Definitions
Zones
Exceptions

Operator Training August 2, 2013
2013 “Setback” Rules

- 500 feet
- 350 feet
- 1,000 feet
- Well or Production Facility

1,000 feet
Also Can Be Called “Rule of Threes”

Communication, Mitigation, Setback Zones

**Things required of Operators:**

1) Notification
2) Meetings with neighbors
3) Mitigation measures

**Other groups specific rights and opportunities:**

1) Surface Owners
2) Adjacent Building Owners
3) Local Governments

**Determining factors:**

1) Distance
2) Type of building use
3) Density of buildings and/or number of occupants

**Special conditions:**

1) Waiver
2) Exception
3) Variance
CULTURAL DISTANCE INFORMATION

Distance to nearest:

- Building: 0 Feet
- Building Unit: 0 Feet
- High Occupancy Building Unit: 0 Feet
- Designated Outside Activity Area: 0 Feet
- Public Road: 0 Feet
- Above Ground Utility: 0 Feet
- Railroad: 0 Feet
- Property Line: 0 Feet

INSTRUCTIONS:

* All measurements shall be provided from center of nearest Well or edge of nearest Production Facility to nearest of each cultural feature as described in Rule 303.b.(3)A.
* Enter 5280 for distance greater than 1 mile.
* Building-nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.
* Building Unit, High Occupancy Building Unit, and Designated Outside Activity Area-as defined in 100-Series Rules.

DESIGNATED SETBACK LOCATION INFORMATION

Check all that apply. This location is within a:

- Buffer Zone
- Exception Zone
- Urban Mitigation Area

INSTRUCTIONS:

* Buffer Zone - as described in Rule 604.a.(2), within 1,000' of a Building Unit.
* Exception Zone - as described in Rule 604.a.(1), within 500' of a Building Unit.
* Urban Mitigation Area - as defined in 100-Series Rules.

Pre-application Notifications (required if location is within 1,000 feet of a building unit):

Date of Rule 305.a.(1) Urban Mitigation Area Notification to Local Government: <MM/dd/yyyy>

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: <MM/dd/yyyy>
EXCEPTIONS TAB - THIS IS A NEW TAB!

DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

- Rule 604.a.(1)A. Exception Zone (within 500' of Building Unit)
- Rule 604.b.(1)A. Exception (existing or approved Oil & Gas Location now within a Designated Setback as a result of Rule 604.a.)
- Rule 604.b.(1)B. Exception Location (existing or approved Oil & Gas Location is within a Designated Setback due to Building Unit construction after location approval)
- Rule 604.b.(2) Exception Location (SUA or site-specific development plan executed on or before August 1, 2013)
- Rule 604.b.(3) Exception Location (Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan)

GREATER WATTENBERG AREA LOCATION EXCEPTIONS

Check all that apply:

- Rule 318A.a. Exception Location (GWA Windows).
- Rule 318A.c. Exception Location (GWA Twinning).

RULE 502.b VARIANCE REQUEST

- Rule 502.b. Variance Request from COGCC Rule or Spacing Order Number

OTHER LOCATION EXCEPTIONS

Check all that apply:

- Rule 318.c. Exception Location from Rule or Spacing Order Number
- Rule 603.a.(2) Exception Location (Property Line Setback).
Introducing New Concepts

- Definitions and Terms
  - Building types
  - Ownership
- Introduction to Zones and Areas
  - Descriptions, definitions
  - Exceptions and Waivers
- Other exceptions and variances
Rules That Changed August 1, 2013

- **100 - Definitions**
- **300 – Permitting**
  - Requirements for Form 2 and Form 2A (303)
  - Application Procedures, Notification Requirements (305)
  - Consultation and Meeting Procedures (306)
- **600 – Safety**
  - General (602)
  - Statewide Location Requirements (603)
  - Setback and Mitigation Measures (604)
  - Oil and Gas Facilities (605)
- **800 – Aesthetic and Noise Control**
  - Noise (802), Lighting (803), Visual Impact (804), Odors and Dust (805)
Definitions and Terms Related to Building Types
**Building Unit (revised definition)**
- Residential Building Unit
- 5,000 sq ft commercial
- 15,000 sq ft warehouse

**Residential Building Unit**
- Designed for use as place of residency by
  - Person
  - Family
  - Families
- Includes manufactured, mobile, modular homes UNLESS intended for temporary occupancy or for business (construction trailers are one example)
High Occupancy Building Unit – serves 50 or more persons

- Public School
- Nonpublic school
- Nursing Facility
- Hospital
- Life Care Institution
- Correctional Facility

OR an operating Child Care Center (5 or more children)

*all are defined in different CRS statutes


**100 Series: Definition of Designated Outside Activity Area**

- Outdoor venue or recreation area
  - Playground
  - Permanent sports field
  - Amphitheater
  - Similar place of public assembly owned or operated by local government
- **OR**
- An outdoor venue or recreation area where ingress/egress could be impeded in the event of an emergency at an oil and gas location 350’ away due to configuration of venue or number of persons simultaneously occupying the area.

