



PUBLIC HEARING AGENDA ITEM

DATE OF PUBLIC HEARING: March 7, 2017
SUBJECT: Memorandum of Understanding with Bison Oil & Gas, LLC.
FROM: Norman Wright, Director of Community & Economic Development Christopher Simmons, Oil & Gas Liaison
AGENCY/DEPARTMENT: Community & Economic Development Department
HEARD AT STUDY SESSION ON January 31, 2017
AUTHORIZATION TO MOVE FORWARD: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
RECOMMENDED ACTION: That the Board of County Commissioners Approves a Memorandum of Understanding with Bison Oil & Gas, LLC

BACKGROUND:

Pursuant to Section 4-10-02-04-06 of the Adams County Development Standards and Regulations, the County may elect to enter into a Memorandum of Understanding with an oil and gas operator in lieu of the requirement for a Special Use Permit. The applicant, Bison Oil & Gas, LLC, is requesting to enter into an MOU with the County that would apply to unincorporated portions of the County. The MOU documents signed by the applicant (see attached) include all the best management practices determined and approved by the Board of County Commissioners on January 6, 2015, when the oil and gas regulations were amended to include an option for entering into an MOU with the County lieu of a Special Use Permit.

The purpose of the MOU is to protect the environment, as well as the health, safety and welfare of Adams County residents. The MOU contains a variety of provisions that address topics such as the testing of private wells, spill and release management, water storage and use of pits, berms, water supply and water quality, noise, construction of well connect pipelines, landscaping, emergency response plans, weed control, the construction of private roads, the use of public roads, dust mitigation, fencing, floodplain regulations, painting of oil and gas facilities, lighting, air emissions, inspections by County staff, the state permitting process and the inclusion of conditions within the operator's state permits, and the applicability of the MOU to new oil and gas facilities at the two specified locations.

Approval of an MOU is not an approval of any specific drilling site. The MOU establishes the relationship between Adams County and the operator. It also establishes the standards that the operator agrees to meet on any new production site within unincorporated Adams County. The operator will be required to obtain a Use by Special Review permit for each new location, in addition to permits from the

COGCC prior to commencing operations. During both the local and state permitting processes, Adams County has an opportunity to review the site plans and make comments or assign conditions of approval.

Currently, the County has MOUs with ten oil and gas operators. The MOU signed by the applicant is the same form as the nine fully executed MOUs and the one site specific MOU that is limited to two specific locations: the Lewton and Buchholz well pads.

On March 22, 2016, the Board of County Commissioners approved amendments to the Adams County Development Standards and Regulations related to oil and gas development. The primary purpose of these amendments was to create a site-specific review process for new oil and gas development sites proposed by an operator who has entered into an MOU with the County. The regulations require that an operator who has entered into an MOU with the County apply for an Administrative Use by Special Review (AUSR) permit for each new oil and gas facility location prior to development. This process allows for a site-specific review by County staff and select referral agencies.

AGENCIES, DEPARTMENTS OR OTHER OFFICES INVOLVED:

Community & Economic Development Department, County Attorney's Office

ATTACHED DOCUMENTS:

Resolution Approving the MOU with Bison Oil & Gas, LLC
Signed MOU with Bison Oil & Gas, LLC

FISCAL IMPACT:

Please check if there is no fiscal impact ☒. If there is fiscal impact, please fully complete the section below.

Fund:**Cost Center:**

	Object Account	Subledger	Amount
Current Budgeted Revenue:			
Additional Revenue not included in Current Budget:			
Total Revenues:			

	Object Account	Subledger	Amount
Current Budgeted Operating Expenditure:			
Add'l Operating Expenditure not included in Current Budget:			
Current Budgeted Capital Expenditure:			
Add'l Capital Expenditure not included in Current Budget:			
Total Expenditures:			

New FTEs requested: ☐ YES ☐ NO

Future Amendment Needed: ☐ YES ☐ NO

Additional Note: