

February 9, 2022

Ward Giltner, General Manager
Prospect Energy LLC
1036 Country Club Estates Drive
Castle Rock, CO 80108
303-489-8773
prospectenergy@icloud.com

RE: Larimer County Oil and Gas Regulations

Dear Mr. Giltner,

It has come to our attention that Prospect Energy is seeking Form 2 approvals through the Colorado Oil and Gas Conservation Commission (COGCC) for recompletions of three oil wells within Larimer County: MSSU 30-8; MSSU 19-5, and the Kixx 1. The COGCC Form 2 applications submitted state that the wells are currently completed into the Muddy formation and are proposed to be recompleted into the Codell formation. A map showing the affected wells is below.

Larimer County recently adopted new oil and gas regulations through a Land Use Code Amendment process. The adopted Article 11 of the Larimer County Land Use Code is enclosed for your reference.¹

The Land Use Code addresses new oil and gas development, but it also addresses existing oil and gas facilities in Section 11.2.9, "Application to Existing Facilities". (See below.) As detailed in that section, existing oil and gas development is allowed to continue. However, an operator must receive a Special Review Permit if it proposes "substantial modification" of its operations that significantly changes either the impacts or operations of the oil and gas facility. Recompletion of a well into a different formation is considered a substantial modification that requires a Special Review Permit.

Special Review procedures can be found in Section 6.4.2 of the Larimer County Land Use Code. A Pre-Application Conference is the first step in the process and is described in Section 6.3.2. The process is started by submitting a Pre-Application Form. I have attached one here for your convenience. The Pre-Application Conference is an informal meeting so the relevant County staff can better understand your proposal and the applicant can better understand the County regulations and the process going forward.

¹ The Larimer County Land Use Code (March 31, 2021) can be downloaded at:
https://www.larimer.org/sites/default/files/uploads/2021/larimer_luc_adoptiondraft_final_1.pdf





Please feel free to reach out to our staff if you have questions. Otherwise, we will expect to hear from you about this application soon. You must contact the county prior to any construction or continued development of these sites

We also would like to bring your attention to 11.2.9B – Annual Operator Registration submittal requirements. As described below, those submittal requirements were due to the County within three months of adoption of the Land Use Code amendments. If you are just hearing about these requirements now, **please submit them no later than 90 days from the receipt of this letter.** Feel free to call the planning office if you have any questions about the submittal requirements at (970) 498-7679.

Sincerely,

A handwritten signature in black ink, appearing to read "Lesli Ellis".

Lesli Ellis, AICP CEP
Community Development Director

Cc: Don Threewitt, Planning Manager

11.2.9 Application to Existing Facilities.

O&GFs that were legally established prior to the effective date of this Article will be allowed to continue but will be subject to public health, safety, welfare, and environmental requirements as specified in this Article.

- A.** Any modification of oil and gas operations or facilities that the Director determines to be substantial requires a separate Special Review Application under this Article. A substantial modification is any permanent physical change not required by law that substantially increases the site footprint, air emissions, traffic, noise, or risk of spills, or will significantly change the operations of the O&GF. Use of a drilling rig or hydraulic fracturing equipment to deepen or recomplete an existing well into a new geologic formation is a substantial modification. Maintenance activities, the replacement of existing equipment, installation of emission control equipment, and the addition of equipment to fulfill mandated regulatory requirements are not substantial modifications.
- B.** Annual Operator Registration. Operators with existing O&GFs in Larimer County prior to the effective date of this Article will submit the Annual Operator Registration submittal requirements within 90 days after the effective date of this article; or, if not already operating wells in Larimer County, within 60 days after assuming responsibility for operating existing O&GFs. Operator registration must be updated and renewed annually by July 1. Annual Operator Registration submittal requirements shall include:
 - 1. Updated Emergency Response Plans as required by 11.3.8;
 - 2. Updated leak detection and repair plan as required by 11.3.4;
 - 3. List of all wells and production within Larimer County within the past three (3) years;

4. List of any reportable safety events over the past three (3) years as defined by COGCC Rule 602(g) as may be amended. Operator shall also list any root cause analyses conducted and corrective actions taken in response to the incidents, including internal changes to corporate practices or procedures;
5. List of any spills or releases over the past three (3) years; and
6. List of any notices of alleged violations issued by the COGCC or CDPHE over the past three (3) years.



Figure 1. COGCC Map depicting three locations with pending COGCC Form 2s