

## Public Comments

The following comments were provided by members of the public and were considered during the technical review of this application.

<b>No.</b>	<b>Comment</b>	<b>Comment Date</b>
1	The City of Aurora sent a formal comment letter to Director Murphy for comment on this Permit. A letter could not be attached online.	09/05/2018
2	<p>AEROTROPOLIS REGIONAL TRANSPORTATION AUTHORITY</p> <p>8390 E. Crescent Parkway, Suite 300</p> <p>Greenwood Village, CO 80111</p> <p>September 5, 2018</p> <p>Colorado Oil and Gas Conservation Commission</p> <p>Attn: Ms. Julie Murphy, Director</p> <p>1120 Lincoln Street, Suite 801</p> <p>Denver, Colorado 80203</p> <p>Re: Extraction Form 2A Location Assessment Permit, Docket No. 401725805, Posted August 16, 2018, Permit DIBC 18</p> <p>The Aerotropolis Regional Transportation Authority (“ARTA”) has several concerns regarding the Amended Form 2A filed by Extraction Oil and Gas, LLC (“Extraction”). In its Amended Form 2A, now before the Colorado Oil and Gas Conservation Commission (the “COGCC” or “Commission”), Extraction seeks to locate its drilling operations in Section 18 (the “Oil and Gas Area”) to access underlying minerals in Section 18 as well as neighboring sections. As discussed in further detail below, ARTA is opposed to the Form 2A application and requests that the COGCC deny Extraction’s request.</p> <p>As the Commission is likely aware, Extraction’s proposed location is in an area south of Denver International Airport (“DIA”) that the City of Aurora has slated for significant development expanding into the surrounding communities. This area has not yet developed, in part, due to the lack of highways and other road access, but Adams County, the City of Aurora, and the Aerotropolis Area Coordinating Metropolitan District (collectively “Members”) formed the ARTA with a planned investment of \$175 million dedicated to the construction of the much-needed roadway infrastructure. The Members formed the ARTA in response to the Colorado Aerotropolis Visioning Study finding that an infrastructure framework for transportation is critical to fostering and supporting economic development surrounding DIA. ARTA’s investment is expected to catalyze substantial growth in the area.</p> <p>Such vibrant growth, however, is put into question by Extraction’s Form 2A application. The proposed siting of oil and gas operations disrupts the intended use of Section 18 and adjacent Sections. The land in Section 18, along with adjacent Sections, is zoned and planned as a mixed-use development aimed at promoting residential growth under an existing Framework Development Plan (“FDP”).</p> <p>ARTA understands that Bison Oil &amp; Gas, LLC, assigned to Extraction a Surface Use Agreement with one of the Section 18 surface owners, DIBC Cargo, LLC, covering the Oil and Gas Area. This Surface Use Agreement authorizes use of the area included in the Oil and Gas Area for siting up to 30 horizontal oil and gas wells. This proposed heavy industrial operation is wholly incompatible with the approved FDP as it subsumes the areas identified for public facility sites. The drilling operation will impact the feasibility of developing the planned public facilities necessary to support the mix of commercial and residential activity planned and zoned in Sections 13, 24 and 18 under the existing FDP. It is ARTA’s understanding that Section 18 landowners collectively plan to avoid these barriers by rezoning the entirety of Section 18 to commercial use and seek to remove all public facilities that support the planned development in portions of Sections 13 and 24.</p> <p>ARTA believes that a rezoning of Sections 13, 24, and 18 will threaten ARTA’s anticipated infrastructure development. The Members established ARTA in furtherance of supporting the public interest and economic health of the region, and to create a separate legal entity to effectuate the goals of fostering and supporting economic development through the expansion and creation of</p>	09/05/2018

transportation improvements within the area. If developed, the regional transportation improvements will catalyze economic growth, as indicated by site selectors and professional studies. This economic growth has been calculated to include \$18B in overall market value, \$3.7B in assessed value, \$88M in sales tax revenue, and 170,000 jobs. However, if the proposed drilling is sited in Section 18, it will have a significant adverse effect on the viability of the surface development planned for the region, disrupting the orderly and separate development of residential and industrial areas.

For the above stated reasons, ARTA requests that the Commission deny Extraction's Amended Form 2A application covering the Oil and Gas Area in Section 18. Thank you.

Sincerely,

Aerotropolis Regional Transportation Authority

Matthew Hopper, Chair

3 AEROTROPOLIS REGIONAL TRANSPORTATION AUTHORITY

09/05/2018

8390 E. Crescent Parkway, Suite 300

Greenwood Village, CO 80111

September 5, 2018

Colorado Oil and Gas Conservation Commission

Attn: Ms. Julie Murphy, Director

1120 Lincoln Street, Suite 801

Denver, Colorado 80203

Re: Extraction Form 2A Location Assessment Permit, Docket No. 401725805, Posted August 16, 2018, Permit DIBC 18

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As the Commission is likely aware, Extraction's proposed location is in an area south of Denver International Airport ("DIA") that the City of Aurora has slated for significant development expanding into the surrounding communities. This area has not yet developed, in part, due to the lack of highways and other road access, but Adams County, the City of Aurora, and the Aerotropolis Area Coordinating Metropolitan District (collectively "Members") formed the ARTA with a planned investment of \$175 million dedicated to the construction of the much-needed roadway infrastructure. The Members formed the ARTA in response to the Colorado Aerotropolis Visioning Study finding that an infrastructure framework for transportation is critical to fostering and supporting economic development surrounding DIA. ARTA's investment is expected to catalyze substantial growth in the area.

Such vibrant growth, however, is put into question by Extraction's Form 2A application. The proposed siting of oil and gas operations disrupts the intended use of Section 18 and adjacent Sections. The land in Section 18, along with adjacent Sections, is zoned and planned as a mixed-use development aimed at promoting residential growth under an existing Framework Development Plan ("FDP").

ARTA understands that Bison Oil & Gas, LLC, assigned to Extraction a Surface Use Agreement with one of the Section 18 surface owners, DIBC Cargo, LLC, covering the Oil and Gas Area. This Surface Use Agreement authorizes use of the area included in the Oil and Gas Area for siting up to 30 horizontal oil and gas wells. This proposed heavy industrial operation is wholly incompatible with the approved FDP as it subsumes the areas identified for public facility sites. The drilling operation will impact the feasibility of developing the planned public facilities necessary to support the mix of

commercial and residential activity planned and zoned in Sections 13, 24 and 18 under the existing FDP. It is ARTA's understanding that Section 18 landowners collectively plan to avoid these barriers by rezoning the entirety of Section 18 to commercial use and seek to remove all public facilities that support the planned development in portions of Sections 13 and 24.

ARTA believes that a rezoning of Sections 13, 24, and 18 will threaten ARTA's anticipated infrastructure development. The Members established ARTA in furtherance of supporting the public interest and economic health of the region, and to create a separate legal entity to effectuate the goals of fostering and supporting economic development through the expansion and creation of transportation improvements within the area. If developed, the regional transportation improvements will catalyze economic growth, as indicated by site selectors and professional studies. This economic growth has been calculated to include \$18B in overall market value, \$3.7B in assessed value, \$88M in sales tax revenue, and 170,000 jobs. However, if the proposed drilling is sited in Section 18, it will have a significant adverse effect on the viability of the surface development planned for the region, disrupting the orderly and separate development of residential and industrial areas.

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For the above stated reasons, ARTA requests that the Commission deny Extraction’s Amended Form 2A application covering the Oil and Gas Area in Section 18. Thank you.

Sincerely,

Aerotropolis Regional Transportation Authority

Matthew Hopper, Chair

8 First Creek Ranch Metropolitan District (“First Creek”) has an interest in the Amended Form 2A filed by Extraction Oil and Gas, LLC (“Extraction”) with the Colorado Oil and Gas Conservation Commission (the “COGCC” or “Commission”) on August 10, 2018. Extraction seeks to locate its drilling operations in Section 18 (“Oil and Gas Area”) to access underlying minerals in that section as

09/05/2018

well as other adjacent sections impacting First Creek's interest. First Creek is troubled that his drilling location would endanger the zoned and platted residential development envisioned on the location. First Creek understands that The Aurora Highlands and City of Aurora are working with Extraction to attempt to find a solution providing an alternative location to Extraction for its well pad, and to compensate Extraction for the costs of moving its location. Due to its growing concerns, First Creek requests that the Commission either deny Extraction's Amended Form 2A, docket number 401725805, as well as the associated Applications for Permits to Drill, or defer action on the applications until the City of Aurora has concluded its collaborative stakeholder process regarding this location.

First Creek has an interest in Extraction's application because it is a party to a Cost Reimbursement Agreement, along with Green Valley East LLC and Windler Homestead, LLC, covering the real property at interest. First Creek property owners entered into the Cost Reimbursement Agreement envisioning a mixed-use development including mostly residential and some commercial uses. Any proposed land use designation changes to Section 18, or surrounding Sections, would irreparably harm First Creek's interest. First Creek entered into the Cost Reimbursement Agreement in good faith, with the clear expectation that the subject property would be developed according to existing Framework Development Plans ("FDPs").

Land in Section 18, along with adjacent Sections 13 and 24, is zoned and planned as a mixed-use development under an existing FDPs. The FDP locates a fire station, park and school ("Public Facilities") within the NE1/4 of Section 18 ("Property") to support the residential and commercial development planned in Sections 13, 24 and 18. Aurora's Municipal Code Section 146-1207(E)(11) provides that the location and operations of an oil and gas facility shall be compatible with the approved FDP, and the City of Aurora will be evaluating the proposed Oil and Gas Area in Section 18 in light of this standard. Moreover, in addition to the approved FDP in Section 18, there is also an approved Plat and a subsequent replat, that may not be recorded, creating additional potential conflicts between planned residential development and oil and gas operations in Section 18. These existing zoning designations and development plans were a significant inducement to enter into the Cost Reimbursement Agreement.

First Creek is aware that one of the Section 18 surface owners, DIBC Cargo, LLC ("Fulenwider") entered into a Surface Use Agreement in December 2016 covering the Oil and Gas Area with Bison Oil & Gas, LLC, which subsequently assigned the Surface Use Agreement to Extraction. This Surface Use Agreement authorizes use of the area included in the Oil and Gas Area for siting horizontal oil and gas wells. Extractions proposed oil and gas operation, including up to 30 wells on Section 18, is plainly incompatible with the approved FDP as it overlaps and conflicts with the Public Facilities. The drilling operation could impact the feasibility of developing the planned Public Facilities necessary to support the mix of commercial and residential activity currently planned and zoned in Sections 13, 24 and 18 under the existing FDP. First Creek is aware that the Section 18 landowners collectively plan to rezone the entirety of Section 18 to commercial use and seek to remove all Public Facilities that support the planned development in portions of Sections 13 and 24 to overcome these concerns. Such rezoning would permanently and irreparably harm First Creek's interest as laid out in the Cost Reimbursement Agreement.

For this reason, First Creek requests that the Commission deny Extraction's Amended Form 2A application covering the Oil and Gas Area in Section 18 Area in Section 18 or at least defer its consideration of the application so that the parties can work through the challenges presented and arrive at a collaborative approach that works for all stakeholders. Thank you for your consideration.

