct a historical inventory, background research, and the installation of interpretive signage for Hunt's Mills, a site that displays Rhode Island's contribution to the Industrial Revolution.

Historic Sites Coalition of Rhode Island - Business Planning Project
Rhode Island Preservation and Heritage Commission (State Historic Preservation Office)
$35,434
The Rhode Island Preservation and Heritage Commission will improve and implement the non-profit business practices of Rhode Island's historic sites by creating business plans for volunteer historic sites, developing a methodology and model for historic site business planning, and recommending a business strategy for the Historic Sites Coalition of Rhode Island. The Rhode Island State Historic Preservation Office has determined that many of the State's historic sites do not consistently operate at a level of excellence in visitor services or preservation practices. Organizations that do not operate effectively jeopardize the resources they protect. Effective management will result in increased visitation, and more comprehensive resource protection.

Historic Fort Adams Master Plan
Rhode Island Historical Preservation and Heritage Commission
$125,000
The Historic Fort Adams Master Plan project will conduct a detailed structural assessment of the Fort with the goal of providing data needed to develop stabilization, fundraising, and interpretation strategies for the long term survival of the Fort and to enhance its role in the community. The project will engage the community in a new visioning process based on a realistic assessment of the Fort's condition and the resources likely to be available in the future for its preservation and use.

Preservation Is Local: Community Preservation Planning Summits and Grants for Rhode Island
Rhode Island Historical Preservation and Heritage Commission
$150,000
Awarded funds will support three regional summits on community preservation planning to identify local needs, and fund an estimated 15 innovative community preservation planning projects. The Rhode Island Historical Preservation and Heritage Commission will connect local preservation organizations, enable dozens of innovative projects around the state, and address Rhode Island preservation needs from the ground up.

SOUTH CAROLINA

Historic Chesterfield Marketing Program
Chesterfield, South Carolina
$27,000
Founded in 1785, Chesterfield has 2 National Register districts and several individually significant historic resources. The town will better highlight and promote these resources through the creation of a brochure and the installation of signage in and around the historic districts, downtown area, and entrances to the community. The goal is to increase visitors to the downtown area and expand the economic base of the commercial district.

The South Carolina Preserve America Initiative
South Carolina State Historic Preservation Office
$150,000
The South Carolina State Historic Preservation Office will subgrant Preserve America funds, as matching grants of $20,000 or less, to smaller cities and towns across the state to assist them in the study, use, protection and promotion of their historic and cultural resources.

Horry County Cemetery Project
Horry County, South Carolina
$43,690
This project will locate, inventory, and record GPS locations of each gravesite in their historic cemeteries. The information obtained will allow the County to create a record of where all gravesites in the County are located to assure that they will not be destroyed or sold to developers; and to provide a public resource through a searchable database of ancestors for researchers.

Bluffton Old Town Wayfinding Signage Project
Bluffton, South Carolina
$105,250
This project provides the Town of Bluffton with the necessary resources to implement the recommended sign design from the Bluffton Old Town Master Plan and to proceed with placement of signs, install directional and informational signs, and utilize recommended improvements to the main gateway from the interstate to the historic area.

Historic Survey for the City of Aiken, South Carolina
Aiken, South Carolina
$20,000
The City of Aiken will conduct a survey in efforts to promote growth, preserve historic structures, pinpoint areas of concern, aid in future planning for new historic districts and designations, and for public education.

SOUTH DAKOTA

A Comprehensive Heritage Tourism Plan for Brookings
Brookings, South Dakota
$54,000
Funds will be used to undertake a three-step planning process to identify self-sustaining ways to promote the town's historic and cultural resources. The project involves public education, an assessment of current tourism resources, and the development of a comprehensive plan.

Central South Dakota Heritage Tourism Education Program
South Dakota State Historic Preservation Office
$83,776
Through the identification of historically significant resources in the region around Pierre, South Dakota this project will improve interpretive plans and educational resources to promote heritage tourism. Specifically, preservation plans will be developed; signage, brochures, information kiosks, driving and walking tours created; and educational tools researched and produced to promote and explain the value of South Dakota's historic resources.

TENNESSEE

Heritage Tourism and Wayfinding Project for Historic Franklin, Tennessee
Franklin, Tennessee
$20,000
The project will develop a signage package for local historic sites and other attractions in order to enhance visitor experience. The plan would include approximately 20 sites and services, such as historic districts, house museums, public buildings, and parking. Primary objective is to design a comprehensive wayfinding package for Franklin to connect historic sites, historic districts, attractions, and services.

Jonesborough: An American Front Porch
Jonesborough, Tennessee
$97,000
Funds will be used to develop and implement an interpretive plan for the promotion of the various historic resources and cultural assets located in the Town of Jonesborough.

Birth of a City: The History of Oak Ridge, Tennessee
Oak Ridge, Tennessee
$150,000
The City of Oak Ridge, a government town built under a cloak of secrecy during World War II as part of the Manhattan Project, is approaching its fiftieth Anniversary as an incorporated city. Historical records pertaining to its founding and development are known to be scattered throughout the community. Funds will assist with completing an inventory of existing records, files, and other historical materials; conducting oral history interviews of key city officials and community leaders; developing an interpretive exhibit on Oak Ridge's history; and creating educational materials for curricular and scholarly use.

TEXAS

Cultural and Heritage Tourism Initiative
Abilene, Texas
$111,832
The project will implement the heritage tourism plan that was created for the city. Activities will include advertising, traveling media, heritage brochure, web page, cross-marketing program, and full-color hardback book showcasing the historical sites of Abilene.

Heritage Tourism Plan for City of Castroville's Biry House Complex
Castroville, Texas
$29,400
The grant will be used to develop a heritage tourism plan for the Biry House and Barn Complex. The complex will ultimately be rehabilitated to serve as a living-history house museum of mid-nineteenth century pioneer life.

Farm-to-Market Museum & Heritage Center
Pharr, Texas
$145,000
Funds will be used to develop a plan for the creation of the Farm-to-Market Museum and Heritage Center to benefit and support the revitalization of downtown Pharr. The project includes the completion of several key studies including research analysis, marketing, and economic development for the conception of the museum and heritage center.

Texas Heritage Trails Program
Texas Historical Commission
$147,000
Funds will be used to develop new training and assistance component of the Texas Heritage Trails Program through a guidebook and workshop series. The result will be in-depth training for community representative on the successful development of heritage tourism.

