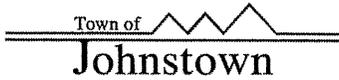


***TOWN COUNCIL***  
***MEETING***  
***PACKET***

**February 6, 2017**



**Town Council**

**Agenda**  
**Monday February 6, 2017**  
**Town Hall, Council Chambers**  
**450 So. Parish Avenue**  
**7:00 PM**



---

**MISSION STATEMENT**-*"The mission of the government of the Town of Johnstown is to provide leadership based upon trust and integrity, commitment directed toward responsive service delivery, and vision for enhancing the quality of life in our community."*

---

*Members of the audience are invited to speak at the Council meeting. Public Comment (item No. 5) is reserved for citizen comments on items not contained on the printed agenda. Citizen comments are limited to three (3) minutes per speaker. When several people wish to speak on the same position on a given item, they are requested to select a spokesperson to state that position. If you wish to speak at the Town Council meeting, please fill out a sign-up sheet and present it to the Town Clerk.*

- 1) **CALL TO ORDER**
  - A) Pledge of Allegiance
- 2) **ROLL CALL**
- 3) **AGENDA APPROVAL**
- 4) **RECOGNITIONS AND PROCLAMATIONS**
- 5) **PUBLIC COMMENT (three-minute limit per speaker)**

---

*The "Consent Agenda" is a group of routine matters to be acted on with a single motion and vote. The Mayor will ask if any Council member wishes to have an item discussed or if there is public comment on those ordinances marked with an \*asterisk. The Council member may then move to have the subject item removed from the Consent Agenda for discussion separately.*

---

- 6) **CONSENT AGENDA**
  - A) Town Council Meeting and Special Meeting Minutes – January 18<sup>th</sup> and January 30<sup>th</sup>, 2017
  - B) Intergovernmental Agreement with the City of Greeley for Victim Assistance Services
- 7) **STAFF REPORTS**
- 8) **OLD BUSINESS**
- 9) **NEW BUSINESS**
  - A) Consider Use by Special Review for Oil and Gas Exploration for Johnsons Corner 35-F Pad by Extraction Oil and Gas, LLC
  - B) Presentation of Larimer County Community Report (2015-2016) – Commissioner Tom Donnelly
  - C) Consider Settlement Agreement –State of Colorado Acting by and through the Colorado Department of Natural Resources
  - D) Resolution No. 2017-02, A Resolution Appropriating Additional Sums of Money to Defray Expenses and Transfers in Excess of Amounts Budgeted for the Town of Johnstown, Colorado
- 10) **COUNCIL REPORTS AND COMMENTS**
- 11) **MAYOR'S COMMENTS**
- 12) **ADJOURN**

---

**WORK SESSION**

- 1) Discussion of Weld County Road 50 (WCR 50) Improvement Project
- 2) Discussion of Screening by Synergy Resources Corporation of Oil/Gas Facilities on Pratt Technology PUD



**NOTICE OF ACCOMODATION**

If you need special assistance to participate in the meeting, please contact the Town Clerk at (970) 587-4664. Notification at least 72 hours prior to the meeting will enable the Town to make reasonable arrangements to ensure accessibility to the meeting.

**AGENDA ITEMS 6A-B**

**CONSENT**

**AGENDA**

- **Council Minutes – January 18, 2017 and  
Special Council Meeting Minutes –  
January 30, 2017**
- **Intergovernmental Agreement  
(City of Greeley)  
(Victim Assistance Services)**

## TOWN COUNCIL AGENDA COMMUNICATION

---

**AGENDA DATE:** February 6, 2017

**ITEM NUMBER:** 6A-B

**SUBJECT:** Consent Agenda

**ACTION PROPOSED:** Approve Consent Agenda

**PRESENTED BY:** Town Clerk

**AGENDA ITEM DESCRIPTION:** The following items are included on the Consent Agenda, which may be approved by a single motion approving the Consent Agenda:

- A) Council Meeting Minutes – January 18, 2017 and Special Council Meeting Minutes – January 30<sup>th</sup>, 2017
- B) \*Intergovernmental Agreement – City of Greeley for Victim Assistance Services

\*This is an intergovernmental agreement between the City of Greeley and the Town of Johnstown for victim assistance services. The services provided by the Greeley Police Department's Victim Assistance Unit are statutorily mandated for incidents such as domestic violence investigations, death notifications, child abuse cases, etc. The Johnstown Police Department doesn't have a Victim Assistance Unit and relies upon the Greeley Police Department for these services. The agreement has been review by the Town Attorney. The Johnstown Police Department is responsible for making "reasonable efforts" to make financial contributions to the Greeley Police Department Victim Assistance Unit as outlined in paragraph 3of the attached IGA. The Johnstown Police Department has made contributions of five-hundred dollars (\$500) in the past, and has budgeted for a five-hundred dollar contribution in the 2017 budget.

**LEGAL ADVICE:** The entire Consent Agenda may be approved by a motion of the Town Council approving the Consent Agenda, which automatically approves each and every item listed on the Consent Agenda. If a Council member wishes to have a specific discussion on an individual item included with the Consent Agenda, they may move to remove the item from the Consent Agenda for discussion.

**FINANCIAL ADVICE:** N/A

**RECOMMENDED ACTION:** Approve Consent Agenda

**SUGGESTED MOTION:**

**For Approval:** I move to approve the Consent Agenda.

**For Denial:**

**Reviewed:**

  
Town Manager

**COUNCIL  
MINUTES**

The Town Council of the Town of Johnstown met on Wednesday, January 18, 2017 at 7:00 p.m. in the Council Chambers at 450 S. Parish Avenue, Johnstown.

Mayor James led the Pledge of Allegiance.

Roll Call:

Those present: Councilmembers Davis, Lebsack, Mellon, Mitchell and Molinar Jr

Those absent: Councilmember Young

Also present: Avi Rocklin, Town Attorney, Roy Lauricello, Town Manager John Franklin, Town Planner, Brian Phillips, Police Chief and Diana Seele, Town Clerk/Treasurer

Agenda Approval

Councilmember Mellon made a motion seconded by Councilmember Lebsack to approve the agenda. Motion carried with a unanimous vote.

Consent Agenda

Councilmember Lebsack made a motion seconded by Councilmember Mellon to approve the Consent Agenda with the following items included:

- December 19, 2016 - Town Council Meeting Minutes
- Payment of Bills
- December Financial Statements
- 2<sup>nd</sup> Reading – Ordinance No. 2016-145, An Ordinance Repealing and Replacing Sections 13-11 through 13-20 and Repealing Section 13-28 of Article II of Chapter 13 of the Johnstown Municipal Code Concerning Sewers

Motion carried with a unanimous vote.

New Business

A. Consider Designation of Public Posting Areas – Councilmember Mellon made a motion seconded by Councilmember Molinar Jr. to designate front entryway of Johnstown Town Hall as a public notice posting area. Motion carried with a unanimous vote.

B. Consider 3.2% Beer Retail License (Off Premises) for Loan N' Jug #12 – Councilmember Lebsack made a motion seconded by Councilmember Molinar Jr. to approve the 3.2% Beer Retail License (Off Premises) renewal for Loaf N' Jug #12. Motion carried with a unanimous vote.

C. Consider Tavern Liquor License Renewal for Cassidy's Sports Grill – Councilmember Molinar Jr. made a motion seconded by Councilmember Lebsack to approve the tavern liquor license renewal for Cassidy's Sports Grill. Motion carried with a unanimous vote.

D. Consider Request for Extension of Reimbursement Agreement for Thompson Crossing District No. 1 - On December 1, 2008, the Town of Johnstown entered into an Infrastructure Reimbursement Agreement with Thompson Crossing District No. 1. The purpose of the Agreement was to provide reimbursement for the cost of oversizing sewer lines to serve properties outside of the District. Per the agreement, the cost of oversizing the lines was determined to be \$1,190,000. The Town agreed to collect \$4,589 per building permit from benefited properties. The Agreement provides for a ten-year term from the date of completion of the construction and that Town Council, in its discretion, would thereafter consider a five-year extension. Councilmember Lebsack made a motion seconded by Councilmember Mitchell to approve the request for extension of the infrastructure reimbursement agreement for an additional five-year term and authorize the Town Attorney to prepare an amendment to the agreement. Motion carried with a unanimous vote.

E. Consider Oil and Gas Lease with Cub Creek Energy, LLC - The Town owns mineral rights in Clearview PUD consisting of approximately 6.462 net acres. Cub Creek Energy, LLC desires to enter into an oil and gas lease for the drilling and production of those mineral rights. The lease does not grant rights to the use of the surface of the leased premises, except that Cub Creek retains the right to use the public roads. The lease provides for a three-year primary term, extended by production for as long as oil and gas is produced in paying quantities. The lease further provides for a bonus payment of \$1,000.00 per mineral acre (\$6,462.00) and a royalty payment of 18.75% less a proportionate amount for taxes and costs of production. Councilmember Mellon made a motion seconded by Councilmember Davis to approve the Oil and Gas Lease with Cub Creek Energy, LLC subject to receipt of the bonus payment in the amount of \$6,462.00 and authorize the Mayor to sign it. Motion carried with a unanimous vote.

F. Discussion of Improvements to the Interstate 25 (I-25) and Highway 402 Interchange – Mr. Johnny Olson, CDOT Region 4 Transportation Director – Power Point Presentation was given.

#### Executive Session

Councilmember Mellon made a motion seconded by Councilmember Davis to adjourn into Executive Session at 8:30 p.m. for the Developing Strategy for Negotiations and Instructing Negotiators Related to Improvements to the Interstate 25 (I-25) – Highway 402 Interchange Pursuant to C.R.S. Section 24-6-402(4)(e) and Protecting the Confidentiality of the Procurement Process for the Improvements under C.R.S. Section 204-103-203 Pursuant to C.R.S. Section 24-6-402(4)(c). Motion carried with a unanimous vote.

Mayor James called the meeting back to order at 9:19 p.m. Councilmember Lebsack made a motion and seconded by Councilmember Davis to direct the Town Attorney to draft a resolution supporting I-25 – State Highway 34 Interchange and I-25 and State Highway 402 Interchange. Motion carried with a unanimous vote.

Council Reports

Mayor James requested Council's approval to reopen the Request for Qualifications for an Operational Partner for the proposed Recreation Center. Councilmember Lebsack made a motion seconded by Councilmember Mitchell to reopen the Request for Qualifications for an Operational Partner for the proposed Recreation Center. Motion carried with a unanimous vote.

There being no further business to come before Council the meeting adjourned at 9:32 p.m.

Mayor

Town Clerk/Treasurer

The Town Council of the Town of Johnstown met on Monday, January 30, 2017 at 7:00 p.m. for a Special Town Council meeting in the Council Chambers at 450 S. Parish Avenue, Johnstown.

Mayor James led the Pledge of Allegiance.

Roll Call:

Those present: Councilmembers Davis, Lebsack, Mellon, Mitchell, and Young

Also present: Avi Rocklin, Town Attorney, Roy Lauricello, Town Manager, John Franklin, Town Planner and Diana Seele, Town Clerk/Treasurer

Agenda Approval

Councilmember Lebsack made a motion seconded by Councilmember Mitchell to approve the agenda. Motion carried with a unanimous vote.

New Business

A. Consider Selection of Architect Firm for Design Services for the Johnstown Community Recreation Center – A Request for Qualifications (RFQ) for architect design services for the Johnstown Community Recreation Center Project was advertised with seven (7) firms responding. After interviews were conducted two (2) finalists; Barker Rinker Seacat and Sink Comb Dethlefs were invited to submit proposals for Council's consideration. Councilmember Mellon made a motion seconded by Councilmember Lebsack to select the firm of Sink Comb Dethlefs for design services for the Johnstown Community Recreation Center Project and request the Town Attorney to prepare a professional services agreement for Council's consideration. Motion carried with a unanimous vote.

B. Consider Resolution No. 2017-01, Affirming the Town's Support of Including Improvements to the Interstate 25 and State Highway 34 Interchange and Interstate 25 and State Highway 402 Interchange as part of the Colorado Department of Transportation's North I-25 Design-Build Project - Councilmember Mellon made a motion seconded by Councilmember Mitchell to approve Resolution No. 2017-01, Affirming the Town's Support of Including Improvements to the Interstate 25 and State Highway 34 Interchange and Interstate 25 and State Highway 402 Interchange as part of the Colorado Department of Transportation's North I-25 Design-Build Project. Motion carried with a unanimous vote.

There being no further business to come before Council the meeting adjourned at 7:13 p.m.

Mayor

Town Clerk/Treasurer

# **AGREEMENT**

**INTERGOVERNMENTAL AGREEMENT  
VICTIMS ASSISTANCE SERVICES**

This Intergovernmental Agreement "Agreement" is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, between the City of Greeley, Colorado (hereinafter "City"), a Colorado home rule municipal corporation with a principal place of business located at 1000 10th Street, Greeley, Colorado, 80631, and each "Partner," which includes the Town of Ault, a Colorado statutory town with a principal place of business at 201 1st Street, Ault, Colorado, 80610, the Town of Eaton, a Colorado statutory town with a principal place of business at 223 1st Street, Eaton, Colorado, 80615, the City of Evans, a Colorado home rule municipal corporation with a principal place of business located at 1100 37th Street, Evans, Colorado, 80620, the Town of Johnstown, a Colorado statutory town with a principal place of business at 450 S. Parish Ave., Johnstown, Colorado, 80534, the Town of Kersey, a Colorado statutory town with a principal place of business at 332 3rd Street, Kersey, Colorado, 80644, the Town of LaSalle, a Colorado statutory town with a principal place of business at 128 N. 2nd Street, LaSalle, Colorado, 80645, the Town of Milliken, a Colorado statutory town with a principal place of business at 1101 Broad Street, Milliken, CO 80543, the Town of Nunn, a Colorado statutory town with a principal place of business at 185 Lincoln Avenue, Nunn, Colorado, 80648, and the Town of Windsor, a Colorado home rule municipal corporation with a principal place of business located at 301 Walnut Street, Windsor, Colorado, 80550, and on behalf of their respective law enforcement agencies.

**WHEREAS**, pursuant to Colorado Revised Statute §29-1-203, governments may cooperate or contract with one another to provide function, service or facility lawfully authorized to each of the cooperating or contracting units of government; and

**WHEREAS**, Article II, Section 16A of the Constitution of the State of Colorado and the laws related to CRS Title 24 Article 4.1 part III guarantee certain rights to victim of cases specified in CRS 24-4.1.302; and

**WHEREAS**, the Greeley Police Department operates a Victim Assistance Unit funded by the Greeley Police Department, grants from the Victim Assistance and Law Enforcement (VALE) Board, Victims of Crime Act (VOCA), and contributions from supported agencies; and

**WHEREAS**, the Parties hereto operate police departments whose personnel have contact with victims of crime; and

**WHEREAS**, the Parties hereto desire to receive the benefits of the Greeley Police Department Victim Assistance Unit; and

**WHEREAS**, the City of Greeley, pursuant to the terms of their grant funding from VALE, is required to seek funding from other law enforcement entities who receive assistance from the Greeley Police Department Victim Assistance Unit.

**NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS CONTAINED HEREIN, AND OTHER GOOD AND VALUABLE CONSIDERATION, THE SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED BY AND BETWEEN THE PARTIES, THE PARTIES HEREBY AGREE AS FOLLOWS:**

1. **Provision of Victim Assistance Services.** The City, through the Greeley Police Department Victim Assistance Unit, will provide Partner with victim assistance services consistent with the Scope of Services (“Services”) attached hereto as Exhibit A. City will provide the Services solely through an “Advocate” as that term is defined in Exhibit A.

2. **Scope of Agreement and Parties.** This Agreement is between Greeley and each municipal entity or “Partner” identified herein individually. This Agreement is not an agreement between those municipal entities, or Partners, nor is it intended to be an agreement between those other municipal entities. All rights and obligations hereunder are between Greeley and each of the other Partners. Nothing in this Agreement shall be construed to create any relationship or liability between Partners either individually or jointly. For avoidance of doubt, the failure of any named Partner to execute this Agreement shall not invalidate this Agreement as to the City and the remaining Partners.