- Approved by Commission after Hearing. Specific mitigation measures and distances will also be determined at that Hearing.
Terms used in **Rule 603**

**Safety Setback**

- Building (examples)
  - Barns
  - Garages
  - Sheds

- Public roads
- Above ground utility lines
- Railroads
Definitions and Terms Related to Ownership
100 Series: Definition of Surface Owner

- Owns all or part of the surface of land
  - Upon which oil and gas operations are conducted
  - Or under contract to purchase such land
  - As recorded in county tax records
100 Series: Definition of Surface Use Agreement

Any contract or document binding on the Operator
- lease
- damage agreement
- waiver
- local government approval or permit
- or other form of agreement

Which governs operator’s activities on surface related to location of
- Well
- Multi-well Site
- Production Facility
- pipeline
- Any other Oil and Gas Facility that supports oil and gas development located on Surface Owner property
Tenants
Agents

- Building Unit owner, Surface Owner Agent 305.c(3), 306.a, 306.g
  - May be a tenant
  - Can receive notice, can participate in consultation or meetings
  - Must be designated in writing by owner to the Operator

- Tenant farmer, lessee, other parties with interest in crops 305.c(4), 306a, 306.g
  - Notification is Owner’s responsibility
  - May be designated as Agent
Others With Designated Opportunities

- Building Unit Owners, see Rules 305, 306, 604

- Owners of Surface Property within 500 feet (not in 318A or 318B) Rule 305.c(1)A(iii)
Zones and Areas

Descriptions, definitions
Exceptions and Waivers
Any Oil and Gas Location within specified distance of Building Unit:
- Buffer Zone Setback (1,000 feet)
- Exception Zone Setback (500 feet)
- High Occupancy Building Unit (1,000 feet)
- Designated Outside Activity Area (350 feet)

Measured from the center of the well or production facility to nearest wall or corner of nearest Building Unit

Zones further defined in 604.c(2)

Urban Mitigation Area (1,000 ft measured from edge of disturbance, plus density criteria) does not appear in Designated Setback Location definition but must be considered in notification and meeting planning.
Key Distances

100 Series Definitions and Rule 604

- >1,000 feet
  - Statewide mitigation measures remain the requirements for oil and gas locations more than 1,000 feet from a Building Unit. As before, notification is only required for Surface Owner.

- ≤1,000 feet, Requires notification and additional mitigation measures
  - Buffer Zone Setback
  - Urban Mitigation Area (includes density component)
  - Designated Outside Activity Area (Commission Hearing requirements)
  - High Occupancy Building (Commission Hearing requirements)

- ≤500 feet
  - Exception Zone Setback
  - Requires documented delivery notification and stringent mitigation measures
  - Also applies to certain mitigation measures (605)

- ≤350 feet
  - A minimum setback distance for a Designated Outside Activity Area

- ≤200 feet - Minimum setback from any building, utility etc.

- ≤150 feet – Minimum setback from property line
Statewide >1,000 feet from Building Unit

- The Setback Rules do not require notification or enhanced mitigation measures for locations that are more than 1,000 feet from a Building Unit.

- Statewide mitigation measures from the 800 series rules do apply.
Buffer Zone - Building Unit ≤1,000 feet from planned Oil and Gas Location

- Buffer Zone requirements are the minimum for Oil and Gas Locations where Building Units are within 1,000 feet.

- A “Designated Setback Location” in the 100 series

- Oil and Gas Location further defined as Well or Production Facility in Rule 605.a(2)

- Building Unit Owners may waive meeting requirements in writing to Operator and Director per Rule 306.e(3). No other variances to notification and mitigation measures are allowed.
Urban Mitigation Area – Building Unit Density < 1,000 feet

Density is evaluated differently than in past rules

- “High Density” is not a term used in the new Rules
- Defined in the 100 series rules
- Urban Mitigation Area is defined by two criteria
  - 22 Building Units in 1,000 ft. radius
  - 11 Building Units in semi-circle with 1,000 ft. radius
- Rule 604.a(3) specifies requirements for High Occupancy Buildings that exceed those of Urban Mitigation Area
- Urban Mitigation Area defines actions required for Exception Zone locations.
- Measurement is from edge of disturbance
If a Building Unit is <500 feet of planned oil and gas activity

**Exception Zone**

A “Designated Setback Location” in the 100 series Definitions

Further described in Rule 604.a(1)

- Requirements vary based on Urban Mitigation Area or Non-Urban Mitigation Area
Exception Zone

- **Building Unit – Urban Mitigation Area 605.a(1)A**
  - Location may be allowed by Director only with signed waiver from all Building Unit Owners within 500 feet.
  - OR 502.b variance
  - Mitigation measures more stringent than Exception Zone.

- **Building Unit – not in Urban Mitigation Area 604.a(1)B**
  - Waivers are not required, Location may be allowed by Director.

- Exception Zone mitigation measures and notification requirements apply within 500 feet if the location is allowed by Director.
Designated Outside Activity Area

- A “Designated Setback Location” in 100 series rules
- Application for designation must be submitted to the Commission,
- And approved at Commission Hearing where appropriate boundaries will be determined.
- At a minimum, no Oil and Gas Location will be allowed within 350 feet. 604.a(4)
- Buffer Zone Setback rules apply within 1,000 feet, 603.a.(1), 604.a(4)
High Occupancy Building Units

**Rule 604.a(3)**

- A well or Production facility may not be located within 1,000 feet without Commission approval following Application and Hearing for a Well.
- Exception Zone mitigation measures (604.c) will be required unless Commission determines otherwise.
Statewide Location Requirements
– Rule 603

- **200 feet from**
  - Buildings
  - Public roads
  - Major above ground utility lines
  - Railroads
  - 200 feet replaces “rig height” calculation

- **150 feet from**
  - Surface property line
  - Unchanged from old rules
Statewide Setbacks – Not new, few changes

- Safety setback 200 feet from buildings, roads, utilities, railroads. 603.a(1)
- Replaces previous rule of “150 feet or 1.5 times rig height”

- Property line setback 150 feet. 603.a(2)
- A waiver must be obtained from the offsetting land owner, filed in county clerk and recorders office and with the Director
- Requires a letter explaining why it is not feasible to meet this distance.
### Exceptions to Setback Rules

<table>
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<tr>
<th>RULE</th>
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<th>Setback Distance</th>
<th>Setback Zone</th>
<th>Exceptions</th>
<th>Mitigation*</th>
<th>Request Letter</th>
<th>Compliance Certification**</th>
<th>Waiver</th>
<th>Comment on Form</th>
<th>CDPHE Consult</th>
</tr>
</thead>
<tbody>
<tr>
<td>603.a.(1)</td>
<td>Building, Public Road, Above Ground Utility, Railroad</td>
<td>200</td>
<td>n/a</td>
<td>502.b</td>
<td>possible</td>
<td>YES</td>
<td>NO</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
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<tr>
<td>603.a.(2)</td>
<td>Property Line</td>
<td>150</td>
<td>n/a</td>
<td>YES</td>
<td>possible</td>
<td>YES</td>
<td>NO</td>
<td>YES</td>
<td>YES</td>
<td>NO</td>
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<tr>
<td>604.a.(1A)</td>
<td>Building Unit</td>
<td>500' - Urban</td>
<td>Exception Zone</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>NO</td>
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<tr>
<td>604.a.(1B)</td>
<td>Building Unit</td>
<td>500' - Non-Urban</td>
<td>Buffer Zone</td>
<td>n/a</td>
<td>YES</td>
<td>YES</td>
<td>NO</td>
<td>YES</td>
<td>NO</td>
<td>NO</td>
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<tr>
<td>604.a.(2)</td>
<td>High Occupancy Building Unit</td>
<td>1000</td>
<td>Exception Zone</td>
<td>HEARING</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>YES (site order)</td>
<td>NO</td>
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<td>604.a.(4)</td>
<td>Designated Outside Activity Area</td>
<td>350</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
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<tr>
<td>604.a.(5)</td>
<td>Maximum Achievable Setback</td>
<td>500 - 1000</td>
<td>n/a</td>
<td>502.b</td>
<td>possible</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
</tbody>
</table>