El Camino Real Heritage Tourism Plan
El Paso, Texas
$50,350
This project will develop a heritage tourism plan that will explore the broad cultural and historic heritage of El Paso, including architecture, archeology, folklore and community celebrations. It will also examine the natural, scenic, and recreational resources as well as the infrastructure and transportation components of the area.

Documenting Community Histories in Hearne, Texas
Hearne, Texas
$35,636
Collect oral histories documenting personal accounts of Hearne's older residents' memories and interactions with historic sites like the Hearne Depot or Camp Hearne, the World War II prisoner-of-war camp.

Historic District Wayfinding Program
McKinney, Texas
$43,949
Funds will be used for the manufacturing and installation of wayfinding signage in the historic downtown district of the city of McKinney.

Brownsville-21 Project
Brownsville, Texas
$132,870
The City of Brownsville will develop a GIS based interactive web application, as well as brochures, signage, and informational kiosks, in an effort to provide greater accessibility and information for their historically significant resources. These educational resources will also have a kid friendly and bilingual component to make them more accessible to all visitors. The goal of this work is promote and enhance the heritage of Brownsville and attract visitors to the region.

Heritage Trails of Bastrop, Texas
Bastrop, Texas
$70,000
The City of Bastrop, part of the newly designated federal trail *El Camino Real de los Tejas,* will collaborate with local partners to promote awareness of the cultural, historical, and natural resources and experiences that are available to visitors.

Gateway to Historic Galveston
Galveston, Texas
$30,000
The City of Galveston will promote its historical resources through an improved system of marketing, gateways, wayfinding, and interpretation. This system of interpretation is needed in order to better market historic Galveston to tourists and visitors.

Fair Park Interpretation Program
Dallas, Texas
$250,000
Fair Park is one of the last remaining World's Fair sites in the United States and the City of Dallas intends to provide an interpretation and educational program to commemorate this site and event. Funding will supply the program with a visitor information booth, a permanent outdoor exhibit, interpretive signage, and printed materials.

Marshall History Museum and Memorial Hall Planning Project
Marshall, Texas
$65,000
The City of Marshall will develop a comprehensive architectural design plan which will enable the city to plan for the adaptive reuse of the former "Marshall Memorial City Hall". The city also plans to design and develop new exhibits for Harrison County Historical Museum's new installation in Memorial Hall and re-installation in the Harrison County Courthouse.

Community-Based Cemetery Interpretation: Linking Heritage, Preservation, GIS, Curriculum, and Web Services
Nacogdoches, Texas
$250,000
Funds will enable the City of Nacogdoches to develop a pilot project that showcases interpretive, educational and digital products for Oak Grove and Zion Hill Cemeteries. The city also plan to assist participating communities within Nacogdoches and the Crossroads Region of El Camino Real de los Tejas National Historic Trail with their cemetery interpretation efforts through workshops, technical assistance, and web-based services.

Willkommen to Fredericksburg ~ Welcoming and Guiding Signage Enhancements
Fredericksburg, Texas
$90,000
In partnership with public and private partnerships, the City of Fredericksburg plans to enhance their welcoming and guiding signage to help navigate visitors and seeks to devise a specific plan of action to implement signage design and placement.

Preserve America and Texas Main Street: Partners in Community Development
Texas Historical Commission
$218,615
The State Historic Preservation Office of Texas seeks to dramatically expand and enhance technical preservation assistance provided to communities across the state through the Texas Main Street Program. The initiative will also involve preservation training and education for the public through a series of seminars. Grants will target projects that enhance local inventories of historic properties, promote cultural diversity, measure the economic benefits of historic preservation to small cities and towns, and provide detailed technical assistance to local communities in the promotion their historic resources and heritage tourism. Funds will be targeted at Texas Main Street Communities that are also designate Preserve America Communities.

UTAH

Heritage Highway 89 Interpretive/Marketing Sites
Mt. Pleasant, Utah
$95,993
The grant will develop regional interpretative and marketing sites along Heritage Highway 89, extending from Fairview in the north to Kanab in the south. The objective is to improve visitor appreciation for the heritage corridor by providing a theme and message through brochures, kiosks, and signage in the six counties along the highway.

Historic Preservation Plan of the Wendover Airfield and Documented History
Tooele County, Utah
$75,393
Funds will be used to create a documentary film about World War II home-front training at Wendover Airfield. Additionally, a master plan to restore the airfield will be initiated.

VERMONT

Barre City Downtown Marketing Program
Barre, Vermont
$22,410
The grant will be used to develop marketing materials to promote Barre's Historic downtown, arts, and cultural attractions.

Estey Organ Factory Heritage Tourism Master Plan
Brattleboro, Vermont
$32,500
The grant will create a master plan for the rehabilitation and adaptive use as a heritage tourism destination, the south-east portion of the former Estey Organ factory complex, with a history museum focused primarily on the national industrial heritage of the Estey Organ Company as its central attraction.

Destination Historic Poultney
Poultney, Vermont
$25,000
Funds will be used to develop a brochure to be available through state and regional tourism offices, lodging, and retail establishment in the area that will focus on the town's historic resources. It will develop a web-based resource focusing on Poultney's history, museums, historic buildings and sites and produce a walking tour of Poultney's downtown historic districts.

Burlington, Vermont Web-based Guide to Cultural and Historic Resources
Burlington, Vermont
$94,120
This project will work to develop a web-based guide to Burlington's cultural and historic resources.

Digital Downtowns: Creating GIS Databases for Historic Downtowns
Vermont State Historic Preservation Office
$51,000
This project will make information about historic resources in 16 Vermont communities readily available and usable by travelers, planners, and educators. By converting information to digital Geographic Information System (GIS) data in a searchable database, more information, including interactive maps, can be displayed and downloaded on the internet.

Walking Tour of Historic St. Johnsbury
St. Johnsbury, Vermont
$22,375
The Town of St. Johnsbury will create a walking tour of the St. Johnsbury Historic Districts, including the downtown area and Main Street, in order to promote their unique heritage.

Welcome to Windsor
Windsor, Vermont
$44,650
This marketing project will bring to life three of the most significant periods in Windsor's history. Products will include location and interpretive signs and a walking-tour brochure that will also be available in a downloadable format on the internet.

Barn Census Project
Montpelier, Vermont
$150,000
This survey project will develop a methodology, collect data, purchase storage systems, and recruit and train volunteers to conduct a survey of barns in Vermont. Information collected will result in the knowledge of the number of and condition of structures.

VIRGINIA

Initial Interpretive Activity for Prince William County Historic Sites
Prince William County, Virginia
$57,566
The grant will be used to develop an educational brochure, wayside signs for trails and sites, a Passport to Prince William program, and educational "traveling trunks" for outreach programs at schools with the goal of generating awareness and excitement among local citizens and visitors. Promotion of the sites will drive economic development as they become regional focal points in one of the top ten regions of the nation for heritage tourism.

The African-American Contribution to Spotsylvania County's Heritage
Spotsylvania County, Virginia
$23,000
This project will research African-American history in Spotsylvania County and use that information to develop a driving tour of the African-American Contribution to Spotsylvania County's Heritage.

Harrisonburg Wayfinding Initiative: Heritage Tourism in the Shenandoah Valley
Harrisonburg, Virginia
$150,000
Harrisonburg will implementing a portion of its comprehensive streetscape and wayfinding system plan by using funds to manufacture and install a variety of wayfinding signage in the downtown historic district.

Petersburg Historic District Enhancement Program
Petersburg, Virginia
$100,000
The City of Petersburg will create a series of interpretative markers within Petersburg's historic districts. These will be accompanied by a series of walking tour brochures to help draw attention to the historic architecture and sites in the area.

Route 15 Corridor Front-Line Hospitality Training/Professional Development
Virginia Department of Historic Resources (State Historic Preservation Office)
$236,165
The Virginia Department of Historic Resources is partnering with the Journey Through Hallowed Ground Partnership to encourage economic development within the context of historic preservation and active participation in promoting the scenic, recreational, and cultural characteristics of Gettysburg, Pennsylvania; Harpers Ferry, West Virginia; Frederick, Thurmount, Mt. Airy and Brunswick, Maryland; Leesburg, Middleburg, Berryville, Purcellville, Warrenton, Culpepper, Orange and Charlottesville, Virginia. Each of these areas has the greatest concentration of Civil War battle sites, 9 Presidential homes and over 1.5 million acres which are listed in the National Register of Historic Places. Funds will be used to develop and launch an extensive front line hospitality training and professional development program in anticipation of the Sesquicentennial of the Civil War, which begins in 2009.

WASHINGTON

Experience Historic Spokane Marketing Campaign
Spokane, Washington
$20,400
The grant will be used to develop a focused heritage tourism marketing campaign to promote Spokane's downtown historic resources and historic districts. The objective is to create a better understanding of Spokane's historic architecture to educate tourist and residents.

Vancouver National Heritage Reserve Education Master Plan K-12 Curriculum
Vancouver, Washington
$40,149
Funds will be used to examine the existing Historic Reserve's K-12 educational programs for compatibility with existing State education and curriculum guidelines and with the Historic Reserve's Long Range Interpretive Plan and the Education Master Plan.

Stepping Back in History – A Self-guided Tour of Officers Row
Vancouver, Washington
$21,820
The City of Vancouver will create and print a double-sided, tri-fold full color brochure entitled "Officers Row Self-Guided Walking Tour."

Historic Bellingham Neighborhoods Survey and Inventory
Bellingham, Washington
$150,000
The City of Bellingham will undertake a reconnaissance-level survey and inventory of the historic resources in three of the city's centrally located neighborhoods that contain resources dating from the 1850s through the 1950s. This information will be stored electronically and used to instruct better planning decisions and create heritage tourism and educational materials. An intensive-level inventory will ultimately be conducted so a National Register district nomination can be completed.

Heritage Trails in King County: Visitor Guides to Landmark Sites
King County, Washington
$38,734
Seattle will create a series of heritage trail guides to promote heritage tourism in the Seattle/King County area. These guides will focus on the region's 3 most significant historical themes while weaving in ethnic and cultural elements of social history, the arts, innovation, and sustainability.

Vancouver National Historic Reserve "Step On" Tour Program Expansion
Vancouver, Washington
$59,986
The City of Vancouver will promote heritage tourism to the Vancouver Historic Reserve through the expansion of "Step-on" group tours and a group tour marketing plan that will best serve the tourism needs of the Historic Reserve and downtown Vancouver.

4th Avenue Cultural Corridor Project
Edmonds, Washington
$50,000
The City of Edmonds will create a plan to advance economic development and cultural tourism within the historic downtown. The main focus of the project is the development of a plan to create a "Cultural Corridor" along a section of 4th Avenue, connecting the core downtown retail area to the newly opened performing arts center.

Marketing our Heritage through Collaborative Partnerships
Vancouver, Washington
$50,000
This marketing project will result in the development of strategies and tools to promote the Vancouver National Historic Reserve, including Officer's Row, Fort Vancouver National Historic Site, Pearson Airfield, Vancouver Barracks, and the Columbia River Waterfront, to a larger regional and national audience.

WEST VIRGINIA

Beverly's Heyday Interpretation Project
Beverly, West Virginia
$95,000
This project will develop a multi-faceted thematic exhibit interpreting the town of Beverly's story of how residents lived and coped with conflict (Civil War) and change (Industrialization). In addition, this project will train the local museum associate in exhibit development.

West Virginia Thematic Tours
West Virginia State Historic Preservation Office
$100,000
The State Historic Preservation Office will develop statewide thematic tours to encourage heritage tourism in communities based on specific historic theme topics. The goal of the project will be to provide a state model for creating thematic tours within West Virginia.

Historic Hinton- Wayfinding and Promoting the Downtown District
Hinton, West Virginia
$20,000
The City of Hinton's primary goal is to enhance resident and visitor experiences in the downtown historic district by providing attractive wayfinding and interpretive signage and brochures. The objectives include bolstering activity within the historic district, increasing awareness of the historic district's significance, and deepening the appreciation of the historic places within the district.

Finding Fairmont's History
Fairmont, West Virginia
$20,000
As a city with rich history, Fairmont is an area that has great potential to showcase its historic treasures to both visitors and residents. The City of Fairmont's goal is to capture the collective chronicles through oral histories from the city's elders and share these stories through podcasts and downtown walking tours.

WISCONSIN

Bringing Back History: Mineral Point Municipal Building Historic Structures Report
Mineral Point, Wisconsin
$25,000
This survey project will go toward the production of a Historic Structures Report for the Mineral Point Municipal Building. This, in turn, will be used to guide the restoration and renovation of the building for use as a central point for tourist information, theater performances, and conferences.