3. **Partner Responsibilities.** Partner will make reasonable efforts to make an annual financial contribution in an amount to be determined by the Greeley Police Department in exchange for the Services described in this Agreement. The Greeley Police Department shall seek reasonable financial contributions from Partner based on considerations which will include, but not be limited to, the frequency of services rendered, the actual costs of services, and the financial position of the Partner.

4. **Initial Term.** The initial term of this Contract shall be for one year and shall commence upon January 1, 2017, (the “Effective Date”) and terminate on December 31, 2017 (the “Termination Date”).

5. **Renewal.** Upon expiration of the initial term, this Contract shall annually renew for successive one year periods upon the same terms and conditions, unless sooner terminated. However, this Agreement shall not extend beyond a term of five (5) years beginning on the Effective Date unless otherwise amended as provided herein.

6. **Appropriations.** Pursuant to law, this Contract is subject to adequate appropriation by City and Partner in any given fiscal year. Should adequate funds not be appropriated in any fiscal year to maintain payments under the terms and conditions of this Contract, the parties agree that the contract shall immediately terminate.

7. **Termination.** A Partner to this Agreement may terminate its participation at any time upon thirty (30) days written notice to City in writing. The City may terminate its participation in this Agreement at any time upon thirty (30) days written notice to Partner in writing. In the event the City no longer receives grant funds from the State of Colorado for this program, this Agreement will immediately terminate and no notice to any Partner hereto shall be required.

8. **Amendments.** This Agreement may only be amended or modified in writing and with the written consent of the Parties hereto. In the event City and Partner amend or modify this Agreement, such amendment or modification shall have no effect on any other partner hereto unless consented to in writing.

9. **Notices.** Where notice to the City is required by this Agreement, including a notice to terminate the Agreement, such notice shall be made to the following:

Chief of Police  
Greeley Police Department  
2875 W. 10th Avenue  
Greeley, Colorado 80634

With copy to: Greeley City Attorney  
City Attorney's Office  
1100 10th Street, Suite 401  
Greeley, Colorado, 80631

All notices required to Partner shall be made to Partner's address as identified in the first paragraph of this Agreement.

**10. Reservation of Immunity.** This Agreement is not intended, and shall not be construed, as a waiver of the limitations on damages or any of the privileges, immunities, or defenses provided to, or enjoyed by, the Parties and their councilpersons, directors, officers, employees and volunteers under common law or pursuant to statute, including but not limited to the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*; and further shall not be deemed as an assumption of any duty with respect to any non-party to this Contract.

**11. Personnel Status.** (a) Partner's relationship with Advocate shall be solely akin to that of independent contractor and shall not be that of employee, partner or joint venturer. The Advocate shall not be supervised by any official of the Partner, nor shall the Partner exercise supervision over any employee or official of the City. Partner shall not represent itself as an employee or agent of the City in any capacity. Advocate shall not represent itself as an agent of employee of Partner in any capacity.

(b) City shall determine the means and methods of performing the Services, and Partner shall have no right to do so. Partner shall not oversee the performance of the Services or give instructions in how to perform the Services. Partner shall not provide training to Advocate in how to perform the Services but may provide reasonable orientation to familiarize Advocate with Partner's operations, facilities, equipment and personnel. Partner shall not require Advocate to work exclusively for it and the City shall retain the right to provide services to others during the term of this Agreement

(c) Nothing contained in this Agreement, and no performance under this Agreement by personnel of the City shall in any respect alter or modify the individual's status as an employee of the City. No employee, volunteers or agents of the City providing Services hereunder shall at any time be entitled to worker's compensation or their benefits or salary, pay, entitlements, pension, training, internal discipline, certification, or rank from Partner.

**12. Binding.** This Agreement shall be binding on the successors and assigns of each Party, except that no Party may assign any of its rights or obligations hereunder without the prior written consent of all other Parties.

**13. No Third Party Beneficiary.** It is expressly understood and agreed that the terms and the enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, are strictly reserved to the undersigned parties and nothing in this Agreement shall give or allow any claim or right or cause of action whatsoever by any other person not included in this Agreement. It is the express intention of the undersigned parties that no person and/or entity, other than the undersigned parties, receiving services or benefits under this Agreement shall be deemed any more than an incidental beneficiary only.

**14. Severability.** In the event that any part, term or provision of this Agreement is found to be in violation or conflict with any federal or state law, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if the Agreement did not contain the particular part, term or provision held to be invalid.

**15. Governing Law and Venue.** This Agreement shall be governed by and construed in accordance with Colorado law. Venue shall lie solely in the County of Weld, Colorado.

**16. Counterparts.** This Agreement may be executed in counterpart originals, each of which shall be deemed an original, and each of which shall be deemed to constitute one and the same Agreement. Additionally, a copy of an executed original Agreement signed by a Party and transmitted by facsimile or electronic mail shall be deemed an original, and any Party is entitled to rely on the validity, authenticity, and authority of an original transmitted by facsimile or electronic mail.

**17. Entire Agreement.** This Agreement constitutes the entire agreement and understanding of the parties, and supersedes all offers, negotiations and other agreements. There are no representations or understandings of any kind not set forth herein.

The parties have executed this Agreement on the day and year first written above.

**(SIGNATURE PAGES FOLLOW)**

TOWN OF JOHNSTOWN

---

Authorized Signature

---

Title

---

Date



**AGENDA ITEM 9A**

**USE**

**BY**

**SPECIAL REVIEW**

**(Oil/Gas Exploration)**

**(Johnson's Corner -35F Pad)**

**(Extraction Oil and Gas, LLC)**

**\*Public Hearing**

**\* PUBLIC HEARING PROCEDURE – Use by Special Review for Oil and Gas Exploration for Johnsons Corner 35-F Pad by Extraction Oil and Gas, LLC**

1. Open public hearing.
2. Receive information from staff.
3. Ask to hear from anyone who supports the Use by Special Review.
4. Ask to hear from anyone who opposes the Use by Special Review.
5. Close the public hearing.
6. Ask for discussion.
7. Make decision and/or motion from Council.
  - a. Need motion to approve or deny the Use by Special Review.

**(SUGGESTED MOTIONS):**

**For Approval:**

**I move to approve the Use by Special Review for oil and gas exploration for Johnsons Corner 35-F Pad by Extraction Oil and Gas, LLC, with conditions as recommended by the Planning and Zoning Commission.**

**For Denial:**

**I move to deny approval of the Use by Special Review for oil and gas exploration for Johnsons Corner 35-F Pad by Extraction Oil and Gas, LLC.**

**TOWN COUNCIL AGENDA COMMUNICATION**

---

**AGENDA DATE:** February 6, 2017

**ITEM NUMBER:** 9A

**SUBJECT: \*Public Hearing-** Use by Special Review for Oil and Gas Exploration for Johnsons Corner 35-F Pad – Extraction Oil and Gas, LLC

**ACTION PROPOSED:** Consider the Use by Special Review

**PRESENTED BY:** John Franklin, Town Planner

**AGENDA ITEM DESCRIPTION:** This is a request by oil and gas operator Extraction Oil and Gas, LLC to develop thirteen (13) horizontal wells within a single drilling area, and construct a new tank battery/production facility per the attached plans. The overall property is currently in agriculture. The Town approved annexation of the property in 2005, which is zoned PUD-MU Planned Unit Development –Mixed use.

There are two dwellings within one-half mile of the proposed drilling site, with the closest dwelling over 1200' from the site. The primary access is Marketplace Drive which is partially paved.

On February 10, 2016 the Planning and Zoning Commission held a public hearing and voted unanimously to recommend approval of the Use by Special Review with conditions:

1. Access to drill and production area: Following Town policies, if Marketplace Dr. is to be used for access, a third party pavement engineer shall be hired at operator expense to monitor the condition of the improved portion of the roadway to the I-25 east frontage road prior to drilling operations, and then after the wells are completed and the production facility is in place, to determine if this use has had an adverse effect and would require repairs. The Operator would be responsible to restore the road condition, and provide a refundable damage deposit as security against such repairs.
  2. The well site shall be screened and potential impact mitigation pursuant to the provisions of Article 9 of the Town Code and to the Town's satisfaction.
  3. Operator shall comply with provisions of Town Code relative to dust mitigation impacts to adjacent properties and tracking on roadways.
  - 4 A Town Right of Way Work Permit will be required for any new access or improvements to existing access points at Town right of way.
  5. The Operator shall call for locates prior to sub-grade work,
  6. The operator shall work with the business owners (Candlelight Dinner playhouse owner) to address issues prior to Town Council consideration.
  7. Operator shall look at a possible split traffic pattern to minimize traffic impacts on Marketplace Dr. and present to Town Council.
  8. The access road shall meet the requirements of Article 9 of the Town Code.
- The applicant acknowledged and agreed to all conditions (response attached).

---

**LEGAL ADVICE:** If approved, the Town Attorney will prepare a resolution for Council consideration at a future meeting.

---

**FINANCIAL ADVICE:** N/A

---

**RECOMMENDED ACTION:** The Planning and Zoning Commission recommended approval with conditions of the Use by Special Review for oil and gas exploration - Johnsons Corner 35-F Pad – Extraction Oil and Gas, LLC

---

---

**SUGGESTED MOTIONS:**

**For Approval:** I move to approve the Use by Special Review for oil and gas exploration for Johnsons Corner 35-F Pad – Extraction Oil and Gas, LLC, with conditions as recommended by the Planning and Zoning Commission.

**For Denial:** I move to deny approval of the Use by Special Review for oil and gas exploration for Johnsons Corner 35-F Pad – Extraction Oil and Gas, LLC

---

**Reviewed:**

  
Town Manager

**APPLICANT'S RESPONSE  
TO  
PLANNING AND ZONING  
COMMISSION CONDITIONS**

## John Franklin

---

**From:** Erin Mathews <emathews@extractionog.com>  
**Sent:** Monday, September 12, 2016 5:53 PM  
**To:** John Franklin  
**Cc:** Joseph Silipo  
**Subject:** USR Johnsons Corner 35F  
**Attachments:** 20165016 GER.pdf

John,

I apologize that it has taken us so long to get back to you this project. Extraction has been working on the conditions of approval set by the planning commission. We have provided some responses and questions below. Since it's been a while since we worked on this project would you like to have a meeting to discuss?

Response to Conditions of Approval:

- 1. Access to drill and production area: Following Town policies, if Marketplace Dr. is to be used for access, a third party pavement engineer shall be hired at operator expense to monitor the condition of the improved portion of the roadway to the I-25 east frontage road prior to drilling operations, and then after the wells are completed and the production facility is in place, to determine if this use has had an adverse effect and would require repairs. The Operator would be responsible to restore the road condition, and provide a refundable damage deposit as security against such repairs.*

Terracon Consultants completed an initial pavement condition assessment of Marketplace Drive. After drilling and completion operations are complete and the location is in production, Terracon will complete a follow up assessment to determine if impacts occurred. A copy of the assessment is attached.

- 2. The well site shall be screened and potential impact mitigation pursuant to the provisions of Article 9 of the Town Code and to the Town's satisfaction.*

The minutes reflect that an earthen berm was requested for long term mitigation of the site. What sides of the site is the town most interested in screening, the west or south? I am not finding Article 9 in the Town Code, but I did find Article XI of Section 17 of the Town Code (Section 17-191 Visual Impact/aesthetics regulation) is this the correct section? Do you need a revised plan showing the location of the berm?

- 3. Operator shall comply with provisions of Town Code relative to dust mitigation impacts to adjacent properties and tracking on roadways.*

In accordance with Section 17-188, no mud or gravel shall be tracked onto Town streets. A vehicle tracking control pad will be installed at the end of the access road prior to connection with Marketplace Drive. In the event that mud or gravel is tracked onto Marketplace Drive, Extraction will contract with a street sweeping company immediately to ensure the street is cleaned.

If the Town would like we can add this as note to our USR plan.

4. *A Town Right of Way Work Permit will be required for any new access or improvements to existing access points at Town right of way.*

Noted. Since our access road will be constructed within town ROW we will complete a Town Right of Way work permit.

5. *The Operator shall call for locates prior to sub-grade work*

Noted. This is standard practice for Extraction.

6. *The operator shall work with the business owners (Candlelight Dinner playhouse owner) to address issues prior to Town Council consideration.*

Extraction Landman Joe Silipo met with the owner of the Candlelight Playhouse owner to address his concerns. Mr. Clark's main concerns were heavy equipment traffic interfering with his busy times at the playhouse which are Thursday – Sunday. We discussed routing and scheduling our large equipment moves, such as rig mobilization and start of pad construction on Monday-Wednesday.

Joe can go into more detail when we meet or can prepare a memo of his conversation.

7. *Operator shall look at a possible split traffic pattern to minimize traffic impacts on Marketplace Dr. and present to Town Council.*

If we have addressed the concerns of the Candle Light dinner theater and completed the pavement assessment is there still a need to split traffic?

8. *The access road shall meet the requirements of Article 9 of the Town Code.*

Pursuant to Section 17-188, the access road shall have a prepared subgrade and aggregate base course surface, a minimum of six inches thick compacted to a minimum density of 95% of the maximum density determined in accordance with generally accepted engineering sampling and testing procedures approved by the Town. The aggregate material at a minimum shall meet the requirements for Class 6 Aggregate Base Course as specified in the CDOT specifications for Road and Bridge Construction. The access road will be graded such that the roadway surface drains. If necessary, culvert(s) will be installed to provide cross drainage of waterways. The access road will be maintained to prevent rutting.

If the Town would like we can add this as note to our USR plan.

Thanks. Look forward to working with the Town to finalize this project.

Erin

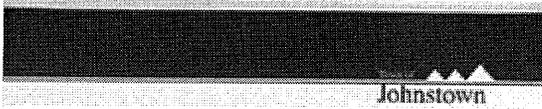
**Erin Mathews, PE**  
Regulatory Manager

Extraction Oil & Gas  
Direct: (720) 557-8308  
Cell: (970) 302-6171

---

**From:** John Franklin [<mailto:jfranklin@townofjohnstown.com>]  
**Sent:** Wednesday, March 16, 2016 3:43 PM  
**To:** Erin Mathews <[emathews@extractionog.com](mailto:emathews@extractionog.com)>  
**Subject:** RE: USR Johnsons Corner 35F

Erin,  
I will need to report on Extraction's actions and responses related to the conditions set by the Planning and Zoning Commission (see attached minutes).



John Franklin  
Town Planner  
970-587-4664

---

**From:** Erin Mathews [<mailto:emathews@extractionog.com>]  
**Sent:** Wednesday, March 16, 2016 3:40 PM  
**To:** John Franklin <[jfranklin@townofjohnstown.com](mailto:jfranklin@townofjohnstown.com)>  
**Subject:** RE: USR Johnsons Corner 35F

John,  
I believe Jamison has talked with Mr. Clark but I will confirm and get back to you. Let me know what you need from us prior to the town council hearing.

Thanks,  
Erin

**Erin Mathews, PE**  
*Regulatory Manager*  
Extraction Oil & Gas  
Direct: (720) 557-8308  
Cell: (970) 302-6171

---

**From:** John Franklin [<mailto:jfranklin@townofjohnstown.com>]  
**Sent:** Tuesday, March 15, 2016 10:52 AM  
**To:** Erin Mathews <[emathews@extractionog.com](mailto:emathews@extractionog.com)>  
**Subject:** RE: USR Johnsons Corner 35F

Erin,  
I do not have a specific date yet. I am looking at the Council agendas for April and will let you know soon.

**PLANNING AND ZONING  
COMMISSION**

**SUMMARY MINUTES**

**SUMMARY MINUTES  
PLANNING & ZONING COMMISSION  
WEDNESDAY, FEBRUARY 10, 2016  
COUNCIL CHAMBERS  
450 S. PARISH AVE.**

- 1. CALL TO ORDER:** *Acting Chair Dowling called the meeting to order at 7:01 pm.*
- 2. ROLL CALL:** *Present were Commissioners Storms, Kingsolver, Dowling and Montez. Absent were Commissioners Tepper and Eady.*

**3. PUBLIC COMMENTS REGARDING ITEMS NOT ON THE AGENDA:** *None*

**4. PUBLIC HEARINGS:**

**A. Amendment to 2534 Design Guidelines to Change the Land Use Designation on a portion of Block 12, 2534 from B.1 Office, Flex and Retail uses to B.2 Office, Flex, Retail and Multi-Family – AG Spanos:** *Chair Dowling opened the public hearing at 7:06 pm. Town Planner Franklin introduced the item and presented the staff recommendation. Pete Rossick of AG Spanos presented the request and answered questions.*

*Commissioner questions:*

*What is the code basis for this land use change? (The basis is the adopted 2534 Design Guidelines, essentially the preliminary plan for the overall project.)*

*Lighting? (A photometric study and fixtures will be provided with the Final Site Development Plan per the Design Guidelines.)*

*Public Comment:*

*Ryan Schaeffer, Chrisland Real Estate – spoke in favor of the application, citing the value of quality multi-family housing in a mixed use development such as 2534.*

*Todd Williams, VP Thompson Ranch Development Co. – spoke in favor of the project, citing the quality of the current Spanos development to the north.*

*Peggy Kraus, 4825 Tarragon Dr. – Asked about traffic study updates, traffic flow, signal development, lack of street lights, fish and wildlife impacts, view impacts, school impacts.*

*Mark Mahoney, 4630 Sorrel Lane – agreed with Peggy Kraus, and is concerned the one signalized intersection is not enough.*

*Walt Sanchez, 4527 Tarragon Dr. – No green space is shown on plan, side road traffic an issue, snow plowing not good, lighting levels may impact his neighborhood like Dairy Services.*

*L.A. Braman, 4527 Tarragon Dr. – knew about retail, but this multi-family is new and is not supported.*

*Chair Dowling closed the hearing at 7:45pm and called for discussion and a motion. Discussion of a motion ensued. Motion by Storms, seconded by Montez to recommend approval with conditions:*

*1. The quality of the overall project including architecture and amenities shall be equal or better than the representations provided with the Application for the Amendment request including replacing the proposed siding materials with stucco or with a combination of stone and brick as approved by the Town or with an alternative material approved by the Town*

and the overall project shall be subject to the Town's approval through the Final PUD Site Development Plan process;

2. Possible impacts on the proposed multi-family development including but not limited to traffic, parking lots and drives, and site lighting and its intrusion on the nearby single family neighborhood shall be considered in the final design and the overall project and proposed mitigation measures to reduce identified impacts shall be subject to the Town's approval through the Final PUD Site Development Plan process;

3. This conditional approval of the Change in the Land Use Designation is not an approval of the Final PUD Site Development Plan nor the Site Plan nor the Elevations submitted by the Applicant with the Application requesting the Change.

Unanimous.

**B. Use by Special Review for Oil and Gas Exploration – Johnsons Corner 35-F Pad – Extraction Oil and Gas, LLC:** Chair Dowling opened the public hearing at 7:50 pm. Town Planner Franklin introduced the item and presented the staff recommendation. Jason Scott, a Landman with Extraction Oil presented the request and answered questions.

Commissioner questions:

COGCC inspections? (Unless there are complaints, no routine visits.)

Use of diesel power versus electric? (Depends upon availability of PVREA power. If they use diesel a sound wall will be deployed.)

Long term view of site? (An earth berm is recommended by the Town, the site will not require water for the operations, VOCs will be recaptured.)

Flaring? (Yes, for some of the waste gases.)

Water Supply? (Will try to use nearby irrigation sources, CBT water or other.)

Access issues? (Prefers Marketplace Dr., agrees to assessment, will install tracking pad east of pavement end, and will add cover over [Kanab] pipeline. Will clean asphalt as required.)

Public Comment:

Dave Clark, owner of Candlelight Dinner Theater - has questions and is concerned about impacts of grading and drilling and fracking on his theater shows and customers. He is concerned about dust on gravel road, nighttime noise and vibration, oil traffic, workers, mud, odor from wells.

Roger Pilant, owner of lot east of RV Boatel – The operator should just pave the roadway instead of maintaining the gravel.

Chair Dowling closed the hearing at 8:55 pm and asked for discussion and a motion.

Commissioner Storms asked about mitigation provisions under Article 9 of the Municipal Code.

Motion by Montez, seconded by Kingsolver to recommend approval with conditions:

1. Access to drill and production area: Following Town policies, if Marketplace Dr. is to be used for access, a third party pavement engineer shall be hired at operator expense to monitor the condition of the improved portion of the roadway to the I-25 east frontage road prior to drilling operations, and then after the wells are completed and the production facility is in place, to determine if this use has had an adverse effect and

would require repairs. The Operator would be responsible to restore the road condition, and provide a refundable damage deposit as security against such repairs.

2. The well site shall be screened and potential impact mitigation pursuant to the provisions of Article 9 of the Town Code and to the Town's satisfaction.

3. Operator shall comply with provisions of Town Code relative to dust mitigation impacts to adjacent properties and tracking on roadways.

4 A Town Right of Way Work Permit will be required for any new access or improvements to existing access points at Town right of way.

5. The Operator shall call for locates prior to sub-grade work,

6. The operator shall work with the business owners (Candlelight Dinner playhouse owner) to address issues prior to Town Council consideration.

7. Operator shall look at a possible split traffic pattern to minimize traffic impacts on marketplace Dr. and present to Town Council.

8. The access road shall meet the requirements of Article 9 of the Town Code.  
Unanimous.

**5. NEW BUSINESS:**

**A. Approval of Minutes of January 27, 2016:** Motion by Montez, seconded by Kingsolver to approve the minutes as presented. Unanimous.

**B. Weld County Referrals:** None

**6. STAFF REPORT:** Town Planner Franklin discussed the following items:

**A. Recent Town Council Actions (Attachment)**

**B. Applications in Review (Attachment)**

**C. Project and Program Updates:**

**7. COMMISSIONERS' ITEMS:**

**8. ADJOURN:** Chair Dowling adjourned the meeting at 9:22pm

---

*Respectfully submitted by John Franklin, Town Planner, as Secretary to the Commission.*

**STAFF REPORT  
TO  
PLANNING AND ZONING  
COMMISSION**

## AGENDA MEMORANDUM

**TO:** Johnstown Planning and Zoning Commission  
**FROM:** John Franklin, Town Planner  
**DATE:** For February 10, 2016  
**SUBJECT:** Use by Special Review for Oil and Gas Exploration – Johnsons  
Corner 35-F Pad – Extraction Oil and Gas, LLC

### PROPERTY DATA:

**Applicant:** Extraction Oil and Gas, LLC  
**Owner(s):** Johnson/Taylor Family Properties, LLLP  
**Location:** The drilling and production area is generally one mile east of I-25 East frontage Road and one-half mile south of Chapman Road (LCR 16).  
**Property Size:** Drilling and production area is 8.15±ac  
**Current Zoning/Land Use(s):** PUD-MU/Agriculture  
**Surrounding Zoning/Land Uses:**  
North: LCR 16, Agriculture  
South: Larimer County F/A/Agriculture  
East: Larimer County F/Agriculture  
West: Johnsons Corner PUD/Marketplace subdivision/Vacant, light industrial

**Comprehensive Plan Designation:** Employment

### Summary of Request:

**General Description:** Extraction proposes to drill thirteen (13) horizontal oil and gas wells and install one production facility/tank battery. This is a centralized drilling and production proposal.

**Attachments:** Application materials.

### Municipal Code Review Provisions:

ARTICLE XI Oil and Gas Exploration and Production - copies in packet.

**Crucial Referral Responses:** There are no crucial referrals which require agreements or other attention.

**Technical Analysis:**

There are two homes within one-half mile of the proposed site. The closest home is one-quarter mile to the southwest. The nearest homes in Town limits are in the Rocksbury Ridge neighborhood and are approximately one mile south of the site.

**In accordance with the Town's regulations, the following criteria were evaluated:**

**(1) Whether the special use will be consistent with the Town's current comprehensive plan:**

The application is not inconsistent with the Comprehensive Plan. The centralized drilling sites will benefit the future design of the property and reduce conflicts with future development.

**(2) Whether the special use will be compatible with existing conforming surrounding and probable future land uses:** The area surrounding the sites is planned for non-residential uses. Town requirements for separation and screening will help protect such development.

**(3) Whether the special use will cause an unreasonable demand on Town services.** The drilling operation will likely **not** require Town services.

**(4) Whether the special use will unreasonably and adversely affect traffic flow and parking in the surrounding area.** The proposed drilling operation is relatively isolated. Access will not be used for traffic other than drilling and maintaining the wells.

**(5) Whether the public welfare requires approval of the special use.** The Town policy encourages developers to centralize oil and gas well development, and locate away from developed neighborhoods.

**Staff Recommendation:** Based upon the above Staff recommends approval of the Use by Special Review based upon the written application and site plan materials as submitted, with conditions as follows:

1. Access to drill and production area: Following Town policies, if Marketplace Dr. is to be used for access, staff recommends that a third party pavement engineer be hired at operator expense to monitor the condition of the improved portion of the roadway to the I-25 east frontage road prior to drilling operations, and then after the wells are completed and the production facility is in place, to determine if this use has had an adverse effect and would require repairs. The Operator would be

responsible to restore the road condition, and provide a refundable damage deposit as security against such repairs.

2. The drilling and production area is near Marketplace Drive which will be extended in the near future to support additional development. Town staff recommends screening such sites and equipment. A landscaped earth berm of sufficient height with evergreen trees is one acceptable option.

3. A Town Right of Way Work Permit will be required for any new access or improvements to existing access points at Town right of way.

4. The Operator shall call for locates prior to sub-grade work

**Planning Commission Action:**

1. If the Commission desires to recommend approval:

“I move that the Commission recommend approval of the Use by Special Review for Oil and Gas Exploration on the Johnsons Corner PUD as requested by Extraction”

Or,

2. If the Commission desires to recommend approval with conditions:

“I move that the Commission recommend approval of the Use by Special Review for Oil and Gas Exploration on the Johnsons Corner PUD as requested by Extraction with the following condition(s):

a. \_\_\_\_\_

b. \_\_\_\_\_

etc. “

Or,

3. If the Commission desires to recommend denial:

“I move that the Commission recommend denial of the Use by Special Review for Oil and Gas Exploration on the Johnsons Corner PUD as requested by Extraction for the following reasons:

a. \_\_\_\_\_

b. \_\_\_\_\_

etc. “

# VICINITY MAP

# Access Road Map

## JOHNSONS CORNER 35-F PAD

### Multi Well Pad

NW1/4 NE1/4 SECTION 35, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN



From Johnstown, CO: From the intersection of W South 1st St and CR 15.  
 Drive West on W South 1st St for ±2.9 Miles and turn right on to I-25 Frontage Rd.  
 Drive North on I-25 Frontage Rd for ±1.5 miles to Marketplace Dr and turn right.  
 Drive East on Marketplace Dr for ±1459 feet to Proposed Access Road and continue straight.  
 Continue East on Proposed Access Rd for ±1049 feet to proposed well pad location.  
 Total distance from Johnstown, CO to proposed well pad location is ±4.9 miles.

#### Legend

 Proposed Well     
  Public Road     
  Proposed Access Road

#### Reference Location

**\*\* JOHNSONS CORNER 7 \*\***

Lat: 40.357399° Long:-104.973415° (NAD83)  
 Elevation: 5009 Feet



Use our resources to find yours!  
[www.petro-fs.com](http://www.petro-fs.com)  
 (303) 928-7128

Field Date: 7/28/2014  
 Drafting Date: 8/26/2014  
 Drafted By: CSG  
 Checked By: DRF  
 Revision:

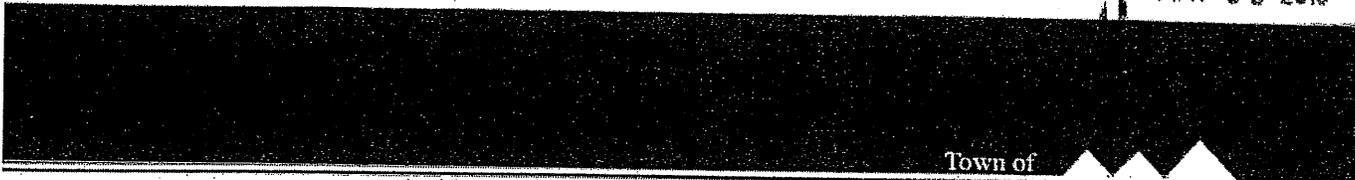
Data Sources:  
 - TOPO courtesy of USGS

Prepared for:



# APPLICATION

RECEIVED  
MAY 09 2015



Town of  
**Johnstown**  
450 S. Parish Ave. Johnstown, CO 80534  
Ph: 970-587-4664 Fax: 970-587-0141

**COMMUNITY DEVELOPMENT APPLICATION**

Date: April 17, 2015

Project Name: Johnsons Corner 35-F Pad

Application is for:  Annexation  Zoning  Subdivision  Other (please specify) Wells and Facilities for O&G

Landowner: Johnson/Taylor Family Properties LLLP

Address: P.O. Box 359, Loveland, Colorado, 80539

Telephone: (970) 669-3890

Authorized Representative: Extraction Oil & Gas, LLC

Address: 370 17th Street, Suite 5300, Denver Co 80202

Telephone: 720-557-8300 Fax Number: \_\_\_\_\_ E-Mail: jmclvain@extractionog.com

**Landowner Authorization:**

The undersigned affirms ownership of the property pertaining to this application, and hereby applies to the Town of Johnstown, Colorado for the above indicated development review process, and authorizes the individual or company stated as "authorized representative" to represent me/us in all aspects of said process.

[Signature]  
Signature of Landowner

\_\_\_\_\_  
Signature of Landowner

STATE OF COLORADO )  
                                  )ss  
COUNTY OF Larimer

The foregoing application was subscribed and sworn to before me this 29 day of April, A.D., 2015, by Charley Taylor

Witness my hand and official seal.

My commission expires: \_\_\_\_\_

**SHERRY LIGHTBODY  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20034008986  
MY COMMISSION EXPIRES 03-14-2019**

[Signature]  
Notary Public

# **JOHNSONS CORNER 35-F WELL PAD**

SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF  
SECTION 35, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6<sup>TH</sup>  
PRINCIPAL MERIDIAN, TOWN OF JOHNSTOWN, COUNTY OF  
LARIMER, STATE OF COLORADO.



**EXTRACTION OIL & GAS**

---

**370 17<sup>TH</sup> STREET SUITE 5300  
DENVER, COLORADO 80202  
720.557.8300**

**SUBMITTED: NOVEMBER 18, 2015**

## TABLE OF CONTENTS

1.0	PROJECT NARRATIVE .....	3
a.	Contact Information .....	3
b.	Operating plan .....	3
c.	Permits and Other Approvals .....	6
d.	Emergency Response Plan .....	6
e.	Mitigation Plan to Minimize Negative Effects.....	11
2.0	ATTACHMENTS.....	15
a.	Surface Use Agreement .....	16
b.	Designation of Agent .....	22
c.	Waste Management Plan .....	23

## 1.0 PROJECT NARRATIVE

Extraction Oil & Gas, LLC (Extraction) has prepared a Use by Special Review application for the proposed Johnsons Corner 35-F well pad located in the Southwest  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  of Section 35, Township 5 North, Range 68 West of the 6th P.M. More specifically the proposed project is located approximately 2,500 feet east of the intersection of the I-25 Frontage Road and Market Place Drive. The proposed pad is located on a 70.0 acre parcel of land owned by Johnson/Taylor Family Properties, LLC. Extraction has a surface use agreement in place with the land owner to conduct oil and gas operations on a portion of the property. Refer to the vicinity map included with this application.

### a. Contact Information

#### **Operator**

Extraction Oil & Gas, LLC  
370 17<sup>th</sup> Street, Suite 5300  
Denver, Colorado 80203  
Office: (720) 557-8300

#### **Surface Owner**

Johnson/Taylor Family Properties LLP  
PO Box 359  
Loveland, CO 80539

#### **Site Plan prepared by:**

Petroleum Field Services  
7535 Hilltop Circle  
Denver, Colorado 80221  
303.928.7128

A copy of the executed Surface Use Agreement with the surface owner is included as Attachment a. A copy of the Designated Agent Form 1A with surveying and engineering consultants, Petroleum Field Services is included as Attachment b.