9 Dear Director Murphy and Commissioners,

09/05/2018

As owners or parties in interest of surface and/or minerals in Sections 13, 19, 20, 21, 24, 28, 29 and 30, Aurora Highlands, LLC; GVRE 470, LLC; Green Valley Aurora, LLC; Green Valley East LLC; GVR King LLC; SJSA Investments, LLC; Tower Road Farms, LLC; GVR King Commercial, LLC; and GVR King, LLC, (collectively "Owners") appreciate this opportunity to submit their comments in response to the Amended Form 2A filed by Extraction Oil and Gas, LLC ("Extraction") with the Colorado Oil and Gas Conservation Commission (the "COGCC" or "Commission") on August 10, 2018. Extraction seeks to locate its drilling operations in Section 18 ("Oil and Gas Area") to access underlying minerals in that section as well as other adjacent sections impacting Owners. The Owners are concerned that his drilling location would jeopardize the success of the Master Planned Community they are developing to the south of the location, which is a key component of the massive regional development of the area that is planned by the City of Aurora, Adams County, and Denver. The Owners have offered to provide an alternative location to Extraction for its well pad, and to compensate Extraction for the costs of moving its location. Therefore, the Owners request that the

Commission either deny Extraction's Amended Form 2A, docket number 401725805, as well as the associated Applications for Permits to Drill, or defer action on the applications until the City of Aurora has concluded its collaborative stakeholder process regarding this location.

Section 18 is in the heart Aurora, just south of Denver International Airport, in an area that anticipates significant surface development in the coming years. The centerpiece of growth is The Aurora Highlands ("TAH"), a master planned community of some 12,000 homes covering four sections of land, immediately to the south of Extraction's proposed drilling location in Section 18. And, with the network of roadway improvements contemplated by the RTA, adjacent sections of land containing previously approved FDPs could increase that number to 20,000 homes.

In addition to TAH, land in Section 18, along with adjacent Sections 13 and 24, is zoned and planned as a mixed-use development under an existing Framework Development Plan ("FDP"). See Exhibit A, Original Recorded Windler Homestead FDP. The FDP locates a fire station, park and school ("Public Facilities") within the NE 1/4 of Section 18 ("Property") to support the residential and commercial development planned in Sections 13, 24 and 18. Aurora's Municipal Code Section 146-1207(E)(11) provides that the location and operations of an oil and gas facility shall be compatible with the approved FDP, and the City of Aurora will be evaluating the proposed Oil and Gas Area in Section 18 in light of this standard. Moreover, in addition to the approved FDP in Section 18, there is also an approved Plat and a subsequent replat, that may not be recorded, creating additional potential conflicts between planned residential development and oil and gas operations in Section 18. See Exhibit B, Approved Amended Windler Homestead, Plat and Associated City Reimbursement Agreement. These existing zoning designations and development plans were a significant inducement to the Owners to develop TAH.

TAH is aware that one of the Section 18 surface owners, DIBC Cargo, LLC ("Fulenwider") entered into a Surface Use Agreement in December 2016 covering the Oil and Gas Area with Bison Oil & Gas, LLC, which subsequently assigned the Surface Use Agreement to Extraction. This Surface Use Agreement authorizes use of the area included in the Oil and Gas Area for siting horizontal oil and gas wells. According to Extraction, this project could include up to 30 wells to be located on the site. This proposed heavy industrial operation is, on its face, incompatible with the approved FDP as it overlaps and conflicts with the Public Facilities. The drilling operation could impact the feasibility of developing the planned Public Facilities necessary to support the mix of commercial and residential activity currently planned and zoned in Sections 13, 24 and 18 under the existing FDP. TAH understands that the Section 18 landowners collectively plan to rezone the entirety of Section 18 to commercial use and seek to remove all Public Facilities that support the planned development in portions of Sections 13 and 24 to overcome these concerns.