Osceola Heritage Awareness and Marketing Program
Osceola, Wisconsin
$36,000
The Village of Osceola is a small community of 2,700 residents located on the St. Croix National Scenic Riverway. Originally settled in 1844, the village maintains a collection of buildings dating from the 1880s that form the core of the downtown. The Downtown Historic District is listed in the National Register of Historic Places. The Village of Osceola will develop a public awareness campaign and create marketing materials in order to better promote and increase visitation to the village. The ultimate goal of the project is to further economic growth and cultural vitality.

Wisconsin Historic Building Image Digitization Project
Wisconsin Historical Society (State Historic Preservation Office)
$150,000
This project will complete the digitization of approximately 175,000 photographs of historic buildings for Wisconsin's online Architecture and History Inventory database located at www.wisconsinhistory.org/ahi. The visual record of these historic buildings will greatly enhance user experiences by bringing the raw building data to life and will make information easier to access for efforts to promote heritage tourism and education throughout the state.

WYOMING

Wyoming Local Preservation & Tourism Training
Wyoming State Historic Preservation Office
$25,500
The State Historic Preservation Office's goal is to educate the local preservation commissions in Wyoming on the basics of historic preservation and heritage tourism. Several one day training sessions will be held across the state and target existing Preserve America Communities and Certified Local Governments.

Cheyenne Heritage Education Project
Cheyenne, Wyoming
$52,500
As the capital of Wyoming, Cheyenne serves as one of the primary gateways to the state; however, it lacks signage that interprets and educates the public of its important heritage. Funds will be used to research and write interpretative and educational materials, design and install twenty-one historical markers, and print both walking and driving tour pamphlets for free distribution to the approximate 1.5 million yearly visitors to Cheyenne.

Evanston's Historic Roundhouse & Rail Yards Visitor Center Planning Project
Evanston, Wyoming
$30,000
The City of Evanston will develop a comprehensive architectural design plan which will enable the city to plan for the preservation and adaptive reuse of the "Oil House" as a visitor center.

For more information on Preserve America grants, contact the National Park Service's Historic Preservation Grants Division at 202-354-2020 or Preservation_Grants_Info@nps.gov.

For more information on becoming a designated Preserve America Community, contact the Advisory Council on Historic Preservation's Office of Preservation Initiatives at 202-606-8584.

Detailed information on all aspects of Preserve America can be found at:

www.PreserveAmerica.gov

PRESERVE AMERICA

Explore and Enjoy Our Heritage

www.PreserveAmerica.gov

Preserve America Grant Agreement No. XX-08-AP-XXXX

Upon signature of both parties below, the National Park Service (NPS) will have obligated with this Grant Agreement the amount of **$XX,XXX** appropriated from the National Recreation and Preservation Fund for the Preserve America Grant Program by Public Law 110-161, which provides Fiscal Year 2008 appropriations to the Department of the Interior. The term of this grant agreement is:

Beginning Date:

Ending Date:

In accepting this grant for the project entitled *Name of Project* evidenced by signature below, the *Name of Grantee*, agrees to comply with Department of the Interior regulations and requirements governing Federal grants stipulated in Office of Management and Budget (OMB) Circular A-102 (Administrative Requirements for Grants to State and Local Governments; see 43 CFR 12.42-12.92); Circular A-87 (Cost Principles for Grants to State and Local Governments); and Circular A-133 (Audits of States, Local Governments and Non-Profit Organizations). These requirements are hereby incorporated by reference into this grant agreement. In accordance with 18 U.S.C. 1913, none of these funds may be used for lobbying purposes as defined in the special conditions contained on the following pages. These special conditions are also hereby incorporated into this grant award. The terms and conditions of this grant award shall be extended to subrecipients and subcontractors.

In witness thereof, the parties have executed this grant agreement as of the date entered below:

NAME OF PA COMMUNITY/SHPO/THPO	**NATIONAL PARK SERVICE**
Authorized Signature	Chief, Historic Preservation Grants Division
Date signed	Date signed

cc: State Historic Preservation Office

APPLICATION AND BUDGET CHANGES/SPECIAL CONDITIONS

GRANT NUMBER:	BEGINNING DATE:	ENDING DATE:
XX-08-AP-XXXX		

The terms of the grant award include the following special conditions necessary to obtain the objectives of the grant, facilitate administration of the grant, and to protect the interests of the Federal Government. Grantee noncompliance with these terms and conditions and the requirements of Office of Management and Budget (OMB) Circulars A-102 and A-87 will cause disallowance of costs incurred under the grant. In addition to other lawful remedies, in the event of noncompliance with any grant conditions, the grant may be suspended, terminated or annulled pursuant to OMB Circular A-102 (see 43 CFR 12.83-12.84).

The grantee shall not assign or otherwise transfer final responsibility for this Grant Agreement, the grant, or the project to any third party. The execution of subcontracts shall not alter or modify the obligations of the grantee. However, the grantee may subcontract for performance of project-related work summarized in this Grant Agreement. The grantee must administer this grant award free from conflict of interest, bribery, "kickbacks," cost-plus-a-percentage-of-costs contracts, and other procurement practices prohibited by 43 CFR 12.76.

Special Condition #1, Limitations on Grant Expenditures. The term of availability of these grant funds is from **Start Date** through **End Date**. All costs incurred must be billed to NPS by **Three month after end-date**. Expenses charged to this grant may not be incurred prior to the beginning date specified above, or subsequent to the grant end date specified above (unless the Grant Agreement's end date is formally extended in writing by NPS). Such expenditures may not exceed the maximum limits shown on this grant award, or amendments subsequently approved in writing by NPS. The grantee assumes fiscal liability, without recourse to NPS, for commitments that exceed the funds provided in the Grant Agreement.

Special Condition #2, Allowable Costs. All costs charged to the grant must be directly related to and necessary for the achievement of the approved objectives and budget of this grant, as specified in Grant Condition #15, below, unless an amendment is approved in writing by NPS. Expenses charged must be incurred only for eligible costs in accordance with OMB Circular A-102 and OMB Circular A-87; and supported by approved contracts, purchase orders, requisitions, bills, or other evidence of liability consistent with generally established purchasing procedures and generally accepted accounting principles.

Special Condition #3, Nonfederal Matching Share. At least **$XX,XXX** in eligible nonfederal matching contributions that are allowable and properly documented in accordance with 43 CFR 12.64 must be used during the grant period to share the costs for this grant. Failure to use the required non-Federal matching share will result in the disallowance of costs reimbursed, and/or the deobligation of remaining unexpended funds.

Special Condition #4, Fundraising Costs: In accordance with OMB Circular A-87, Attachment B, Item 21, costs of fundraising are not eligible costs chargeable to the grant for reimbursement or as eligible nonfederal matching share contributions.

APPLICATION AND BUDGET CHANGES/SPECIAL CONDITIONS

GRANT NUMBER:	BEGINNING DATE:	ENDING DATE:
XX-08-AP-XXXX		

Special Condition #5, Performance Reports. An acceptable Interim Progress Report must be submitted to NPS every six months during the grant period, with the initial Progress Report due not later than **Month Day, Year**, and the next report due not later than **Month Day, Year**. An acceptable Final Progress Report must be submitted by **Month Day, Year**. Failure to submit acceptable progress reports by the dates specified, and in the format prescribed by NPS, may result in suspension of funds or other action. The final progress report must include slides, photographs, copies of publication etc. showing the work accomplished under this grant. Interim Reports and the Final Project Report must include the Standard Form 269A, Financial Status Report Short Form, which is used to document financial obligations and outlays during the previous year. The final payment will not be approved until all work in completed and an acceptable Final Progress Report is received by NPS.

The grantee agrees to maintain close liaison with the NPS Grant Awarding Official throughout the grant period. NPS reserves the right to request meetings, upon reasonable notice, with grantee project staff at intervals during the course of project work. The grantee agrees to promptly notify the NPS Grant Awarding Official should any of the following conditions become known to it:

a) Problems, delays, or adverse conditions that will materially affect the ability of the grantee (or its subcontractors, if any) to attain project objectives, prevent the project from meeting planned timetables, or preclude the completion of approved work;
b) The need for adjustment (revision) to the project budget; and
c) The lack of nonfederal matching share to meet the amount required by this Grant Agreement.

Interim and final progress reports should be sent to the National Park Service in Washington, DC, at 1849 C Street, NW (org code 2256), Washington, DC 20240.

Special Condition #6, Prior Approval Requirements. The grantee may not, without written approval by the NPS grant awarding official (that official whose signature/title appears on the grant award document, or his designee), make changes in the approved scope of work or budget that would substantively alter the approved scope of work (43 CFR 12.70).

Special Condition #7, Lobbying Prohibitions. Costs associated with activities or any form of communication designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation are unallowable as a charge to this grant. None of the funds awarded may be used to process any grant or contract documents which do not include the text of 18 U.S.C. 1913 prohibiting lobbying with appropriated funds. Recipients shall not use any part of the appropriated funds for any activity or for the publication or distribution of literature that in any way tends to promote public support or opposition to any legislative proposal on which Congressional action is not complete.

Special Condition #8, Debarment and Suspension. In accordance with Executive Order 12549 "Debarment and Suspension" the grantee and its subgrantees must not make any award or permit any award (by subgrant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549.

APPLICATION AND BUDGET CHANGES/SPECIAL CONDITIONS

GRANT NUMBER:	BEGINNING DATE:	ENDING DATE:
XX-08-AP-XXXX		

Special Condition #9, Financial Audit. The grantee shall obtain an audit of grant expenditure records in accordance with OMB Circular A-133 which requires a Single Agency Audit for any grantee who expends at least $500,000 of Federal grant funds (from all sources) in a fiscal year. Financial audits that include costs incurred for this grant (including nonfederal matching share) must be transmitted to the Federal Audit Clearinghouse, Data Preparation Division, U.S. Bureau of the Census, 1201 E. 10th Street, Jeffersonville, Indiana 47132. A reasonable proportion of the costs of an acceptable audit performed in accordance with OMB Circular A-133 may be charged to this grant.

If an audit is required, the grantee must complete and submit one signed copy of the Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations, SF-SAC, to the National Park Service within 30 days of the grantee's receipt of the completed audit report. The form must be signed by the grantee and auditor state whether the audit was completed, provide information about the grantee, the results of the audit, the Employer Identification Number (EIN) and the Dun and Bradstreet (D&B) Data Universal Numbering System (DUNS). A copy of the SF-SAC is acceptable.

Special Condition #10, Record Keeping. The grantee must maintain the property, personnel, financial, procurement and other records and accounts pertinent to the funds awarded by this grant in accordance with 43 CFR 12. The grantee and its contractors will permit on-site inspections by NPS representatives, and will effectively require employees and board members to furnish such information as, in the judgment of NPS representatives, may be relevant to a question of compliance with grant conditions and directives on the effectiveness, legality and achievements of project work.

Special Condition #11, Access to Records. The Secretary of the Interior and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of financial or programmatic audit and examination to any books, documents, papers, and records of the grantee that are pertinent to the grant at all reasonable times during the period of retention provided for in 43 CFR 12.

Special Condition #12, Publicity and Press Releases. Press releases about this project must acknowledge the grant assistance provided by NPS and copies of the press releases must be provided to NPS. The grantee must transmit notice of any public ceremonies planned to publicize the project or its results in a timely enough manner so that NPS, Department of the Interior, Congressional or other Federal officials can attend if desired.

Special Condition #13, Use of Preserve America Logo. The grantee is authorized to use the Preserve America logo, or to refer to Preserve America, solely for non-commercial purposes related to the promotion and public understanding of the Preserve America initiative. The logo, or any reference to Preserve America, will not be used in for-profit commercial ventures or applications, since the Preserve America logo is a registered trademark entitled to the legal protections attendant to such status. Any use of the Preserve America logo, or any reference to Preserve America, will be consistent with the stated purposes of the Preserve America initiative. Detailed information about Preserve America is at www.PreserveAmerica.gov. The authorizations described in this paragraph can be revoked at any time and for any reason by the Advisory Council on Historic Preservation.

Special Condition #14, Publications. The grantee must include acknowledgment of NPS grant support and

APPLICATION AND BUDGET CHANGES/SPECIAL CONDITIONS

GRANT NUMBER:	BEGINNING DATE:	ENDING DATE:
XX-08-AP-XXXX		

a nondiscrimination statement in all publications and videos assisted with grant monies and/or concerning NPS grant-supported activities. At least three copies of each publication and video concerning NPS grant-assisted activities, or published with NPS grant assistance, must be furnished to the NPS Grant Awarding Official within 30 calendar days of publication. All publications, including video and audio tapes, must contain the following disclaimer and acknowledgement of NPS support: "This material is based upon work assisted by a grant from the Department of the Interior, National Park Service. Any opinions, findings, and conclusions or recommendations expressed in this material are those of the author(s) and do not necessarily reflect the views of the Department of the Interior." All consultants hired by the grantee must be informed of this requirement. The National Park Service shall have a royalty-free right to republish any published material generated by this grant.

