

**Intergovernmental Agreement between the Board of County Commissioners of
Adams County and the Colorado Oil and Gas Conservation Commission**

October 2016

I. Parties

The parties to this Intergovernmental Agreement (“Agreement”) are the Board of County Commissioners of Adams County, Colorado (“Adams County”) and the Colorado Oil and Gas Conservation Commission (“Commission”), together referred to as the “Parties”.

II. Introduction and Purpose

The Commission and Adams County value a balanced approach to oil and gas development and propose to achieve that by fostering a robust regulatory landscape that is protective of human health, safety and welfare, as well as the environment and wildlife, while coordinating regulatory efforts to provide for a regulatory framework that is predictable and consistent for industry. To that end, this Agreement, among other things, reflects a partial, non-exclusive assignment of the Commission’s oil and gas operations inspection function to Adams County pursuant to C.R.S. § 34-60-106(15).

III. Selection, Approval and Training of Inspector

Adams County will employ a staff member to conduct inspections pursuant to this Agreement. Only persons who have been trained by the Commission (the “Inspector”) may conduct the inspections authorized under this Agreement.

- A. Qualifications. Inspector’s qualifications shall, at a minimum, meet the qualifications outlined in the Commission’s Field Inspector position description.
- B. Selection, Supervision and Control.
 - 1. Adams County will seek to fill the Inspector role via public advertisements or internal job announcements. Adams County will seek input from the Commission as to the Inspector job description and will promptly provide said description to the Commission after it is created. Adams County will select the Inspector, however, the County will ensure that the selection process will include input from the Commission. The Inspector shall be a full time employee of Adams County and the County retains sole discretion concerning all Inspector employment considerations, including but not limited to, hiring or terminating the Inspector.
 - 2. Adams County will supervise the Inspector’s routine activities, subject to appropriate communications with, and periodic reporting to, the Commission.
- C. Training. The Commission will provide training opportunities for the Inspector. The Inspector will attend the Commission’s training programs, meetings and updates in person. Adams County shall be responsible for all

costs associated with the selection, retention, and training of the Inspector, including travel, lodging, and meals. The Commission will not require Adams County to reimburse the Commission for any pro rata costs of the Inspector's participation in training programs, meetings, and updates. The Inspector may also need to attend third party (i.e., non-COGCC) training events for certain technical topics, which will be at the sole cost and expense of Adams County.

IV. Inspection Protocol

- A. Fees & Costs. Adams County shall be solely responsible for the salary of the Inspector and all materials or supplies and any other costs or expenses associated with the Inspector position. Adams County recognizes and agrees that the salary of the Inspector cannot be contingent on the number or nature of instances of alleged noncompliance with the Oil and Gas Conservation Act, or of any rule, regulation, or order of the Commission reported by the Inspector to Adams County or referred by Adams County to the Commission. The Parties recognize and agree that Adams County reserves the right to charge a reasonable and nondiscriminatory fee for inspection and monitoring of Adams County land use permit conditions.
- B. Intergovernmental Agreement.
 - 1. The COGCC shall maintain its historic inspection protocol for unincorporated Adams County. The Adams County Inspector shall supplement the COGCC's inspection protocol for unincorporated Adams County. Initially, as the Adams County Inspector is trained, the Parties anticipate the Adams County Inspector will be involved in training with a COGCC inspector and will conduct inspections in tandem with a COGCC inspector. Over time and as the Adams County Inspector is fully trained, the Parties anticipate that the Adams County Inspector shall undertake more inspections. Adams County and the COGCC shall coordinate the location and frequency of routine inspections by the Adams County Inspector based upon the Commission's risk-based inspection protocol and hierarchy as well as any local inspection protocols developed by the County. Such coordination shall include establishing inspection protocols by the Adams County Inspector and COGCC Inspectors such that their joint efforts are complimentary and not duplicative.
 - 2. In addition to routine inspection duties, the Adams County Inspector shall be the primary responder to oil and gas operations-related complaints made to Adams County or to the Commission. COGCC will continue in the role of the primary responder to complaints involving royalty payments, production questions, COGCC notice letters, COGCC permitting questions, water well issues, and reclamation issues.
 - 3. The Inspector shall use the Commission's standard reporting forms and procedures. The Commission shall supply the Inspector with access to the Commission's intranet database to the same extent COGCC staff inspectors have access, and provide the Inspector a state email address.

4. The Commission shall retain all enforcement authority.
 5. The Primary Contacts will hold staff coordination meetings to discuss implementation of this Agreement. It is anticipated such meetings will be held at least semi-annually, but will be scheduled more frequently as needed.
- C. Conflicts of Interest. Other than the salary and benefits earned from Adams County, the Inspector shall represent and warrant that it does not have any interest, financial or otherwise, in the outcome of the inspections.

V. Assignment of Inspection Authority

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

- A. Scope of Inspection Assignment. The Commission and the Adams County Inspector shall jointly be responsible for inspections in unincorporated Adams County. Notwithstanding any other term or provision of this Agreement, the Commission does not assign, and expressly retains sole and exclusive authority to conduct, the following types of inspections in Adams County: reclamation inspections, mechanical integrity test inspections, underground injection well inspections, and inspections undertaken by COGCC Environmental Protection Specialist. The COGCC will invite the Inspector to observe these types of inspections when practicable.
- B. Right to Access. The Commission hereby partially assigns to Adams County, through its Inspector, non-exclusive Commission authority to enter onto any Oil and Gas Location, associated private roads, or adjacent lands or waters, public or private, located in unincorporated Adams County, Colorado as necessary to carry out inspections.
- C. Adams County Regulatory Inspections. The Parties acknowledge and agree that the Inspector will also be inspecting oil and gas operations for compliance with County oil and gas regulations and any permit issued by the County.

VI. Reporting Requirements

- A. Primary Point of Contact for Commission. The Commission's primary point of contact for the purposes of this Agreement shall be the Commission's Field Inspection Manager.

- B. Primary Point of Contact for Adams County. Adams County's primary point of contact for purposes of this Agreement shall be Adams County's Senior Environmental Analyst.
- C. Primary Point of Contact of the Inspector. Adams County shall provide the Commission contact information for the Inspector.
- D. Alleged Violations. In the event the Inspector has reasonable cause to believe that a violation of the Oil and Gas Conservation Act, or of any rule, regulation, or order of the Commission, or of any permit issued by the Director, has occurred, the Inspector shall notify the County, and the Commission's Field Inspection Manager of the alleged violation in writing. The Inspector shall take appropriate measures to document the operator's alleged noncompliance, including photographs, reports, and statements, and be available to consult with the Commission concerning the alleged facts and circumstances supporting the Inspector's belief.
- E. Consideration of Alleged Violations. The Commission shall promptly consider the Inspector's notification and, in its discretion, take any action permitted by the Oil and Gas Conservation Act or the Commission Rules. The Commission shall respond to each notification by the Inspector as if the notification were made by Commission staff. The Inspector shall be available as a witness at any required hearing or enforcement proceeding.

VII. Reservation of Enforcement Authority

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

VIII. Term and Termination of Agreement, and Reporting by the Director

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

IX. Miscellaneous Provisions

- A. Information Disclosure. Any information furnished pursuant to this Agreement will be subject to disclosure to the extent allowed under the Freedom of Information Act (5 U.S.C. § 552), the Privacy Act (5 U.S.C. § 552a), and/or the Colorado Open Records Act (C.R.S. § 24-72-201 *et seq.*).
- B. Similar Activities. This Agreement in no way restricts the Parties from participating in similar activities with other public or private agencies, organizations, or individuals.
- C. Separate Activities and Resources. Each of the Parties will conduct its own activities and utilize its own resources, including expenditure of its own funds, in implementing this Agreement. Each Party will carry out its own

separate activities as expeditiously as possible in a coordinated and mutually beneficial manner.

- D. Obligation of Funds. Nothing in this Agreement shall commit either Party to obligate or transfer any funds. Specific work projects or activities that involve the transfer of funds, services, or property between the Parties will require separate agreements and be contingent upon the availability of appropriated funds.

FOR ADAMS COUNTY:

FOR THE COMMISSION:

Steve O'Dorisio, Chairman

Andrew Spielman, Chairman

Julie Murphy, Secretary

Approved as to form:

Heidi Miller, Adams County Attorney