But even if the rezoning were to be approved, that would not eliminate the obligation of the property owners to dedicate land for the construction of the Public Facilities. Public Facilities will still be necessary to support the planned mixed-use development in Sections 13 and 24. Therefore, should Section 18 be permitted as the designated Oil and Gas Area, it is expected that the land in Sections 13 and 24 will also need to be rezoned to incorporate the Public Facilities that would no longer be compatible with the drilling activities. This rezoning effort would be significant and would fundamentally alter the existing development plans that both the Owners and the City have already acted on in good faith. For example, TAH is aware that the City recently reimbursed the prior landowner approximately \$3.4M for a City waterline that was installed, anticipating water tap sales for residential lots and houses on the Property and surrounding area. Before this process started, the Owners had collectively invested \$60 million in the land. Since then, the Owners have invested over \$20 million in planning and engineering as well as acquisition of additional parcels to accomplish the objective of creating a Master Plan Community that is the identity and future of Aurora and in the process, recognizing as mineral owners the need to adequately plan for the exploitation, storage, conveyance and surface transportation needs associated with the mineral estate, but to do so in a planned and orderly fashion coexisting with the surface uses. This \$20 million was spent in anticipation of investing an additional \$175 of infrastructure based upon the Owners' reliance upon the adjacent FDP.

Moreover, as observed from a simple iPhone Google Maps aerial photo, preliminary construction of roads and lots has already occurred in Section 18 in preparation for residential and Public Facility developments. See Exhibit C, Google Maps Image. As noted above, there is an approved and signed subdivision plat for the 256 lots which are surveyed, engineered, graded, and have the utilities stubbed—all the preliminary work is complete with exception of paving. See Exhibit B.

Changing the existing zoning designations and development plans in the area around Extraction's proposed drilling location in order to permit oil and gas development would be a fundamental challenge to the integrity of the residential character of the area and will create unacceptable marketing challenges for the Owners in selling homes to their target demographic, which jeopardizes

the success of the project. It also jeopardizes the success of projected revenue generation necessary to repay TAH's proposed \$175 million investment to underwrite bonds that will finance needed infrastructure in the area. This infrastructure investment will be described by separate letter to the COGCC from the Regional Transportation Authority.

As part of the planning process for the massive development planned for the area in northern Aurora in which the TAH will be located, including the Gaylord Hotel and the Aerotropolis planned for the area south of Denver International Airport, Aurora's stated goal is to attract the best and brightest millennials for its rapidly growing job market. As Aurora attracts young educated people, it will also attract businesses and create a diverse, growing economy. Optimizing residential communities with amenities, with clear delineation of select locations in which oil and gas operating areas can exist and not being forced to coexist, will attract millennials and increase opportunities for economic growth. TAH too would like to see the land put to its best long-term use so that the area may remain vibrant and economically diverse for generations to come. The TAH project is designed to meet these goals and it is critical to the City's long term economic growth and viability. However, the proposed drilling operation in Section 18 would cripple TAH's ability to attract millennial homebuyers. TAH does not intend to argue the market challenges presented with white papers or dissertations on the perceptions of millennial homebuyers. Indeed, a quick Google search reveals that a prospective homebuyer is informed that:

- Oil drilling in close proximity to homes significantly decreases property values. Research studies show decreases between 3 and 70 percent.
- Many mortgage companies refuse to issue mortgages on homes with nearby oil and gas drilling operations.
- Many insurance companies are refusing to issue policies on homes with nearby oil and gas drilling operations.
- Realtors report difficulties selling homes near drilling sites. Sometimes homes are rendering unsellable.

These concerns are alarming to TAH, which needs to be able to market homes to millennials in order to repay the infrastructure investment it has volunteered to make. TAH is not willing to make this investment with the uncertainty of oil and gas development hanging over its normal course of business marketing challenges. If the drilling is sited in Section 18, it will obstruct the viability of the surface development planned for the region because Owners will no longer invest millions in residential development due to the perceived risks of homes in proximity to oil and gas operations. This stall on development will forever alter Aurora's ability to grow and attract the talented young population it seeks.