Special Condition #15, Method of Payment. An SF-270, *Request for Advance or Reimbursement*, must be faxed to the NPS Grant Awarding Official for approval of payment requests. After NPS has notified the grantee by fax or e-mail that the payment request is acceptable, the grantee can transmit the payment request on the SMARTLINK payment system. Payment of grant funds will then be made by SMARTLINK electronic transfer of funds to a specified bank account of the grantee.

NPS approval of payment requests is based on satisfaction of grant conditions and documentation that matching funds have been expended at the same rate as federal funds. The final payment request (or approximately 15%) will be held until all grant conditions are met, including submission of an acceptable Final Project Report.

All approved advance payments must be expended within 30 days of the receipt of funds. An SF272, Cash Transaction Report, must be completed and submitted to NPS at the end of the 30 days documenting that the advanced funds have been liquidated.

Special Condition #16, Approved Budget and Scope of Work. The approved Summary of Objectives and Results to be performed with this grant award is as follows:
Program costs include:

The approved Work/Cost Budget is summarized as follows:

Budget Item	Federal Share	Non-Federal	Total
Personnel & Fringe Benefits	$ -	$ -	$ -
Consultant Fees	$ -	$ -	$ -
Travel and Per Diem	$ -	$ -	$ -
Supplies and Materials	$ -	$ -	$ -
Equipment	$ -	$ -	$ -
Other	$ -	$ -	$ -
TOTAL GRANT (including non-Federal matching share)	**$ -**	**$ -**	**$ -**

Special Condition #17, Preagreement Costs. Any preagreement costs incurred must be approved in writing by NPS and authorized to be charged to this grant in accordance with OMB Circular A-87.

APPLICATION AND BUDGET CHANGES/SPECIAL CONDITIONS

GRANT NUMBER:	BEGINNING DATE:	ENDING DATE:
XX-08-AP-XXXX		

Documentation of these preaward costs must be retained for review by the grantee's financial audit.

Special Condition #18, NPS Concurrence with Selection of Consultants. The grantee must submit resumes and responses to its Requests for Proposals, along with its justification for which consultant(s) it selects for grant-assisted work to the NPS Grant Awarding Official for concurrence by NPS. The consultant(s) must have the requisite experience and training in historic preservation to oversee the construction work to be performed and to manage this complex project. Contractors must be competitively selected. **Maximum hourly rates charged to this grant may not exceed 120% of a Federal Civil Service GS-15, step 10 salary, which in Fiscal Year 2006 is $80.37 per hour or $643 per day**. Current salary tables can be found on the Office of Personnel and Management website: www.opm.gov.

Special Condition #19, Compliance with Section 106 of the National Historic Preservation Act. Pursuant to Section 106 of the National Historic Preservation Act, NPS and the grantee must complete the consultation process stipulated in the regulations issued by the Advisory Council for Historic Preservation in 36 CFR 800 prior to the commencement of any construction work or ground disturbance associated with this project. (Note that the NPS must receive a copy of the State Historic Preservation Officer's written approval of the methodology or plan to be used for any archeological testing or ground-breaking prior to conducting such testing or ground-breaking.) To complete the Section 106 review, the grantee must submit plans and specifications for the project to the SHPO. The grantee then must submit to the NPS Grant Awarding Official copies of the following: 1) any written comments grantee receives from the SHPO in response to submission of plans and specifications for the project, including any suggestions for modifying the project, and 2) the SHPO's written concurrence with the project as proposed or as modified. In the event that the grantee and the SHPO cannot reach agreement, the grantee must notify NPS in writing so that NPS may participate in the conclusion of the consultation.

Special Condition #20, Compliance with the Secretary of the Interior's Standards. All grant-assisted construction or ground disturbance must be reviewed by NPS to ensure that it meets the Secretary of the Interior's *Standards for Archeology and Historic Preservation*, and the Secretary of the Interior's *Standards for the Treatment of Historic Properties*. Work that does not comply with these Standards in the judgment of NPS will not be reimbursed, and may cause the grant to be terminated and funds deobligated.

Special Condition #21, NPS Review of Architectural Plans and Specifications. The grantee must submit plans and specifications for any construction or ground disturbance to the National Park Service for its review and approval for compliance with the Secretary of the Interior's *Standards for Archeology and Historic Preservation*, and the Secretary of the Interior's *Standards for the Treatment of Historic Properties*, and with the Conditions listed in this Grant Agreement prior to the beginning of grant-assisted work on the property.

Special Condition #22, Requirement for Copies of Final Products. The grantee must submit 3 copies of any publications, reports, studies, or similar materials which are produced with this grant assistance, including plans and specifications, historic structures reports, and feasibility studies. For items such as interpretive signs or tourism events, photographs of the signs or events must be submitted.

Special Condition #23, Requirement for Project Sign. The grantee must erect and maintain a project sign at the project site, if applicable. This sign must: be of reasonable and adequate design and

APPLICATION AND BUDGET CHANGES/SPECIAL CONDITIONS

GRANT NUMBER:	**BEGINNING DATE:**	**ENDING DATE:**
XX-08-AP-XXXX		

construction to withstand weather exposure; be of a size that can be easily read from the public right-of-way; and be maintained in place throughout the project term as stipulated in this Grant Agreement. At a minimum, the sign must contain the following statement: "[Name of Project] is being supported in part by a Preserve America grant administered by the National Park Service, Department of the Interior." Additional information briefly identifying the historical significance of the property or recognizing other contributors is encouraged and permissible. Photographs of the sign must be included with the Final Report submitted to NPS. The cost of fabricating and erecting this sign is an eligible cost for this grant.

TOWN OF WINDSOR
COLORADO

November 7, 2012

Windsor Town Board
301 Walnut Street
Windsor, CO 80550

Re: Letter of Support for *Preserve America Communities* designation

Mayor Vazquez and Town Board Members:

The Windsor Historic Preservation Commission (HPC) supports the Town's efforts to obtain *Preserve America Communities* designation. To recognize this support, the Windsor HPC passed the enclosed HPC Resolution No. 2012-01 supporting the Town's designation efforts.

The HPC believes the *Preserve America Communities* designation will increase the Town's exposure to the region and beyond as a community that supports preservation efforts. This designation will also provide additional opportunities for the HPC and Town Staff to leverage resources to benefit the Town of Windsor.