*Mitigation - see Rule 604.c  
**Compliance Certification - see Rules 303.b.(3).iii, 303.b.(3)K, and 306.e.(5)

### Exceptions by Setback Rule 604.b: add a well or production facility to an existing or approved location if no technically or economically practicable alternative location exists

<table>
<thead>
<tr>
<th>RULE</th>
<th>Scenario</th>
<th>Exceptions</th>
<th>Mitigation</th>
<th>Request Letter</th>
<th>SUA Attached</th>
<th>Comment on Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>604.b.(1A)</td>
<td>Oil &amp; Gas Location is within a Designated Setback as a result of Rule 604.a</td>
<td>YES (may)</td>
<td>YES</td>
<td>YES*</td>
<td>n/a</td>
<td>YES</td>
</tr>
<tr>
<td>604.b.(1B)</td>
<td>Oil &amp; Gas Location is within a Designated Setback due to Building Unit construction after approval</td>
<td>YES (may)</td>
<td>YES</td>
<td>YES*</td>
<td>n/a</td>
<td>YES</td>
</tr>
<tr>
<td>604.b.(2)</td>
<td>SUA or site-specific development plan executed on or before August 1, 2013</td>
<td>YES (shall)</td>
<td>YES</td>
<td>YES*</td>
<td>Yes</td>
<td>YES</td>
</tr>
<tr>
<td>604.b.(3)</td>
<td>Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan</td>
<td>n/a</td>
<td>YES</td>
<td>YES*</td>
<td>Yes</td>
<td>YES</td>
</tr>
</tbody>
</table>

*IMPORTANT NOTE: Exception Location Request Letter for Rule 604.b exception must explain why alternative locations are technically or economically impracticable
Other Exceptions and Variances
Exceptions by Setback Rule 604.b

Exceptions may be approved by the Director to add a well or production facility to an existing or approved location.

<table>
<thead>
<tr>
<th>RULE</th>
<th>Scenario</th>
<th>Exceptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>604.b.(1) A</td>
<td>Oil &amp; Gas Location is within a Designated Setback as a result of Rule 604.a.</td>
<td>YES (may)</td>
</tr>
<tr>
<td>604.b.(1) B</td>
<td>Oil &amp; Gas Location is within a Designated Setback due to Building Unit construction after approval</td>
<td>YES (may)</td>
</tr>
<tr>
<td>604.b.(2)</td>
<td>SUA or site-specific development plan executed on or before August 1, 2013</td>
<td>YES (shall)</td>
</tr>
<tr>
<td>604.b.(3)</td>
<td>Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan</td>
<td>n/a</td>
</tr>
</tbody>
</table>
Additional Well at Existing Location

604.b(1)

IF

A. The existing location is within a “Designated Setback Location” because of this rule change.

OR

B. Building Units were constructed after the location was approved by the Director.

Requirements for Director approval:

- Other locations technically or economically impracticable
- Mitigation measures will address nuisance to extent reasonably achievable
- Location complies with other safety requirements
Existing Surface Use Agreement Or Site Specific Development Plan – 604.b(2)

Director shall grant exception to notification and mitigation requirements if:

- Document executed on or before August 1, 2013 – “vested property right”
- Agreement or Plan expressly governs the location of Wells or Production Facilities
- Mitigation measures manage nuisance to extent reasonably achievable
- Location complies with other safety regulations

In this example, Operator could request exception to “Exception Zone in Urban Mitigation Area” notification and mitigation requirements based on existing Agreement or Plan.
Parties: Surface Owner or Building Unit Owner and Mineral Owner or Mineral Lessee

Surface Use Agreement or Site Specific Development Plan must expressly govern the oil and gas location

May agree to locate future Building Units closer than allowed by 604a.

To existing or proposed oil and gas location

Notice required to Building Unit Owners who are not party to the Surface Use Agreement or Site Specific Development Plan
604.\textit{a}(5) If applicable setback would extend beyond area on which Operator has legal right to locate, Operator may seek a \textit{502.b} variance from the Director
b. Variances.

(1) Variances to any Commission rules, regulations, or orders may be granted in writing by the Director without a hearing upon written request by an operator to the Director, or by the Commission after hearing upon application. The operator or the applicant requesting the variance shall make a showing that it has made a good faith effort to comply, or is unable to comply with the specific requirements contained in the rules, regulations, or orders, from which it seeks a variance, including, without limitation, securing a waiver or an exception, if any, and that the requested variance will not violate the basic intent of the Oil and Gas Conservation Act.
Questions?