Lastly, it cannot go without mention that both oil and gas and residential development face significant investment risk from Initiative 97. As the COGCC is aware, if passed, Initiative 97's requirement that new oil and gas development be at least 2,500 feet from occupied buildings and "vulnerable areas" like parks and creeks would cripple all stakeholders involved in the development of Aurora. Even if the measure does not pass it has fostered a larger public concern on health and safety issues resulting from proximity to oil and gas development. This adds to the marketing challenge that Extraction's proposed location in section 18 creates. The Owners prefer to be proactive and strike an agreement that will allow oil and gas to extract its mineral interests in a segregated Energy Corridor—as TAH has proposed to Extraction.

To address these concerns, amongst others, the City has convened a stakeholder process with surface developers, landowners, and oil and gas operators to develop a collaborative long-range development plan that will harmonize the City's growth plans with planned oil and gas development. The stakeholders process is led by former COGCC Director Lepore. The issues surrounding the proposed drilling on Section 18, and potential "win, win, win" solutions, are front and center in the discussions among the stakeholders group. The City has described this process in its separate letter to you regarding this proposed drilling location.

During these discussions, TAH has offered to provide, at NO cost, alternative drilling sites within three sections of land it has acquired purely for the relocation of oil and gas operations areas("OGOAs"). These sites are segregated from the residential and commercial mixed-use components of the master plan community but accessible to the mineral estates of those high population areas.

TAH has planned a conforming land use "The TEC Center" to integrate the OGOA within, so that Extraction can exploit its minerals on sites that would not create potential conflict with the existing planned development in the area. See Exhibit D, Map of TEC Center. The TEC Center has been

planned to provide for the integration of the OGOA into a Business Park Setting, while providing aesthetic buffering within the park using the parking areas, landscape enhancements, loading docks, grade variations and other planning techniques. The TEC Center also will provide easements for storage, conveyance, and surface transportation needs of heavy industrial traffic as well as the most importantly a high-speed arterial access for Emergency Management.

TAH has also offered additional benefits to Extraction, including pipeline corridors and substantial metro district tax relief, to defray any costs that Extraction may experience in moving its surface location from Section 18 to sites provided by TAH. Moreover, TAH has offered to lease its minerals in Section 13 to Extraction at below market rate in consideration of drilling from a location that does not impact the value of TAH's surface estate. TAH wants to work with Extraction to find viable solutions that will allow Extraction to develop its oil and gas resources while preserving the ability of TAH to develop infrastructure and a master planned community that is badly needed by Aurora and Adams County and by Denver in developing its proposed Aerotropolis in the area. TAH hopes to continue to discuss with the various stakeholders the issues raised by the Extraction drilling location in Section 18 in the light of TAH's proposed development and other planned land uses in the area. TAH believes that the orderly and planned segregation of industrial and residential land uses will provide developers of subsurface and surface estates, as well as homebuyers, certainty in their economic investments, while protecting Extraction's right to develop its oil and gas under the State's mandate to prevent waste.

This situation provides an opportunity for the COGCC to lead the way in helping to forge a collaborative resolution of conflicts between surface and mineral development. TAH is hopeful not only that it can work with stakeholders to develop collaborative solutions for this proposed oil and gas project but also that this will lead to the implementation of a more comprehensive plan for harmonizing surface development with oil and gas development throughout the City. Such result could be a model for collaborative oil and gas and surface development in many urbanizing areas in the Front Range and throughout the state—as Colorado will continue to face rapid population growth and increased industry activity. To this end, TAH requests that, at this time, the Commission deny Extraction's Amended Form 2A application covering the Oil and Gas Area in Section 18 Area in Section 18 or at least defer its consideration of the application so that the parties have the opportunity to work through the challenges presented and arrive at a collaborative approach that works for all stakeholders. Thank you for your consideration.

Sincerely,

Heidi K. Ruckriegle on behalf of The Aurora Highlands

Total: 9 comment(s)