Sincerely,

Carrie Ann Lucas, Chair
Historic Preservation Commission

Pc: Melissa Chew, Director of Parks, Recreation & Culture
Carrie Knight, Art & Heritage Manager

TOWN OF WINDSOR

RESOLUTION NO. 2012-73

A RESOLUTION OF THE WINDSOR TOWN BOARD IN SUPPORT OF THE EFFORTS OF THE TOWN OF WINDSOR, COLORADO, TO RECEIVE A "PRESERVE AMERICA COMMUNITIES" DESIGNATION PURSUANT TO FEDERAL EXECUTIVE ORDER 13287 (2003)

WHEREAS, the Town of Windsor ("Town") is a Colorado home rule municipality with all powers and authority provided by Colorado law; and

WHEREAS, the 2012 Update to the Town's Strategic Plan emphasizes historic preservation as an objective for the community; and

WHEREAS, pursuant to 2003 Federal Executive Order 13287, the White House established the Preserve America Program; and

WHEREAS, the Preserve America Program encourages and supports community efforts to preserve and enjoy the nation's priceless cultural and natural heritage; and

WHEREAS, the Preserve America Program's goals include expanding knowledge about the nation's past, strengthening regional identities and local pride, increasing public participation in preservation, and supporting the economic vitality of communities; and

WHEREAS, the Town's Art and Heritage Manager has undertaken to prepare an application for designation of the Town as a "Preserve America Community", joining hundreds of other communities nationwide; and

WHEREAS, designation as a "Preserve America Community" will enable the Town access to promotional tools, technical assistance and grants (when funded by Congress); and

WHEREAS, the Town Board believes the efforts of the Town to participate in benefits of the Preserve America Program promotes the objectives of the Strategic Plan, and promotes the public interest.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN BOARD OF THE TOWN OF WINDSOR, COLORADO, AS FOLLOWS:

1. The Town Board expresses its support for the Town's efforts at becoming designated as a "Preserve America Community".

2. The Town Board hereby authorizes the Town Manager, with the assistance of the Arts and Heritage Manager, to pursue the designation and take advantage of the benefits thereof.

Upon motion duly made, seconded and carried, the foregoing Resolution was adopted this 13th day of November, 2012.

TOWN OF WINDSOR, COLORADO

By:_____
John S. Vazquez, Mayor

ATTEST:

_____
Patti Garcia, Town Clerk

Founded in 1923, the Colorado Municipal League is a nonprofit, nonpartisan organization providing services and resources to assist municipal officials in managing their governments and serving the cities and towns of Colorado.

What does CML do for the Town of Windsor?

ADVOCACY

Town Board communications

CML PROTECTS LOCAL BUDGETS, LOCAL CONTROL, AND LOCAL INTEREST

- CML successfully defeated bills that together would have eliminated more than **$27 million in municipal property tax revenue.**
- **More than $30 million in local government severance tax revenues were kept** from backfilling the state general fund because of CML and its coalition.
- CML joined in **defeating threats to the constitutional distribution** of lottery proceeds for parks, open space, and recreation.
- The **determination of law enforcement disciplinary procedures was kept to the local level** with the defeat of HB 12-1062
- With the defeat of SB 12-088, CML **preserved local authority to regulate oil and gas operations**.
- CML defeated SB 12-050, and **retained municipal authority to enforce traffic laws** with photo radar and red light camera.
- **Local requirements for sprinkler systems** in new residential construction were preserved with the defeat of SB 12-081.
- CML filed an *amicus* brief in support of the Town of Minturn regarding annexation, which led to a unanimous Colorado Supreme Court decision **upholding lawful annexation proceedings**.
- CML is an active member of the National League of Cities and the State & Local Legal Center to help **protect municipal interests at the federal level**.

MEMBERSHIP SERVICES

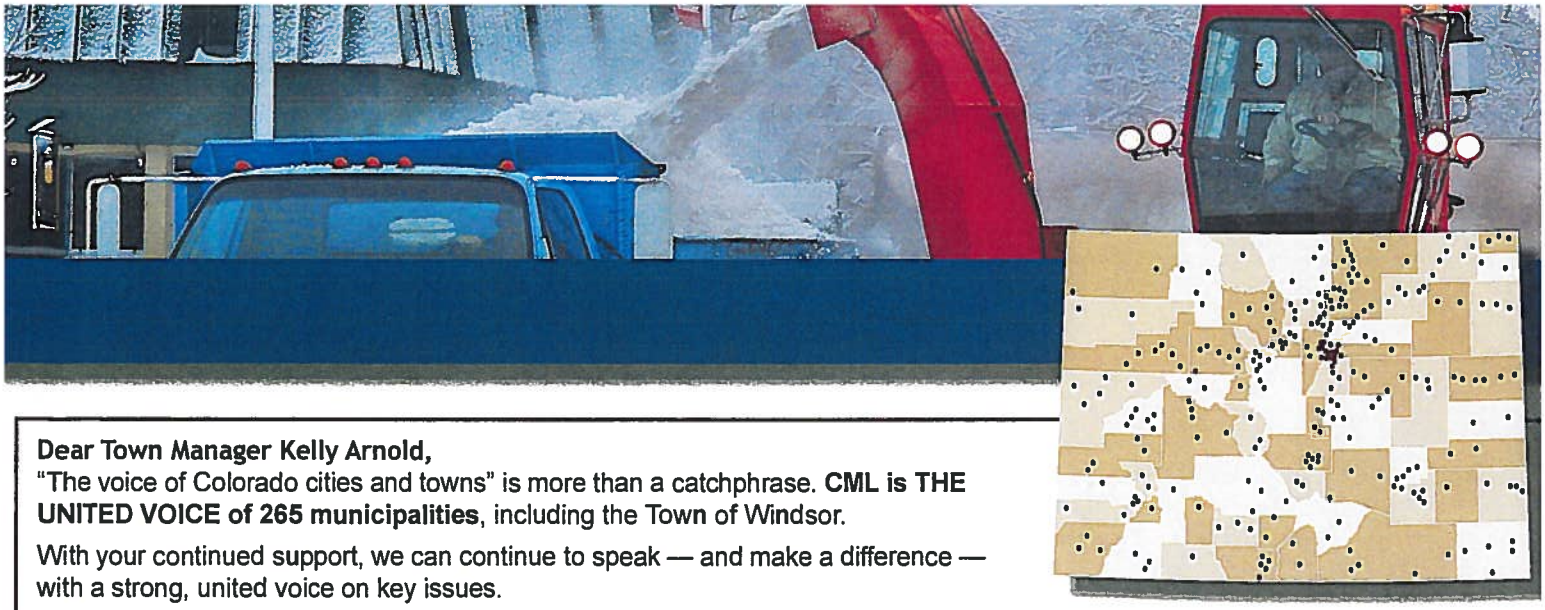
CML EMPOWERS MUNICIPAL GOVERNMENT

- **Strategic partnerships** create new opportunities, such as the Colorado Development Finance Corporation, which provides fundin for lease purchase transactions.
- CML provides **free compensation information** on nearly 200 municipal staff and elected positions from more than 100 municipalities, counties, and special districts.
- Have a question? **Give CML a call!** CML staff fields dozens of inquiries each week on topics from annexation to zoning.
- CML's website, ***www.cml.org***, is regularly updated with training opportunities, legislative news, and more.
- The *CML Newsletter* provides the latest news on topics of municipal interest, from grant funding to training opportunities; and the award-winning bimonthly *Colorado Municipalities* magazine is a timely review of municipal issues and spotlights municipal success stories.

TRAINING & RESEARCH EFFORTS

CML ASSISTS MUNICIPAL OFFICIALS IN MANAGING THEIR GOVERNMENT

- In 2012, CML produced a number of publications, including a timely review of oil and gas regulations in our Knowledge Now series and the written and video report on municipal finance with the award-winning *State of Our Cities & Towns.*
- **Webinars are free** to municipal members.
- Many **training materials are available free online**.
- Training topics in 2012 included **effective governance, youth engagement, understanding audits, municipal bonds, leadership, the future of water, improvement districts, ethics,** and **working with the media.**
- CML offers the premier municipal training events in the state — **CML Annual Conference**, **CML Annual Legislative Workshop,** and the **Annual Seminar on Municipal Law** — at reasonable prices.
- Face-to-face networking opportunities abound through CML **trainings**, **Spring Outreach Meetings**, and **Fall District Meetings**.
- CML maintains **listservs for rapid email exchange of knowledge** for a variety of municipal staff.



Dear Town Manager Kelly Arnold,
"The voice of Colorado cities and towns" is more than a catchphrase. **CML is THE UNITED VOICE of 265 municipalities**, including the Town of Windsor.

With your continued support, we can continue to speak — and make a difference — with a strong, united voice on key issues.

We sincerely thank you for your ongoing support,

Sam Mamet
CML Executive Director

Aden Hogan Jr.
CML Executive Board President
and Evans City Manager

CML
COLORADO MUNICIPAL LEAGUE
The Voice of Colorado's Cities and Towns

THE COLORADO MUNICIPAL LEAGUE IS DEDICATED TO SUPPORTING

MUNICIPAL LEADERSHIP AND DEVELOPMENT

Membership provides you with cutting-edge training opportunities, the ability to stay informed via valuable publications, and the opportunity to utilize the services of effective attorneys and lobbyists who advocate successfully for the collective interests of all Colorado municipalities before the Colorado General Assembly, U.S. Congress, and the courts.

The Colorado Municipal League is the leading nonpartisan resource for municipal officials in Colorado. CML is dedicated to supporting municipal leadership and development through a variety of relationships and partnerships. CML provides high quality resources and services that empower municipal governments to create strong, healthy, and vibrant cities and towns.

CML represents Colorado cities and towns collectively through its advocacy, membership services, training, and research efforts. CML strives to continuously improve and seeks to identify additional resources, programs, and outreach efforts for its membership.

CML RECOGNIZES THE BUDGET PRESSURES FACING THE **TOWN OF WINDSOR.**

That is why the CML Executive Board has approved a

5 PERCENT DUES REBATE ON MUNICIPAL DUES.

If your city or town pays your 2013 dues in full on or before Jan. 31, 2013, you will receive a check equal to 5 percent of your 2013 dues paid. (Rebate checks will be mailed out at the end of February.)

Take advantage of this opportunity as you continue to plan your budget for 2013!

Kelly Arnold, Town Manager
Town of Windsor
301 Walnut St
Windsor CO 80550

FUTURE TOWN BOARD MEETINGS

Work Sessions & Regular Meetings will be held in the Board Chambers unless otherwise noted.

November 19, 2012 6:00 p.m.	Town Board Work Session & Special Meeting Greenspire Metro District Extension Request – I. McCargar, K. Arnold Economic Development Update – S. Johnson Outside agency funding application follow up – K. Arnold, P. Garcia Review responses to Municipal Judge RFQ - I. McCargar
November 26, 2012 6:15 p.m.	Mayor & Town Board meet with Windsor Boy Scouts First floor conference room
November 26, 2012 7:00 p.m.	Town Board Meeting
December 3, 2012 6:00 p.m.	Town Board Work Session Outside agency funding application wrap up (tentative) Municipal Judge candidate interviews; discussion and direction to staff
December 10, 2012 5:30 p.m.	Board/Manager/Attorney Monthly Meeting
December 10, 2012 7:00 p.m.	Town Board Meeting
December 17, 2012 6:00 p.m.	Town Board Work Session Residential street speed limit discussion – J. Michaels, D. Wagner
December 24, 2012	Town Board Meeting – Cancelled
December 31, 2012	New Year's Eve – Town Hall closed
January 7, 2013 6:00 p.m.	Town Board Work Session
January 14, 2013 5:30 p.m.	Board/Manager/Attorney Monthly Meeting
January 14, 2013 7:00 p.m.	Town Board Meeting Kern Board Meeting
January 21, 2013 6:00 p.m.	Town Board Work Session
January 28, 2013 6:00 p.m.	Town Board Work Session
January 28, 2013 7:00 p.m.	Town Board Meeting

Additional Events

November 12, 2012 10:50 a.m. Windsor High School Gym	Veteran's Day Assembly Attending: Kristie Melendez, Ivan Adams Tentative: Myles Baker
November 14, 2012 11:30 a.m. – 1:30 p.m. Hilton Fort Collins	NCEDC Annual Meeting Attending: Myles Baker, Jeremy Rose, Kristie Melendez, Don Thompson, Ivan Adams RSVP's required by November 6, 2012

November 30, 2012 11:30 a.m. – 12:30 p.m.	I25-SH392 Ribbon Cutting ceremony Attending: Jeremy Rose, Don Thompson, Robert Bishop-Cotner, Myles Baker, Kristie Melendez, John Vazquez, Ivan Adams
December 14, 2012 6:00 p.m. – 9:00 p.m. Community Recreation Center	Town of Windsor – End of the Year Banquet

Future Work Session Topics

Golf carts follow up