### b. Operating plan

The Operating Plan is divided into the Drilling Phase, Completion Phase, Subsequent Completion Operations, Production Phase and Abandonment of wells. All operations, including drilling, completion, production, abandonment, and final reclamation shall be consistent with the Colorado Oil and Gas Conservation Commission (COGCC) Rules and Regulations, specifically those set forth in the following series:

- 300 Series: Drilling, Development, Producing, and Abandonment
- 600 Series: Safety Regulations
- 800 Series: Aesthetic and Noise Control Regulations
- 1000 Series: Reclamation Regulations
- 1100 Series: Flowline Regulations

### Drilling Phase

The proposed drill site will be approximately 8.15 acres in size and construction of this site would include leveling the pad to accommodate the drilling rig. Once the pad is completed, drilling rig equipment will be brought onto location and rigged up. Drilling operations, which run 24 hours a day until completed, will commence after the rig is "rigged up". The surface hole will be drilled to about 850 feet using fresh water. Surface casing will then be run and cemented to surface to protect any shallow fresh water zones. Surface casing setting depth is determined from subsurface ground water maps prepared by the State Engineer and supplemented by the latest data available from offsetting wells.

The cement is allowed to set, and well control equipment is installed and tested. After approximately 8 hours of waiting on cement and installing well control equipment, a drill bit is run into the hole to drill the intermediate portion of the well into the potential gas bearing formations. This well will be drilled horizontally. The well will be turned or steered such that a curve will be drilled to approximately 90 degrees or parallel to the surface of the ground. The proposed vertical depth for the wells is approximately 7,000 - 7,750 feet below ground level and the length of the horizontal leg will be approximately 1.5 miles long. The total Measured Depth (MD) for each of the proposed wells is approximately as follows:

Johnsons Corner 1: 14,940 feet	Johnsons Corner 8: 14,438 feet
Johnsons Corner 2: 14,769 feet	Johnsons Corner 9: 14,393 feet
Johnsons Corner 3: 14,656 feet	Johnsons Corner 10: 14,516 feet
Johnsons Corner 4: 14,742 feet	Johnsons Corner 11: 14,370 feet
Johnsons Corner 5: 14,574 feet	Johnsons Corner 12: 14,366 feet
Johnsons Corner 6: 14,492 feet	Johnsons Corner 13: 14,509 feet
Johnsons Corner 7: 14,597 feet	

Once the horizontal section of the wellbore is drilled, a string of production casing will be run into the wellbore. This casing will be 4 1/2 inches in outer diameter and weigh 13.50 lbs. per linear foot. Its grade will be P110 which has a collapse rating of 10,670 psi and a burst rating 12,410 psi. This casing will either be cemented into place or long lasting expandable elastomer elements will be used to isolate the productive zones of the reservoir.

Extraction's drilling rigs are equipped with a closed loop system, therefore water used for drilling is recycled and re-used. No reserve pits will not be constructed. The drilling rig will be on location for approximately ten to fifteen days per horizontal well. At the end of the drilling phase, the drilling rig will be moved off location. Note, the height of the derrick will not be known until a drilling rig is under contract.

### Completion Phase

The completion phase begins when the drilling equipment is transported off the location. Completion operations are conducted intermittently over a period of several weeks and is operated as a 24 hour per day process. The site is again bladed and leveled to accommodate the completion rig and anchors are set for the completion rig. Additional operations including cementing, drilling and logging may occur as circumstances require. For horizontal wells, multiple fracture stages are induced along the length of the wellbore in the respective formation into which the well has been drilled.

During hydraulic fracturing, water is pumped at high rates and pressures that exceed the

minimum in-situ rock stresses and hydraulically fracture the formation. Sand is then pumped into the created fracture to allow gas and oil to flow freely from the formation into the well bore. The fracturing equipment will consist of multiple tanks for water storage, pressure pumps, blending and bulk material trucks with other necessary equipment. After fracturing is completed the mobile equipment is removed, excluding tanks that are used to retain the water that is produced during flowback and testing operations. No water is allowed to accumulate or be disposed of on surface. All water is hauled to an approved disposal site. The flowback tanks will remain on location until the well is rerouted through standard production equipment.

COGCC regulations give the operator six months to complete restoration activities, but it is expected that restoration will be essentially completed within three months following completion operations.

### **Production Phase**

The production equipment for the pad will be located adjacent to the well site, see site plan. The equipment will consist of up to 24 oil tanks, 6 water tanks, 13 separators, 2 vapor recovery towers (VRT), 4 vapor recovery units (VRU), 8 emission control devices (ECD), and proposed electrical and/or solar equipment. Tanks and facilities shall be painted per Town and COGCC approved paint color and will be fenced. A galvanized metal containment ring, 36 in height, will be utilized around the tanks in conjunction with a spray on liner. The facilities will be painted in accordance with COGCC Rule 804. The containment ring will be sized to hold 150% of the capacity of the largest tank within the berm per COGCC regulation Rule 604. The wellheads will be connected to the separators via flow lines that will be buried 3 to 4 feet deep. The flow lines are typically 3-inch inner diameter schedule 40 welded steel, coated and wrapped pipe.

An Extraction employee or contractor, called a "pumper" then begins monitoring the well on a scheduled basis. The pumper reports the tank measurements of the oil, gas sales and pressure readings. Much of this production information is compiled and submitted to the COGCC on a monthly basis.

In addition, the pumper will inspect the site for hazards, control weeds and will maintain the overall appearance of the production and well site. For the first few months, water and oil will be hauled daily from the location. As volumes decline, water and oil hauling will also decline.

### **Abandonment of Wells**

At the time that the well becomes sub-economic to operate, Extraction will engage the services of a plugging rig to remove production equipment from the wellbore and plug the productive zones with a combination of bridge plugs and cement plugs in accordance with Section 1000 of the rules and regulations promulgated by the COGCC. After the well has been plugged, flow lines will be filled with water and capped in accordance with Rule 1103 of the COGCC regulations. If the separator and tanks on the surface of the land are no longer needed for other wells they will be removed. Surface restoration will involve removal of any above-ground casing and the installation of regulation markers that will not interfere with subsequent surface use.

After all production equipment is removed, the surface will be restored to the original grade

and reseeded. However, this may be waived with the permission of the surface owner at the time of final restoration

**c. Permits and Other Approvals**

Extraction is not seeking any other permits other than those required by the Town of Johnstown and the COGCC.

**d. Emergency Response Plan**

Extraction will comply with the following sections of the 2012 Edition of the International Fire Code, Well Drilling Operations, in Section 5706 Special Operations, more specifically:

Section 5706.1	General	Section 5706.3.2	Waste Control
Section 5706.3	Well Drilling and Operating	Section 5706.3.3	Sumps
Section 5706.3.1	Location	Section 5706.3.4	Prevention of Blowouts
Section 5706.3.1.1	Storage tanks and sources of ignition	Section 5706.3.5	Storage Tanks
Section 5706.3.1.2	Streets and Railways	Section 5706.3.6	Soundproofing
Section 5706.3.7	Signs	Section 5706.3.8	Field Loading Racks
Section 5706.3.1.3	Buildings		

All roads leading to and those in the drilling/storage area will be designed and maintained to support the fire apparatus and shall be provided with a surface so as to provide all weather driving capabilities. A circular turnaround shall be provided on site which is capable of allowing the turning around for all fire apparatus.

In addition to the above-referenced rules and regulations, Extraction Oil and Gas, LLC is also subject to the rules and guidelines of the Colorado Oil and Gas Conservation Commission Rule 606A pertaining to Fire Prevention and Protection.

Extraction Oil & Gas, LLC has support personnel in the field or on call at all times to provide technical assistance in fire prevention and elimination.

The following individuals may be notified at these numbers:

**DESIGNATED OPERATOR**

Extraction Emergency Hot Line (720)-370-5540

**Extraction Oil & Gas, LLC**

John Tonello (720)-382-2696  
Engineering Manager

Dustin Dyk (720)-382-5224  
Drilling Manager

Jesse Silva (970)-534-6003  
Operations Manager

## GENERAL INFORMATION

The purpose of the Emergency Response Plan is to provide procedures to cover emergency conditions which may arise during the development of oil and gas resources. The procedures contain the policies applicable to facility emergencies.

The following information can be vital during emergencies. It may be used by outside agencies as well as company employees and contract labor to help secure a speedy recovery from an emergency situation:

### Extraction Field Office Address

Extraction Oil & Gas, LLC  
2234 117th Avenue  
Greeley, CO 80634  
(970) 534-6000 Office; (970) 534-6001 Fax

### Engineering Manager, Drilling Manager, Operations Manager, Production Foreman

Name	Office Phone	Cell Phone Number
John Tonello	(720) 382-2696	(970) 778-0448
Dustin Dyk	(720) 382-5224	(720) 670-6073
Jesse Silva	(970) 534-6003	(970) 396-0421
Cory Eikenberg	(970) 534-6005	(970) 673-2023

### Type of Facility

Oil and Gas Production Facility

### Location

Southwest quarter of the northeast quarter of Section 35, Township 5 north, Range 68 west of the 6th Principal Meridian, town of Johnstown, county of Larimer, state of Colorado.

Johnsons Corner 1	2108' FNL 2451' FEL
Johnsons Corner 2	2136' FNL 2452' FEL
Johnsons Corner 3	2164' FNL 2452' FEL
Johnsons Corner 4	2192' FNL 2453' FEL
Johnsons Corner 5	2220' FNL 2453' FEL
Johnsons Corner 6	2248' FNL 2454' FEL
Johnsons Corner 7	2276' FNL 2455' FEL
Johnsons Corner 8	2304' FNL 2455' FEL
Johnsons Corner 9	2332' FNL 2455' FEL
Johnsons Corner 10	2360' FNL 2456' FEL
Johnsons Corner 11	2388' FNL 2457' FEL
Johnsons Corner 12	2416' FNL 2457' FEL
Johnsons Corner 13	2444' FNL 2458' FEL

The locations will be accessed as follows:

**From Johnstown, CO:** From the intersection of W South 1st St and CR 15. Drive West on W South 1st St for ±2.9 Miles and turn right on to I-25 Frontage Rd. Drive North on I-25 Frontage Rd for ±1.5 miles to Marketplace Dr and turn right. Drive East on Marketplace Dr for ±1459 feet to Proposed Access Road and continue straight. Continue East on Proposed Access Rd for ±1049 feet to proposed well pad location. Total distance from Johnstown, CO to proposed well pad location is ±4.9 miles.

Operator

EXTRACTION OIL AND GAS, LLC  
370 17<sup>th</sup> Street, Suite 5300  
Denver, CO 80202  
O: 720-557-8300; F: 720-557-8301  
Attn: Matt Owens  
Office: (720) 382-2693  
Cell: (720) 301-1463

Corporate Manager in Charge of Facility

EXTRACTION OIL AND GAS, LLC  
370 17<sup>th</sup> Street, Suite 5300  
Denver, CO 80202  
O: 720-557-8300; F: 720-557-8301  
Attn: John Tonello  
Office: (720) 382-2696  
Cell: (970) 778-0448

Tank and Piping Inspections

All tanks and above ground piping are visually inspected on a daily basis for leakage, malfunction of seals, and other problems. Inspections of all storage tanks are made by Extraction Oil & Gas, LLC personnel or contractors and reported to its Greeley office. All storage tank material and construction comply with API specifications for hydrocarbon storage.

All tanks shall be appropriately labeled indicating the material contained within the tank(s).

Spill Containment

Tank berms are steel berm rings and are sized to contain 150% of the volume of the largest tank in the containment area.

Entrance/Exit Driveways

The access into the wellsite location will serve as both the entrance and exit to the wellsite.

According to Section 503.2 Specifications of the 2012 International Fire Code, fire apparatus access roads shall be installed and arranged in accordance to the following:

**503.2.1 Dimensions:** Fire apparatus access roads shall have an unobstructed width of not less than 20 feet, exclusive of shoulders, except for approved security gates in

accordance with Section 503.6, and an unobstructed vertical clearance of not less than 13 feet 6 inches.

**503.2.2 Authority:** The fire code official shall have the authority to require an increase in the minimum access widths where they are inadequate for fire or rescue operations.

**503.2.3 Surface:** Fire apparatus access roads shall be designed and maintained to support the imposed loads of fire apparatus and shall be surfaced so as to provide all-weather driving capabilities

The lease access road will be no less than 20 feet in width, constructed of a gravel road base. The turnaround for the tank battery will be approximately 30 feet on the north side, 30 feet on the east side, 30 feet on the south side and 30 feet on the west side. These dimensions allow for safe access of tanker trucks and emergency equipment. The access road shall be graded to provide simple drainage from the roadway and allow for cross drainage by means of an adequate culvert pipe. The lease road shall be maintained so as to provide a roadway passable for emergency vehicles and shall be generally rut free. Measures will be taken to control mud on local roadways. If needed, a street sweeper can also be used.

Signs will be posted in accordance with the Town of Johnstown, Johnstown Fire Protection District, and the Colorado Oil and Gas Conservation Commission.

#### Security

All proper warning signs and equipment guards will be installed.

#### TRAINING

All facility personnel are instructed in the operation and maintenance of equipment to prevent spills and are trained in the applicable pollution control laws, rules and regulations.

#### EMERGENCY ORGANIZATION CONTACT LIST

Following is a list of Extraction Oil & Gas, LLC personnel and emergency organizations that may be contacted in the event of an emergency occurs at the facility/terminal.

#### Extraction Oil & Gas, LLC

All emergencies shall be reported immediately to the appropriate Supervisor. In the event the Manager(s) cannot be reached, any of the following may be notified at their office number during normal working hours or at their home/cell telephone number if during other than normal working hours.

<u>Name</u>	<u>Office Phone</u>	<u>Cell Phone</u>
John Tonello	(720) 382-2696	(970) 778-0448
Dustin Dyk	(720) 382-5224	(720) 670-6073
Jesse Silva	(970) 534-6003	(970) 396-0421
Cory Eikenberg	(970) 534-6005	(970) 673-2023
Extraction	Emergency Hotline	(720) 370-5540

Private Organizations

None

Town and County Agencies

Johnstown Fire Protection District  
To report emergencies, call 911

Emergency

Fires or spills that cannot be contained by employees

Or (970) 587-0339

Fires or spills not contained within the facility.

Johnstown Police Department  
To report emergencies, call 911

Contact as emergencies dictate

Or (970) 356-1212

Contact as emergencies dictate

Larimer County Sheriff Department  
To report emergencies, call 911

Contact as emergencies dictate

State Agencies

Colorado Oil & Gas Conservation Commission  
(303) 894-2100

Emergency

As needed

Department of Health  
(303) 377-6326

As needed

Federal Agencies

Environmental Protection Agency  
Region VI  
Emergency Response Number:  
(214) 749-3840 (24 hours)

Emergency

As needed

**EMERGENCY RESPONSE PROCEDURES**

The Senior Production Foreman is to assume full responsibility for implementing the Emergency Response Plan. Implementation will depend upon the type of emergency.

## CONTINGENCY PROCEDURES/(SPCC) PLANS

A Spill Prevention Control and Countermeasure (SPCC) Plan is maintained at Extraction Oil and Gas, LLC Company's Greeley office. This would be referred to if a major product spill occurs.

## RELEASE OF INFORMATION

Release of information is the responsibility of Extraction Oil & Gas, LLC Company's Denver office.

<u>Name</u>	<u>Office Phone</u>	<u>Cell Phone</u>
Matt Owens	(720) 382-2693	(720) 301-1463

### e. Mitigation Plan to Minimize Negative Effects

#### Noise Levels

Any operations involving the use of a drilling rig, workover rig, or frac'ing and any equipment used in the drilling, completion or production of a well are subject to and will comply with the noise regulations set forth by COGCC Rule 802. Extraction's contract drilling company will comply with COGCC Rule 802 regarding noise abatement.

#### Air Quality

Extraction contracts with a third party environmental compliance Specialist Company to complete regular General Tank Battery and Fugitive Emissions Inspections and Optical Gas Imaging Surveys at the proposed tank battery. The purpose of these inspections are to conduct a complete assessment of the facility based upon the Colorado Department of Public Health and Environment, Air Pollution Control Division (CDPHE-APCD) regulatory inspection check list, and perform an assessment of fugitive emissions for all regulated equipment with the intent of preventing emissions of volatile organic compounds (VOCs) and other hazardous air pollutants (HAPs) from the tank battery to the greatest extent possible. Extraction specifically requested that this work be completed in order to go above and beyond in their air monitoring program, and to use the results of the inspections as a best management practice to ensure health and safety at their facility. The following is a summary of the monthly fugitive emissions air quality and general facility inspections that CGRS will perform at the proposed site:

1. Perform a general tank battery inspection to document any obvious issues based on the CDPHE-APCD requirements.
2. Identify all potential fugitive emission sources by utilizing a forward looking infrared (FLIR) optical imaging camera.
3. Document and record by means of physical documentation, video and/or photo all fugitive emission sources.

4. Label tank battery, separator, emission control device (ECD), well head, and other equipment that exhibit fugitive emissions with a unique numbered 'Fugitive Emissions Inspection Tag'.
5. Perform fugitive emission minor equipment repairs (as applicable) on low-pressure components using basic hand tools at the tank battery and well pad.
6. Prepare a fugitive emissions inspection and optical gas imaging report to document areas that require additional repair or maintenance.

As part of the construction of the proposed site, Extraction will install Emission Control Devices (ECD) and Vapor Recovery Units (VRU). Both units function to reduce the VOC vapors that are generated from crude oil condensate storage tanks. The ECD and VRU units reduce VOC emissions by at least 95% through combustion and sequestration. Both the Environmental Protection Agency (EPA) and the CDPHE-APCD have deemed this technology as an effective and safe means of achieving required VOC reductions. Secondary Containment will be provided around all required production equipment in accordance with COGCC Rules and Regulations. A steel containment system, 36 inches tall, will be installed in conjunction with either a spray on liner. Using a spray on liner eliminates any type of seals or joints that could lead to subsurface contamination.

During drilling, Green Completion Practices and a closed loop system will be used for the drilling fluids. No open pits will be used.

#### **Water Quality**

The COGCC sets forth specific requirements for casing setting depths necessary to protect ground water sources, and all drilling permits insure that those setting depths are achieved. The Fox Hills sands of the late Cretaceous age are important fresh water aquifers in the western portion of the Denver Julesburg Basin. In addition, there are numerous discontinuous sands of secondary importance that lie directly below the Fox Hills formation and are in a transition zone. These ground water intervals are found from the surface to a depth of approximately five hundred (500) feet in the north part of the basin and from the surface to a depth of approximately one thousand (1,000) feet in the south part of the basin.

In order to ensure the protection of all fresh water resources, 9-5/8" steel surface casing will be set to a depth at least fifty (50) feet below the base of the Fox Hills sands as required by the COGCC and will be cemented from the bottom of the pipe up to surface. The COGCC reviews all drilling permits for adequate surface casing setting depths and cementing programs based on subsurface ground water maps prepared by the State Water Engineer and offset well data.

#### **Vibration**

No unusual vibration is anticipated from the proposed project. Extraction will meet any applicable COGCC regulations pertaining to vibration.

#### **Odor Levels**

Extraction will comply with all COGCC regulations pertaining to odor levels and odor control. No odor is anticipated.

### **Visual Impacts**

The production facilities will be painted in accordance with the COGCC Rule 804 regarding Visual Mitigation, which states: "Production facilities, regardless of construction date, which are observable from any public highway shall be painted with uniform, non-contrasting, non-reflective color tones (similar to the Munsell Soil Color Coding System), and with colors matched to but slightly darker than the surrounding landscape." Berms, hedges and landscaping will be used to conceal portions of the well pad and facility that are most visible to the public.

### **Wildlife Impacts**

The proposed well pad should not impact wildlife. Extraction will comply with all COGCC regulations pertaining to wildlife impact.

### **Waste Disposal**

For exploration and production (E&P) waste, the COGCC requires that a waste management plan be submitted with all Oil and Gas Location Assessment applications. A copy of the waste management plan is included as Attachment c.

In summary, all produced water is collected and hauled off-site for proper disposal. Drilling mud is also disposed of off-site, utilizing a land spreading method at an approved location. For additional specifics pertaining to the handling and disposal of exploration and production (E&P) wastes please refer to the waste management plan.

During construction of the pad, drilling, and completion of the wells, trash is collected within an on-site bin and disposed of accordingly. Portable sanitary facilities are provided per COGCC Rule 602.f. Once the production phase begins, Extraction personnel will make daily site inspections and, if necessary, will be responsible for picking up and disposing of any debris.

### **Public Safety**

The property is monitored daily by an Extraction employee to ensure all operations are functioning properly. Daily reports consist of tank measurements, gas production estimates, pressure readings, and general facility care and maintenance. In addition to daily monitoring, Extraction utilizes technology that completely automates the facility. By using such technology, Extraction can remotely monitor the location. In the event the facility is not operating under normal conditions, the automation system will immediately notify Extraction and has the ability to perform an emergency shut down if necessary.

During completion operations, temporary modular large volume tanks (MLVTs) will be installed on-site to store water to be used for hydraulic fracturing. The tanks will be filled using a nearby water source. By using MLVTs and filling them using a nearby water source, the amount of truck traffic is greatly reduced. This significantly improves traffic safety at and around the proposed site. To protect the tanks, the following best management practices will be implemented. Since the tanks will be filled from an on-site water source, trucks will not be backing up to the tanks to offload water. This significantly reduces traffic around the tanks. Additionally, the tank installers will implement site

preparation BMPs to include: leveling the pad within 5 degrees to an area at least 5 feet outside of the tank footprint, ensuring the pad is free of rocks, debris, or sharp protruding objects and the pad shall have 92% or greater compaction. Compaction will be verified using ASTM testing procedures. The following BMPs will be implemented to the liner: liners must be welded and tested in accordance with all applicable ASTM international standards, shall have a minimum thickness of 30 mil, shall be constructed of reinforced polyethylene (rPE) or linear low density polyethylene (LLDPE), geotextile underlayment of 8 or 10 ounces shall be used, and liner installation will not occur in winds greater than 20 miles per hour.

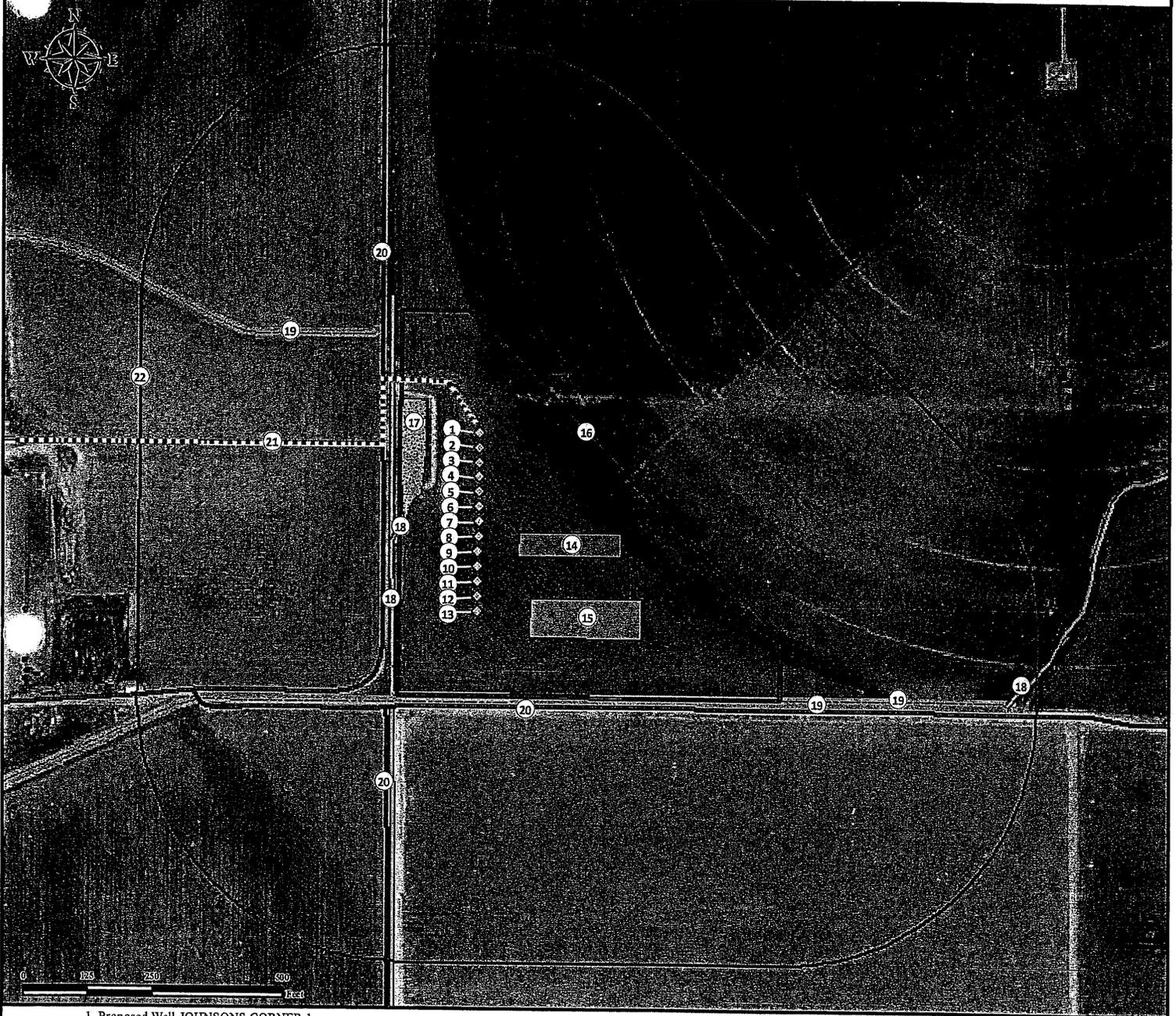
Extraction has a Spill Prevention Control and Countermeasure (SPCC) Plan for this project. In the event of a release, this plan provides the necessary procedures to ensure that the release will be contained and cleaned up properly.

# Location Drawing

## JOHNSONS CORNER 35-F PAD

### MULTI WELL PAD

SW1/4 NE1/4 SECTION 35, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN



1. Proposed Well JOHNSONS CORNER 1.
2. Proposed Well JOHNSONS CORNER 2.
3. Proposed Well JOHNSONS CORNER 3.
4. Proposed Well JOHNSONS CORNER 4.
5. Proposed Well JOHNSONS CORNER 5.
6. Proposed Well JOHNSONS CORNER 6.
7. Proposed Well JOHNSONS CORNER 7.
8. Proposed Well JOHNSONS CORNER 8.
9. Proposed Well JOHNSONS CORNER 9.
10. Proposed Well JOHNSONS CORNER 10.
11. Proposed Well JOHNSONS CORNER 11.

12. Proposed Well JOHNSONS CORNER 12.
13. Proposed Well JOHNSONS CORNER 13.
14. Proposed Separator Pad is to be ±79' SE.
15. Proposed Tank Battery is to be ±174' SE.
16. Operational Disturbance Area.
17. Irrigation Pond is ±124' NW.
18. Ditches are ±146' W, ±168' W, and ±1077' SE.
19. Concrete Ditches are ±329' S, ±338' S, and ±410' NW.
20. Private Roads are ±187' W, ±346' S, and ±394' SW.
21. Proposed Access Road.
22. 500' Radius.

#### Legend

	Proposed Well		Private Road		Disturbance Area
	Ditch		500' Radius		Proposed Separator Pad
	Proposed Access Road		Irrigation Pond		Proposed Tank Battery
	Concrete Ditch				

Measured from Nearest Well or Facility Edge	
Building -	±950' NW
Building Unit -	±950' NW
Surface Water (Irrigation Pond) -	±104' W
Measured from Reference Location	
Public Road - (Marketplace Dr)	±904' NW
Prop. Line (VMJ Properties LLC)	±168' W
Utility (Power Line) -	±2276' SW
Railroad -	>5280' NE
Water Well - ±3623' SW	SWL = 4'
Permit: 282,	Receipt: 9037945

#### Reference Location

\*\* JOHNSONS CORNER 7 \*\*  
 Lat: 40.357399° Long: -104.973415° (NAD83)  
 Elevation: 5009 Feet

#### Disturbance Acreage:

8.15 Acres Drilling Operations  
 4.07 Acres Interim Reclaim

Current Surface Use: Irrigated Crop  
 Future Surface Use: Irrigated Crop

Prepared for:



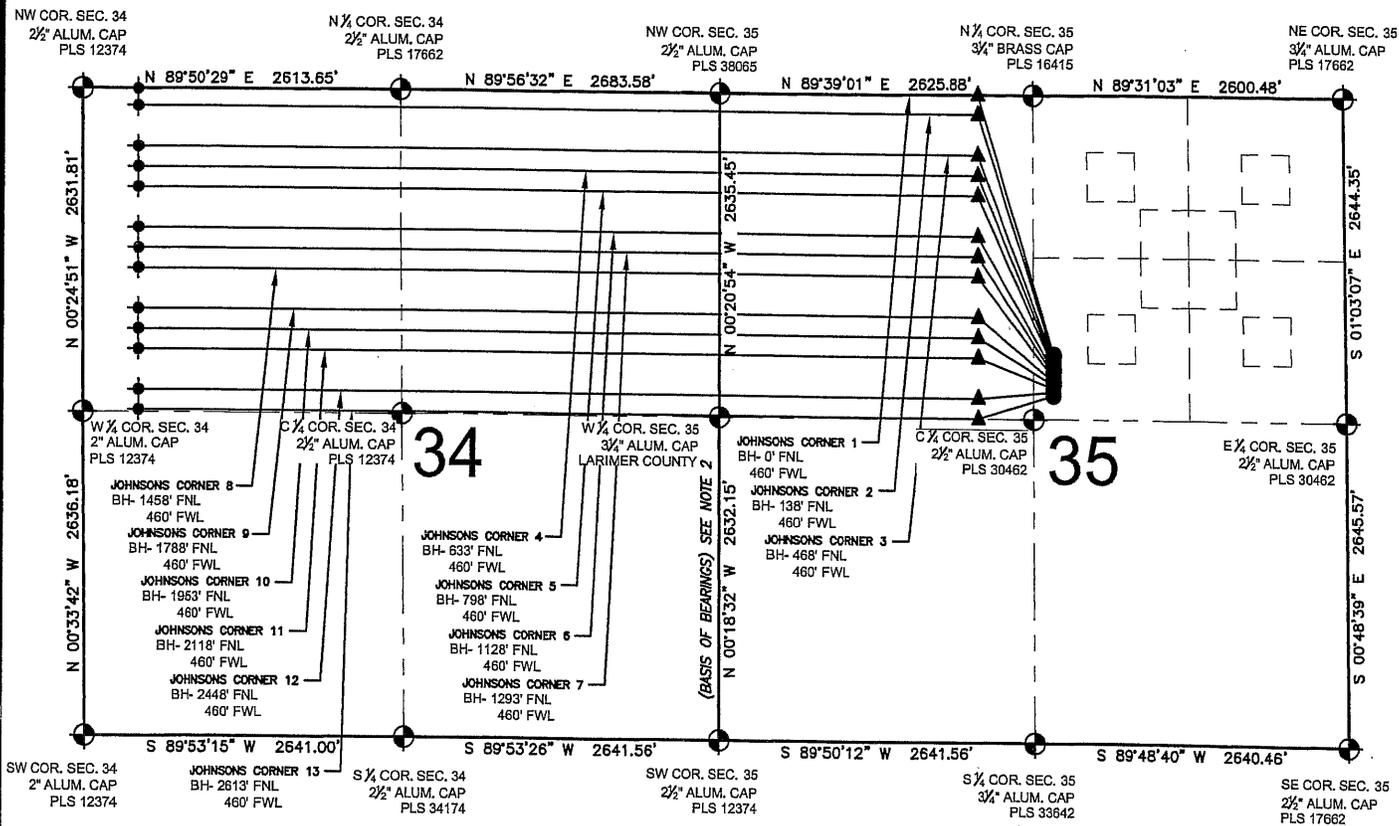
**PFS** Precision Field Services  
 Use our resources to find yours!  
[www.petro-fs.com](http://www.petro-fs.com)  
 (303) 928-7128

Field Date: 7/28/2014  
 Drafting Date: 8/23/2014  
 Drafted By: CSG  
 Checked By: DRF  
 Revision:

Data Sources:  
 - Aerial courtesy of NAIP (2013)

# JOHNSONS CORNER 35-F PAD MULTI-WELL PLAN

SECTION 34 & 35, TOWNSHIP 5 NORTH, RANGE 68 WEST, 6TH P.M.



- NOTES:**
- JOHNSONS CORNER 1 TO BE AT 2108' FNL, 2451' FEL. BOTTOM HOLE AT 0' FNL & 460' FWL, SEC. 34.
  - JOHNSONS CORNER 2 TO BE AT 2136' FNL, 2452' FEL. BOTTOM HOLE AT 138' FNL & 460' FWL, SEC. 34.
  - JOHNSONS CORNER 3 TO BE AT 2164' FNL, 2452' FEL. BOTTOM HOLE AT 468' FNL & 460' FWL, SEC. 34.
  - JOHNSONS CORNER 4 TO BE AT 2192' FNL, 2453' FEL. BOTTOM HOLE AT 633' FNL & 460' FWL, SEC. 34.
  - JOHNSONS CORNER 5 TO BE AT 2220' FNL, 2453' FEL. BOTTOM HOLE AT 798' FNL & 460' FWL, SEC. 34.
  - JOHNSONS CORNER 6 TO BE AT 2248' FNL, 2454' FEL. BOTTOM HOLE AT 1128' FNL & 460' FWL, SEC. 34.
  - JOHNSONS CORNER 7 TO BE AT 2276' FNL, 2455' FEL. BOTTOM HOLE AT 1293' FNL & 460' FWL, SEC. 34.
  - JOHNSONS CORNER 8 TO BE AT 2304' FNL, 2455' FEL. BOTTOM HOLE AT 1458' FNL & 460' FWL, SEC. 34.
  - JOHNSONS CORNER 9 TO BE AT 2332' FNL, 2455' FEL. BOTTOM HOLE AT 1788' FNL & 460' FWL, SEC. 34.
  - JOHNSONS CORNER 10 TO BE AT 2360' FNL, 2456' FEL. BOTTOM HOLE AT 1953' FNL & 460' FWL, SEC. 34.
  - JOHNSONS CORNER 11 TO BE AT 2388' FNL, 2457' FEL. BOTTOM HOLE AT 2118' FNL & 460' FWL, SEC. 34.
  - JOHNSONS CORNER 12 TO BE AT 2416' FNL, 2457' FEL. BOTTOM HOLE AT 2448' FNL & 460' FWL, SEC. 34.
  - JOHNSONS CORNER 13 TO BE AT 2444' FNL, 2458' FEL. BOTTOM HOLE AT 2613' FNL & 460' FWL, SEC. 34.

**LEGEND**

- = EXISTING MONUMENT    ▲ = LANDING POINT
- = PROPOSED WELL       LP = LANDING POINT
- ◆ = EXISTING WELL       BH = BOTTOM HOLE
- ◆ = BOTTOM HOLE

**NOTES:**

1. THIS FIELD SURVEY CONFORMS TO THE MINIMUM STANDARDS SET BY THE C.O.G.C.C., RULE NO. 215
2. BEARINGS AND DISTANCE SHOWN HEREON ARE GRID AND BASED ON THE COLORADO STATE PLANE COORDINATE SYSTEM, NAD 83/2011 BETWEEN MONUMENTS AS LABELED HEREON AND ELEVATIONS SHOWN ARE NAVD 88, AS DERIVED BY GPS OBSERVATIONS.
3. GRID DISTANCES ARE SHOWN, AS MEASURED IN THE FIELD, WITH TIES TO WELLS MEASURED PERPENDICULAR TO SECTION LINES.

PREPARED BY:

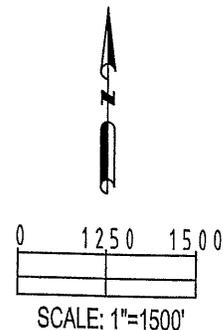
**PFS** llc

Petroleum Field Services, LLC  
7535 Hilltop Circle  
Denver, CO 80229

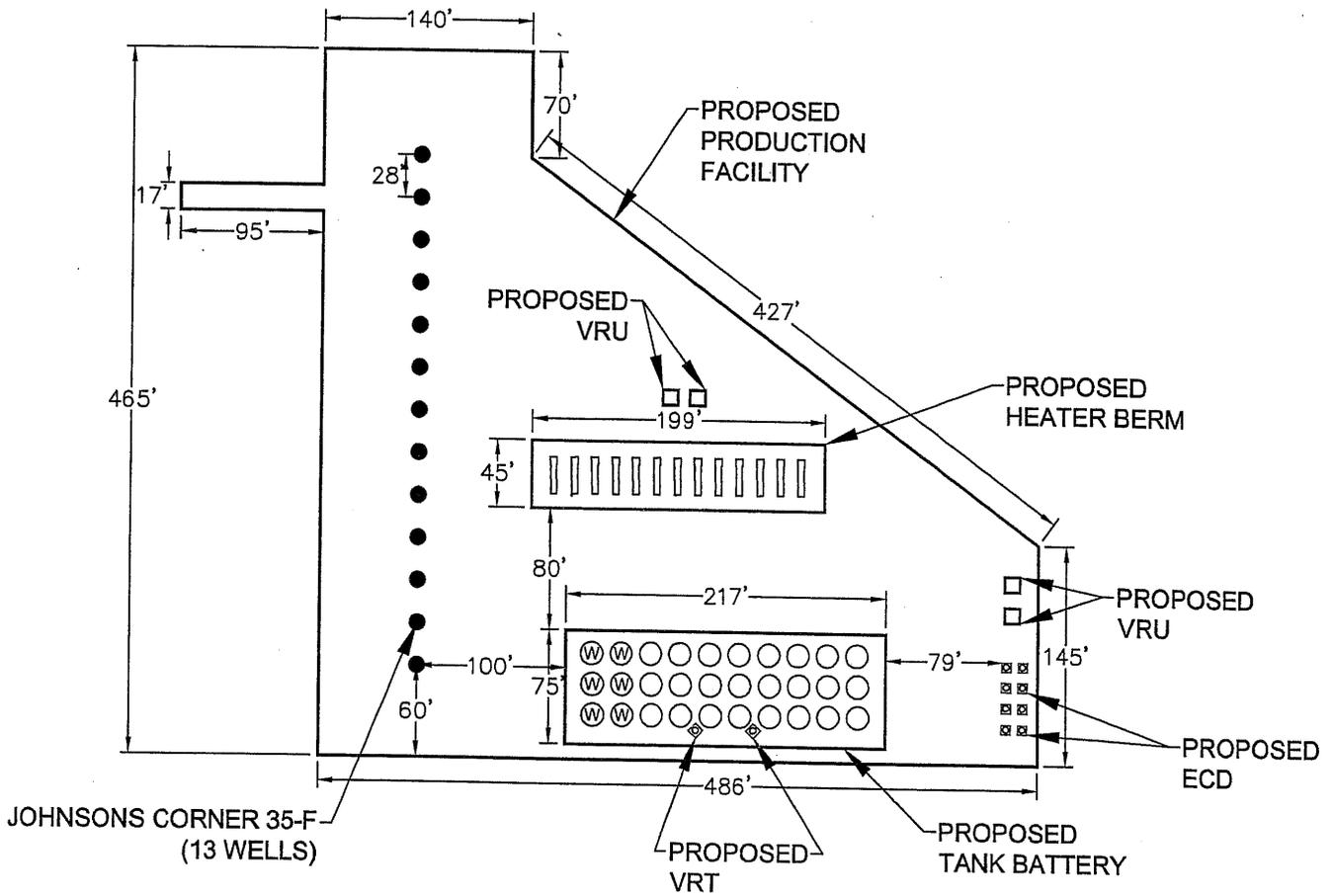


EXTRACTION OIL & GAS

FIELD DATE: 07-28-14	PAD NAME: JOHNSONS CORNER 35-F PAD
DRAWING DATE: 07-30-14	SURFACE LOCATION: SW 1/4 NE 1/4, SEC. 35, T5N, R68W, 6TH P.M.
BY: WDW	CHECKED: MDC
LARIMER COUNTY, COLORADO	

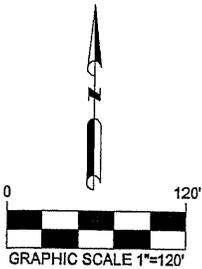


# JOHNSONS CORNER 35-F PAD PRODUCTION FACILITY LAYOUT



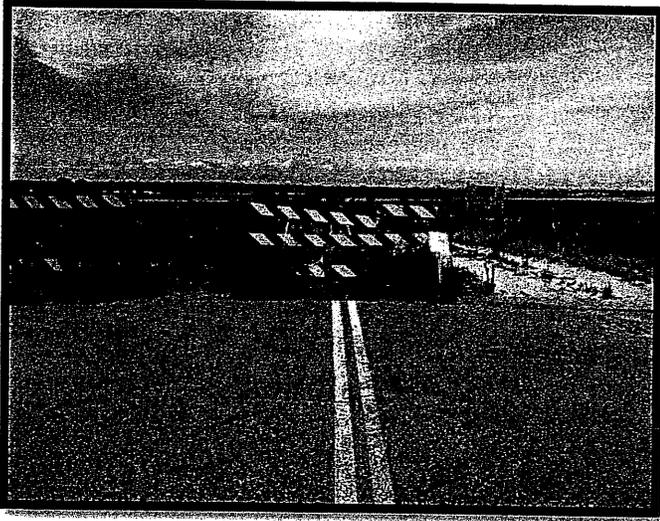
### LEGEND

- = PROPOSED WELL
- = PROPOSED PRODUCTION FACILITY
- = PROPOSED FACILITIES



PREPARED BY:  <b>PFS</b> Petroleum Field Services, LLC 7535 Hilltop Circle Denver, CO 80221	FIELD DATE: 07-28-14	SITE NAME: JOHNSONS CORNER 35-F PAD	PREPARED FOR:  EXTRACTION OIL & GAS
	DRAWING DATE: 08-21-14	SURFACE LOCATION: SW 1/2 NE 1/4, SEC. 35, T5N, R68W, 6TH P.M. WELD COUNTY, COLORADO	
BY: MDC	CHECKED BY: MLP		

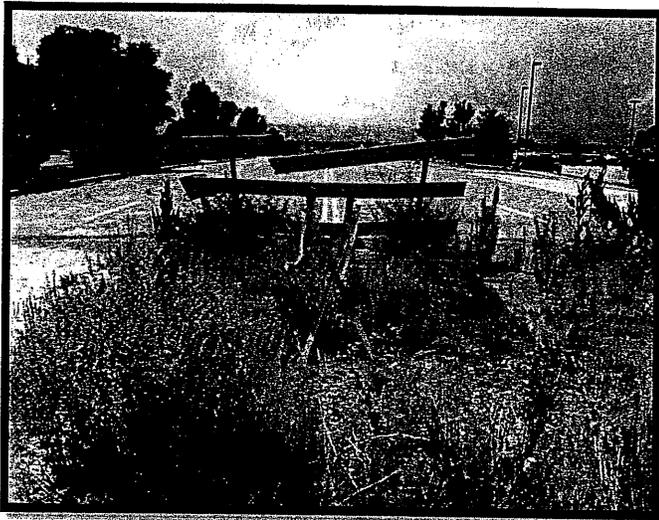
# ACCESS ROAD PHOTOS



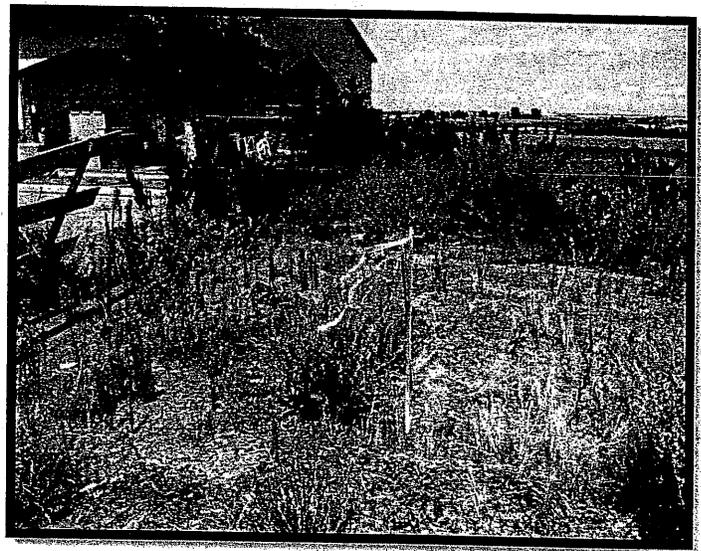
Looking from the roadway into the access location



Looking down the roadway to the left of the access



Looking from the access to the roadway



Looking down the roadway to the right of the access

Well Pad Name: Johnsons Corner 35-F

Operator: Extraction Oil & Gas

Access Location: T5N R68W S35 SW1/4 NE1/4

Date Taken: 7/28/2014

LAT: 40.357804 LONG: -104.976616



7535 Hilltop Circle  
Denver, CO 80221  
(303) 928-7128  
[www.Petro-fs.com](http://www.Petro-fs.com)



## Hydraulic Fracturing Process Information

Per the Town of Johnstown's oil and gas exploration use by special review submittal and process checklist, hydraulic fracturing process information including MSDS for chemicals to be used shall be provided.

The exact composition of the hydraulic fracturing fluid will not be known until each well is completed, however a typical composition used on other Extraction wells is provided below in Table 1. Per COGCC regulations a Completed Interval Report, Form 5A, will be submitted within 30 days of completing a formation. Additionally, within 60 days of fracture treatment end date, fracture stimulations must be submitted to Frac Focus, a chemical disclosure registry. Therefore, a typical composition is provided below but it should be noted that the exact composition used per well will be uploaded to Frac Focus and can be viewed on FracFocus.org.

Table 1. Hydraulic Fracturing Fluid Composition

Trade Name	Supplier	Purpose	Ingredients	Chemical Abstract Service Number (CAS #)	Maximum Ingredient Concentration in Additive (% by mass)**	Mass per Component (LBS)	Maximum Ingredient Concentration in HF Fluid (% by mass)**
Water	Operator	Carrier	Water	7732-18-5	100.000%	14548039.13	78.145%
LGA-3J (Guar)	Liberty Oilfield Services	Guar Slurry	Petroleum Distillates Blend	Proprietary	65.000%	14843.40	0.080%
BFH-68 (Buffer)	Liberty Oilfield Services	High pH Buffer	Potassium Hydroxide Solution	1310-58-3	30.000%	1193.15	0.008%
			Sodium Hydroxide Solution	1310-73-2	30.000%	1193.15	0.006%
XLS-2Z (Crosslinker)	Liberty Oilfield Services	Crosslinker	Paraffinic Naphthenic Solvent	64742-47-8	65.000%	5852.71	0.031%
			Inorganic Borates	Proprietary	40.000%	3601.67	0.019%
BHL-68 (Breaker)	Liberty Oilfield Services	Gel Breaker	Tert-Butyl Hydroperoxide	75-91-2	10.000%	344.45	0.002%
			Ethylene Glycol	107-21-1	40.000%	1377.80	0.007%
HCl-7.5	Liberty Oilfield Services	Solvent	Hydrochloric Acid	7847-01-0	30.000%	1477.98	0.008%
SFT-72 (Surfactant)	Liberty Oilfield Services	Non Emulsifier	Proprietary Surfactants	68439-46-3	20.000%	0.84	0.000%
			Methanol	67-56-1	15.000%	0.63	0.000%
			D-Limonene	5989-27-5	10.000%	0.42	0.000%
			Light Aromatic Naphtha	64742-95-6	5.000%	0.21	0.000%
ICI-58 (Iron Control)	Liberty Oilfield Services	Acidulant	Citric Acid Anhydrous	77-92-9	100.000%	3.83	0.000%
FRP-E3-8	Liberty Oilfield Services	Friction reduction	Distillates, Petroleum, Hydroreated Light	NA	40.000%	2909.88	0.016%
CSA-23 (Clay Treat)	Liberty Oilfield Services	Permanent clay stabilizer	Trade Secret	Proprietary	100.000%	17244.92	0.093%
White Sand	Liberty Oilfield Services	Sand	Crystalline Silica in the form of Quartz	14808-60-7	99.900%	3996059.94	21.465%

Please refer to the following pages for the material data safety sheets (MSDS) for the components used.



**AGENDA ITEM 9B**

**PRESENTATION  
OF  
LARIMER COUNTY  
COMMUNITY REPORT  
(2015-2016)**

**TOWN COUNCIL AGENDA COMMUNICATION**

---

**AGENDA DATE:** February 6, 2017

**ITEM NUMBER:** 9B

**SUBJECT:** Presentation of Larimer County Community Report (2015-2016)

**ACTION PROPOSED:** N/A

**PRESENTED BY:** Commissioner Tom Donnelly

**AGENDA ITEM DESCRIPTION:** Commissioner Donnelly will be in attendance to present Larimer County's Community Report (please refer to attachment).

---

**LEGAL ADVICE:** N/A

---

**FINANCIAL ADVICE:** N/A

---

**RECOMMENDED ACTION:** N/A

---

**SUGGESTED MOTIONS:** N/A

**For Approval:**

**For Denial:**

---

**Reviewed:**

  
Town Manager

# REPORT

© PHOTO COURTESY OF ALISHA JEFFERS

# 2015-16 COMMUNITY REPORT

A HIGH-LEVEL OVERVIEW OF  
COUNTY **SERVICES, GOALS  
AND PERFORMANCE**



# LETTER FROM THE COMMISSIONERS

## WELCOME TO OUR THIRD ANNUAL COMMUNITY REPORT!

We're proud to offer you this window into Larimer County services, goals and performance. Inside, our Spotlight Feature highlights the 2016 Employee Innovation Awards, a program to recognize and encourage innovation. These improvements come from Larimer County's most important asset – our employees – who are always searching for innovative, groundbreaking or novel ways to deliver services to Larimer County citizens every day. At Larimer County, we are committed to excellence, and welcome your feedback and input year round! Contact us at [bocc@larimer.org](mailto:bocc@larimer.org) or visit us online at [larimer.org/bcc](http://larimer.org/bcc).



(from left) Lew Gaiter III, District 1; Steve Johnson, District 2; Tom Donnelly, District 3

## STAY ENGAGED LARIMER.ORG/BOCC

- Monthly Informal Commissioner Citizen Meetings
- Boards and Commissions
- LC 101 – Citizen Academy
- LCA – Larimer County Academy
- Public Meetings
- Email Alert Subscriptions



## ELECTED OFFICIALS



Steve Miller  
Assessor



Angela Myers  
Clerk & Recorder



James A. Wilkerson IV  
M.D., Coroner



Cliff Riedel  
District Attorney



Justin Smith  
Sheriff



Chad Washburn  
Surveyor



Irene Josey  
Treasurer

# LETTER FROM THE COUNTY MANAGER

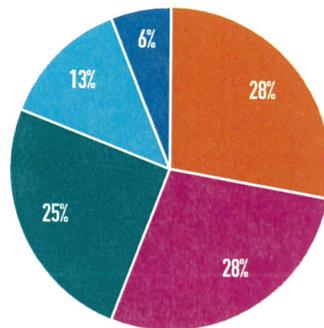
We are pleased to present our annual report to the Larimer County community. It summarizes the services your county government provides



to residents in incorporated cities and towns and in rural areas. In each category of services, we've included performance measures that report our outcomes and efforts over time. We welcome your feedback and suggestions regarding County services to help us fulfill our commitment to excellence!

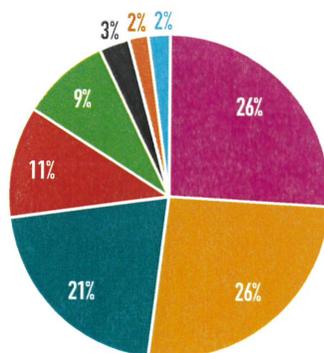
**Linda Hoffmann**  
County Manager  
970.498.7004 (direct)

Cover Photo: Loveland Reservoir, Berthoud



## 2016 BUDGET SUMMARY HOW COUNTY MONEY IS SPENT

Public Safety Services: **28%**  
 Community Resources, Infrastructure & Planning: **28%**  
 Human & Economic Services: **25%**  
 Strategic Leadership & Administration: **13%**  
 Public Records & Information Services: **6%**  
 Total Operating Budget: **\$254M**



## SOURCES OF COUNTY REVENUE

Internal Charges, Sale of Assets & Transfers: **26%**  
 Property Taxes: **26%**  
 Federal, State & Municipal Revenue: **21%**  
 Sales & Use Taxes: **11%**  
 Charges for Services (External): **9%**  
 Use of Fund Balance: **3%**  
 Licenses & Permits: **2%**  
 Interest Earnings & All Other: **2%**  
**Total Revenue – All Sources\*: \$410M**  
\* Includes transfers between departments and non-operational government funds

The County keeps approximately  
**28%**  
 of the total you pay in property taxes. The rest goes to schools, cities, and special districts.

# COMMUNITY RESOURCES, INFRASTRUCTURE & PLANNING SERVICES

QUALITY INFRASTRUCTURE, CONSCIENTIOUS PLANNING

## SERVICES

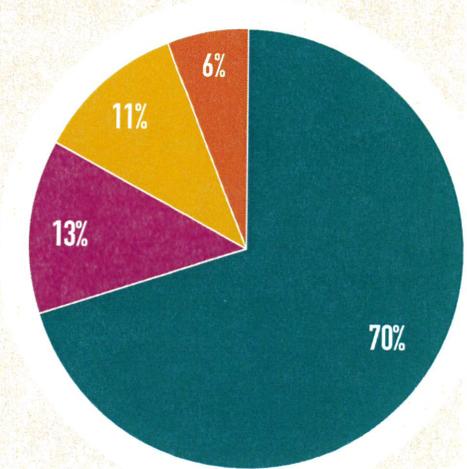
- Building Inspections
- Community Planning and Development
- County Parks, Open Spaces and Trails
- Engineering
- Landfill and Solid Waste Management
- Road and Bridge Maintenance and Repair
- Rural Land Use
- The Ranch

## FUNDING FOR I-25 EXPANSION

New managed lanes in each direction from Fort Collins to Loveland. Construction tentatively starts in 2017.

### WHERE THE MONEY COMES FROM

<b>\$167M</b> CDOT State Funds, including up to \$50 million in tolls	<b>\$2M</b> City of Loveland
<b>\$30M</b> Federal Funds	<b>\$2M</b> Weld County
<b>\$25M</b> Public Entity and Local Government Contributions	<b>\$1M</b> Town of Johnstown
<b>\$10M</b> Larimer County Road and Bridge and Mill Levy	<b>\$1M</b> Town of Windsor
<b>\$6M</b> Centerra Metropolitan District	<b>\$500K</b> Town of Berthoud
<b>\$2M</b> City of Fort Collins	<b>\$500K</b> Town of Timnath
	<b>\$15M</b> TIGER Grant - Federal
	<b>\$237M TOTAL</b>



## HOW ARE WE DOING? 👍

% of Building Inspection Requests Completed in One Day

2013	<b>98%</b>
2014	<b>98%</b>
2015	<b>98%</b>

PERFORMANCE MEASURE

## HISTORIC FARMLAND & WATER RIGHTS PRESERVED

A 211-acre farm southwest of Berthoud, including its valuable water rights, was purchased to conserve its agricultural, historic, scenic, community buffer and educational values. The Overland Trail once crossed its fields. The farm was partially funded with Help Preserve Open Spaces sales and use tax funds.



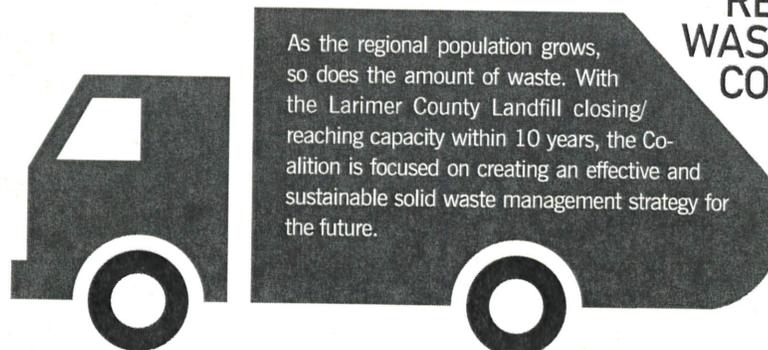
## SPOTLIGHT! INNOVATION AWARD: LARIMER FOOTHILLS BISON CONSERVATION HERD

Larimer County partnered with the City of Fort Collins, Colorado State University and USDA-APHIS to release a herd of bison to the shortgrass prairie of Red Mountain Open Space and Soapstone Prairie Natural Area, with the greater intent to contribute the bison to other conservation herds in the U.S.

## DEVIL'S BACKBONE OPEN SPACE

**106,130 VISITORS IN 2014**

## LANDFILL COLLECTION IN CUBIC YARDS



As the regional population grows, so does the amount of waste. With the Larimer County Landfill closing/reaching capacity within 10 years, the Coalition is focused on creating an effective and sustainable solid waste management strategy for the future.

## REGIONAL WASTESHED COALITION



# PUBLIC RECORDS AND INFORMATION SERVICES

OPEN DATA, TRANSPARENT PROCESSES



## SPOTLIGHT! INNOVATION AWARD: ONLINE VEHICLE REGISTRATION

The online Book a Time appointment system reduced vehicle registration wait times to less than 5 minutes with an appointment in 2016. [larimer.org/vehiclicensing](http://larimer.org/vehiclicensing)

### SERVICES

- Birth and Death Certificates
- Elections and Voter Registration
- Marriage Licenses
- Property Value Assessment and Tax Collection
- Public Records
- Vehicle Registration



Over **\$436 million** will be collected and distributed to the various taxing authorities in Larimer County throughout 2016.

### HOW ARE WE DOING? 👍

#### Average Lobby Wait Time - Vehicle Licensing

[larimer.org/waittime](http://larimer.org/waittime)

2013	<b>39.1 minutes</b>
2014	<b>31.6 minutes</b>
2015	<b>16 minutes</b>

PERFORMANCE MEASURE

## DID YOU KNOW?

Issued by the Larimer County Department of Public Health and Environment in 2015.



DEATH CERTIFICATES



BIRTH CERTIFICATES

# STRATEGIC LEADERSHIP, ADMINISTRATIVE SERVICES

ENGAGED SERVICE, EFFICIENT GOVERNMENT

### SERVICES

- Budgeting & Finance
- Human Resources
- Fleet Services
- Facilities
- County Attorney
- Performance Measurement
- Strategic Planning
- Technology



### WE'RE HIRING!

Do you love living in Larimer County? How about applying for a job and working for us! Jobs range from inside office jobs requiring advanced education to entry level jobs out on work sites. Check out our constantly changing jobs webpage and apply today! [larimer.org/jobs](http://larimer.org/jobs)

## KEEPING EMPLOYEES SAFE

Safety at work is good for employees, good for our community and saves taxpayer dollars. For the past three years, the County has maintained a worker's compensation injury ratio of .88-.68. "1" is the industry standard; anything below "1" is a job well done!

### HOW ARE WE DOING? 👍

#### Disaster Expenditures Reimbursed

FUNDS SPENT **70.5M**

REIMBURSED FUNDS **44.5M**

REIMBURSED FUNDS% **63.1%**

PERFORMANCE MEASURE

## SPOTLIGHT! INNOVATION AWARD: LARIMER COUNTY ATLAS

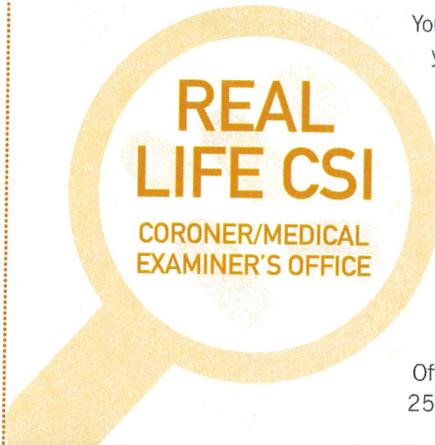
Larimer County's new online platform is a single source of financial information for staff. Analyzing and managing different funds and budgets has never been so easy; it contributes to our commitment to transparency and assures fiscal responsibility on behalf of our citizens.

# PUBLIC SAFETY SERVICES

SAFE COMMUNITIES. IMPARTIAL JUSTICE

## SERVICES

- Alternative Sentencing
- Community Corrections
- Crime Statistics & Reporting
- District Attorney
- Emergency Management
- Investigations
- Coroner
- Jail
- Rural Patrol
- Wildland Fire Management
- Disaster Recovery



You may feel like you are on the set of "CSI," but you are really at the Larimer County Coroner's Office. The Coroner's Office incorporates the fields of medicine and forensic science to investigate any sudden and unexpected death, or those deaths that occur under violent or suspicious circumstances. In 2015, there were 1,200 death investigations and 238 autopsies performed.

The Larimer County Medical Examiner's Office is an accredited Medical Examiner's Office. This is a stringent accreditation of over 250 requirements.



## LCSO'S BERTHOUD SQUAD'S COFFEE WITH A COP

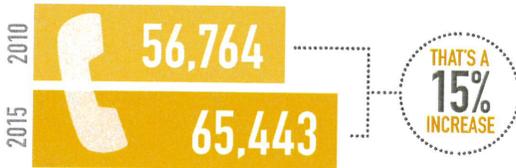
Deputies connect with Berthoud residents regularly to help learn about citizen concerns and share LCSO's public safety efforts.

## DISTRICT ATTORNEY'S OFFICE



## LARIMER COUNTY SHERIFF'S OFFICE (LCSO) QUICK STATS

### COMMUNICATIONS CENTER CALLS FOR SERVICE



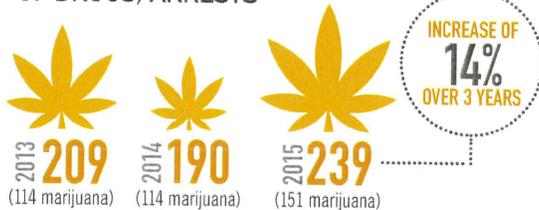
### AVERAGE JAIL POPULATION GROWTH INCREASE



## WELLNESS COURT

Wellness Court provides a sentencing option with judicial oversight for offenders with mental illness. In the first six months of 2016, 45 qualifying clients were assisted with treatments that consider the whole person.

### DUID (DRIVING UNDER THE INFLUENCE OF DRUGS) ARRESTS



## HOW ARE WE DOING?

### Successful Completion of Work Release Program

2013	86%
2014	87%
2015	88%

PERFORMANCE MEASURE

## EMERGENCY MANAGEMENT BY THE NUMBERS

- 27 jurisdictions signed the new Larimer Multi-Jurisdictional Hazard Mitigation Plan
- 8 trainings for Larimer County employees on the Larimer Prepared Program
- 500 attendees at the annual Emergency Preparedness & Family Safety Expo in 2015
- 7 community preparedness workshops held in 2016

# HUMAN AND ECONOMIC HEALTH SERVICES

HEALTHY PEOPLE, THRIVING ECONOMY

## SERVICES

- Adult Protective Services
- Air Quality Monitoring and Education
- Child Care Assistance
- Child Protection and Foster Care
- Child Support
- Communicable Disease Control
- Economic Development
- Extension Office
- Food Stamps/Food Assistance
- Health Education
- Immunizations
- Medicaid
- Resources for Seniors
- Restaurant Inspections
- Temporary Assistance for Needy Families
- Water Quality Regulation and Inspection
- Workforce Training and Counseling



## SUPPORTING LOCAL BUSINESSES

In 2016, the Economic Development Office and its community partners signed a County "code of ethics" and agreed to work together to promote the northern Colorado area as a single economic entity.

## RESOURCES HELP SENIORS AGING AT HOME

The Office on Aging provides services to seniors to help them "age in place" in our community. The Voucher Program allows qualified seniors to receive services such as home maintenance and repairs, lawn care, snow removal, homemaker services, personal care assistance, dental care and hearing aids. [larimer.org/seniors](http://larimer.org/seniors)



## HOW ARE WE DOING?

% of Workforce Center Previously-Laid-Off Participants Still Employed After 6 Months

2013	89%
2014	92%
2015	92%

PERFORMANCE MEASURE



## SPOTLIGHT! INNOVATION AWARD:

Human Services and Community Health worked with partners and created an online resource of services and organizations that help preschoolers who have behavior or health concerns.

## MEDICAL COVERAGE

The Department of Human Services facilitates qualifying citizens to attain health care for themselves and their children. The office continues to see an increased number of clients, yet we are processing applications more quickly year to year.

YEAR	TOTAL MEDICAID CASES	% OF APPLICATIONS PROCESSED TIMELY	TOTAL MEDICAID \$\$ SPENT IN COMMUNITY
2013	17,894	95%	\$161M
2014	41,220	96%	\$219M
2015	54,300	98%	\$264M

## \$2M WOMEN, INFANTS AND CHILDREN PROGRAM (WIC)

2015 VALUE OF WIC CHECKS FOR HEALTHY FOODS REDEEMED IN LARIMER COUNTY GROCERY STORES

## 2015-16 RECOGNITION & AWARDS

Department of Natural Resources, Junior Ranger Guide, meritorious award from National Association of County Information Officers

Department of Economic Development, Economic Development Week Campaign, Excellence in Economic Development from the International Economic Development Council

Department of Natural Resources, Pinewood Reservoir Recreation Improvements Project, Starburst Award from Colorado Lottery

Stephen Gillette, Director of Solid Waste was appointed by Governor Hickenlooper to the State Solid and Hazardous Waste Commission

Gary Darling, Director of Criminal Justice was appointed to the Re-entry Subcommittee of the Governor's Commission on Criminal and Juvenile Justice

## 2015-16 LARIMER GIVES

Clerk & Recorder's Spirit Committee raised more than \$8,500 for Realities for Children and Neighbor to Neighbor

County employees raised \$12,400 and 1,600 lbs. of food in 2015 for the Food Bank for Larimer County

Treasurer's Office employees raised and donated more than \$2,500 to local charities in 2015

District Attorney's Office supports Santa Cops, CASA and Voices Carry. Staff serves in volunteer leadership positions, fundraises and hosts activities that benefit children

Vehicle Licensing and Recording staff raised funds and needed supplies for the Larimer Humane Society, House of Neighborly Services, Murphy Center, United Way, and ChildSafe





**AGENDA ITEM 9C**

**SETTLEMENT**

**AGREEMENT**

**(Colorado Dept. of Natural Resources)**

**(On behalf of the Colo. Parks & Wildlife  
Commission and Division of Parks  
& Wildlife)**

---

**TOWN COUNCIL AGENDA COMMUNICATION**

---

**AGENDA DATE:** February 6, 2017

**ITEM NUMBER:** 9C

**SUBJECT:** Consider Settlement Agreement with the Colorado Department of Natural Resources (on behalf of the Colorado Parks & Wildlife Commission and the Division of Parks & Wildlife)

**ACTION PROPOSED:** Approve Settlement Agreement with the Colorado Department of Natural Resources

**PRESENTED BY:** Town Attorney

---

**AGENDA ITEM DESCRIPTION:** The Town owns, operates and manages the Johnstown Reservoir (the "Reservoir") for, among other purposes, water storage and public fishing. On or about Friday, July 29, 2016, Marty Jones, Water/Sewer Superintendent, directed that crystal copper sulfate be applied at the inlet head gate of the Reservoir to address algal growth. The crystal copper sulfate dissolved into the Reservoir, causing localized water quality changes that, upon information and belief, resulted in the death of approximately 927 game fish. The Colorado Parks & Wildlife Commission and the Division of Parks & Wildlife ("CPW") was notified of, and thereafter investigated, the incident.

CPW is authorized to bring and maintain a civil action against any person to recover the value of wildlife unlawfully taken, with a minimum value of \$35 per game fish. C.R.S. § 33-6-110. The Town is a person under the statute and is subject to the provisions contained therein. CPW alleges that the Town is liable for the value of the fish.

To avoid the costs of litigation, CPW has offered that the Town enter into a settlement agreement. The settlement agreement constitutes a resolution of disputed claims and is not an admission of liability. Per the settlement agreement, the Town would pay \$18,060 to CPW by April 30, 2017 (\$19.48 per fish). Upon receipt of the payment, CPW agrees to release the Town from all causes of action that may be brought by CPW related to the incident. CPW, however, does not have authority to release the Town from causes of action that can be brought by other state agencies.

---

**LEGAL ADVICE:** The Settlement Agreement with the Colorado Department of Natural Resources was reviewed and revised by the Town Attorney.

---

**FINANCIAL ADVICE:** The Settlement Agreement will negatively impact the Town's 2017 Budget, which will need to be amended to reflect the payment to CPW (please refer to agenda item 9D).

---

**RECOMMENDED ACTION:** Approve the Settlement Agreement with the Colorado Department of Natural Resources.

---

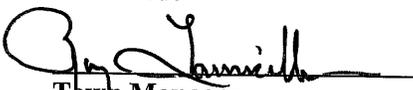
**SUGGESTED MOTION:**

**For Approval:** I move to approve the Settlement Agreement with the Colorado Department of Natural Resources.

**For Denial:** I move to deny approval of the Settlement Agreement with the Colorado Department of Natural Resources.

---

**Reviewed:**

  
Town Manager

# **AGREEMENT**

## SETTLEMENT AGREEMENT

This Settlement Agreement is made and entered into this \_\_\_ day of February, 2017, by and between the State of Colorado acting by and through the Colorado Department of Natural Resources for the use and benefit of the Colorado Parks & Wildlife Commission and the Division of Parks & Wildlife, with principal offices located at 1313 Sherman Street, Room 618, Denver, Colorado 80203 (hereinafter referred to as "CPW"); and the Town of Johnstown, a home rule municipality of the State of Colorado, located at 450 S. Parish Avenue, Johnstown, CO 80534 (hereinafter referred to as the "Town"). CPW and the Town are collectively referred to herein as the "Parties."

WHEREAS, the Town owns, operates and manages the Johnstown Reservoir for water storage and public fishing purposes;

WHEREAS, on or about Friday, July 29, 2016, an employee of the Town applied crystal copper sulfate at the water at the inlet head gate of the Johnstown Reservoir (the "Reservoir") for the purpose of addressing the algal growth in the Reservoir. The crystal copper sulfate dissolved into the Reservoir, causing localized water quality changes in the Reservoir that, upon information and belief, resulted in the death of approximately 927 game fish, including black crappie, white sucker, yellow perch, common carp, walleye, bluegill, channel catfish and largemouth bass (the events described in this paragraph hereinafter referred to as the "Incident");

WHEREAS, CPW is authorized pursuant to § 33-6-110, C.R.S., to bring and maintain a civil action against any person to recover the value of wildlife unlawfully taken, including a minimum value of \$35 per game fish;

WHEREAS, the Town is deemed to be a "person" pursuant to § 33-1-102(33), C.R.S.;

WHEREAS, the Town cooperated fully with CPW during the investigation, and has instituted changes in its operations that are designed to prevent a similar incident in the future;

WHEREAS, the Town and CPW acknowledge the risks inherent in litigating the issues described in this Settlement Agreement and seek to avoid those risks as well as the expenses associated with litigation, and to settle and resolve these issues in accordance with the terms and conditions set forth herein;

WHEREAS, the Parties have negotiated a settlement payment that is acceptable to both; and

NOW THEREFORE, in consideration of the mutual promises contained herein, the receipt and sufficiency of which the Parties hereby acknowledge the Parties agree as follows:

1. The Town agrees to pay \$18,060 to CPW by April 30, 2017, with a check made payable to Colorado Parks and Wildlife, referencing "Johnstown Reservoir" in memo line, and delivered to CPW at the address provided in Section 15 of this Settlement Agreement.

2. Except for a breach of Settlement Agreement pursuant to Paragraph 5, CPW waives its right to file a civil action for this Incident pursuant to § 33-6-110, C.R.S. or any other action that it could bring against the Town as a result of the Incident.

3. Except for an action to enforce this Settlement Agreement under Paragraph 12 hereof or breach of Settlement Agreement pursuant to Paragraph 5, CPW and the Town for themselves, their principals, agents, subsidiaries, predecessors, successors, insurers and assigns and any and all persons claiming or acting under them, hereby mutually release and discharge each other from all claims, penalties, actions, obligations, liabilities and damages, whether known or unknown, which the parties, or any and all persons claiming or acting under them, may now have or claim at any time to have arising from, or based in whole or in part upon, any act or omission related to the Incident.

4. Except for an action to enforce this Settlement Agreement under Paragraph 12 hereof or breach of Settlement Agreement pursuant to Paragraph 5, CPW and the Town for themselves, their principals, agents, subsidiaries, predecessors, successors, insurers and assigns and any and all persons claiming or acting under them, specifically covenant, each with each other, never to institute or participate in any suit or action, at law or in equity or any administrative proceeding, against each other by reason of any claim, action or cause of action arising from or related to the Incident.

5. If payment is not made in full as provided by Paragraph 1 herein or the check does not clear in the full amount, it is a breach of Settlement Agreement. Upon such a breach, CPW reserves its right to file a claim pursuant to § 33-6-110, C.R.S. in the full amount of the statutory damages supported by the Incident, or any other action that it could bring as a result of the Incident or a breach of this Settlement Agreement.

6. In entering into this Settlement Agreement, CPW is resolving any and all actions that it can bring regarding the Incident pursuant to its statutory authority; however, CPW reserves the right to bring an action for any other acts or omissions by the Town that result in other claims or fish kills that are not related to the Incident.

7. In entering into this Settlement Agreement, CPW is resolving any and all actions that it can bring regarding the Incident pursuant to its statutory authority; however, CPW does not have the authority to and it is not resolving any other causes of action that can be brought by other state agencies.

8. The Parties shall bear their own costs and attorneys' fees in this matter.

9. CPW and the Town for themselves, their principals, agents, subsidiaries, predecessors, successors, insurers and assigns and any and all persons claiming or acting under them, expressly assume any and all risks that the facts and law may be, or become, different from the facts and law known to, or believed to be by either Party as of the date of this Settlement Agreement. In executing this Settlement Agreement, neither Party has relied upon any information supplied by any other party or upon any obligation or alleged obligation of any other party or its counsel to disclose information relevant to this Settlement Agreement. Further, each Party has

had the opportunity to and has consulted with legal counsel as believed warranted prior to entering into this Settlement Agreement.

10. This Settlement Agreement is a compromise of disputed claims and is not an admission of liability. Neither this Settlement Agreement nor any of the negotiations in connection therewith shall be offered or received in evidence or used in any other trial, action or proceeding, except to enforce the terms of this Settlement Agreement as provided in Paragraphs 5 or 12 hereof.

11. This Settlement Agreement shall be binding in all respects upon, and inure to the benefit of the Parties' successors and assigns.

12. This Settlement Agreement shall be governed by the laws of the State of Colorado and the rules and regulations issued pursuant thereto, and any suit filed to enforce or interpret this Settlement Agreement must be filed in the District Court in and for the City and County of Denver. If any of the provisions of this Settlement Agreement are held to be unenforceable, the remaining provisions will nevertheless continue to be valid and enforceable to the maximum extent permitted by law.

13. This Settlement Agreement constitutes the Parties' entire agreement and a complete merger of all antecedent offers, counter offers, negotiations and agreements.

14. This Settlement Agreement may be amended only by written amendment signed by the Parties.

15. Any and all notices, directions or other communications regarding this Settlement Agreement and the implementation of its terms and conditions shall be directed to the following representatives of the Parties:

<u>CPW</u>	<u>The Town of Johnstown</u>
Doug Krieger Statewide Aquatic Manager Colorado Parks and Wildlife 6060 Broadway Denver, CO 80216	Town of Johnstown Attn: Town Manager 450 South Parish Avenue Johnstown, CO 80534
Mark Leslie Northeast Regional Manager Colorado Parks and Wildlife 6060 Broadway Denver, CO 80216	Law Office of Avi S. Rocklin, LLC Attn: Avi S. Rocklin, Esq. 19 Old Town Square, Suite 238 Fort Collins, CO 80524

16. This Settlement Agreement may be executed simultaneously in two or more counterparts which, when taken together, shall be deemed an original and constitute one and the same document. The signature of any party to the counterpart shall be deemed a signature to the Settlement Agreement, and may be appended to, any other counterpart. E-mailed transmission of executed signature pages shall be sufficient to bind the executing party.

**SIGNATURES**

**The Town of Johnstown**

\_\_\_\_\_  
By: Scott James, Mayor

ATTEST:

\_\_\_\_\_  
By: Diana Seele, Town Clerk

**STATE OF COLORADO**  
John Hickenlooper, Governor

\_\_\_\_\_  
By: Bob Broscheid, the Director of the Division of Parks and Wildlife,  
for the Executive Director of the Department of Natural Resources



**AGENDA ITEM 9D**

**APPROPRIATION  
OF  
ADDITIONAL  
FUNDS  
(Resolution No. 2017-02)**

## TOWN COUNCIL AGENDA COMMUNICATION

**AGENDA DATE:** February 6, 2017

**ITEM NUMBER:** 9D

**SUBJECT:** Consider Resolution No. 2017-02, A Resolution Appropriating Additional Sums of Money to Defray Expenses and Transfers in Excess of Amounts Budgeted for the Town of Johnstown, Colorado

**ACTION PROPOSED:** Approve Resolution No. 2017-02

**PRESENTED BY:** Town Clerk/Treasurer

---

**AGENDA ITEM DESCRIPTION:** Budgets are a planning tool and with any plan it is difficult to perfectly anticipate the next year's revenue collections or expenditure needs. The Budget Law recognizes the need to amend or change annual budgets. The law defines three bases for budget amendments: the receipt of unanticipated revenues, budgetary transfers or a downward revision of the appropriation (Section 29-1-109, CRS). If necessary, a supplemental appropriation should be adopted within the budget year.

The Council adopted the 2017 budget on December 5, 2016. The Water Enterprise Fund is anticipated to exceed the adopted budget.

The adoption of a supplemental budget and appropriation must be formalized and made official by approval of Resolution No. 2017-02.

---

**LEGAL ADVICE:** N/A

---

**FINANCIAL ADVICE:** According to the Town Treasurer, sufficient funds are available in the Water Enterprise Fund unappropriated or unrestricted funds.

---

**RECOMMENDED ACTION:** Approve Resolution No. 2017-02.

---

**SUGGESTED MOTIONS:**

**For Approval:** I move to approve Resolution No. 2017-02, A Resolution Appropriating Additional Sums of Money to Defray Expenses and Transfers in Excess of Amounts Budgeted for the Town of Johnstown, Colorado.

**For Denial:** I move to deny approval of Resolution No. 2017-02, A Resolution Appropriating Additional Sums of Money to Defray Expenses and Transfers in Excess of Amounts Budgeted for the Town of Johnstown, Colorado.

---

**Reviewed:**

  
Town Manager

# **RESOLUTION**

**No. 2017-02**

**TOWN OF JOHNSTOWN**  
**RESOLUTION NO. 2017-02**

**A RESOLUTION APPROPRIATING ADDITIONAL SUMS OF MONEY TO  
DEFRAY EXPENSES AND TRANSFERS IN EXCESS OF AMOUNTS  
BUDGETED FOR THE TOWN OF JOHNSTOWN, COLORADO**

**WHEREAS**, on December 5, 2016 the Town Council, adopted, by Resolution No. 2016-12 the 2017 Budget, and;

**WHEREAS**, expenditures in the Water Enterprise Fund incurred for capital expenditures, operating expenditures and required transfers were not foreseen at the time of the adoption of the budget, and

**WHEREAS**, money is available in the Water Enterprise Fund and in the form of the unappropriated or unrestricted reserves.

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE  
TOWN OF JOHNSTOWN, COLORADO:**

Section 1. That the 2017 appropriation for the Water Enterprise Fund is hereby increased from \$1,995,100 to \$2,013,200.

Section 2. That estimated expenditures for the Water Enterprise Fund is as follows:

Water Enterprise Fund	\$2,013,200
-----------------------	-------------

PASSED, SIGNED, APPROVED AND ADOPTED at a regular meeting of the Town Council of the Town of Johnstown on this 6th day of February, 2017.

Town of Johnstown, Colorado

ATTEST

Town Clerk/Treasurer

Mayor

