City of Aurora, Colorado

Civitas Resources Proposed Lowry Ranch Drilling Plans



Jeffrey S. Moore, P.G. Manager • Oil & Gas Division

We steward access to the natural resources under our authority with integrity and respect for our citizens, businesses, and the environment.

Big Picture

- Aurora has no authority over these wells
 - Wells are permitted based on surface location
 - Wells will be permitted by Arapahoe County and COGCC
- No applications have been submitted yet
 - -CAP documents submitted in October will be revised and resubmitted next year
 - Current plans are proposed and subject to revision
- Permitting expected to take roughly 2 years
- Leasing offers may be able to be extended

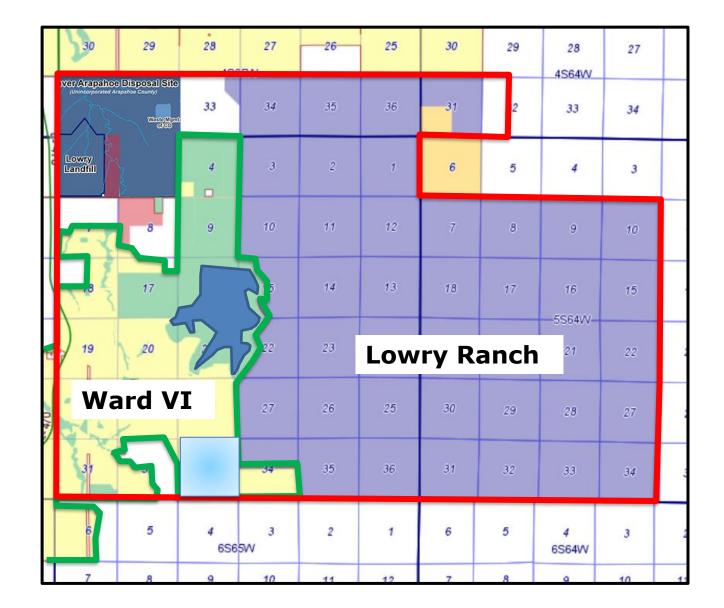


- Ward VI (partial)
- Lowry Ranch
- ~25,000 acres
- Former World War II bombing range and munitions dump
- Surface and minerals managed by State Land Board
- Revenue supports public schools
 - Existing oil & gas
 - Grazing leases
 Lowry Ranch CAP

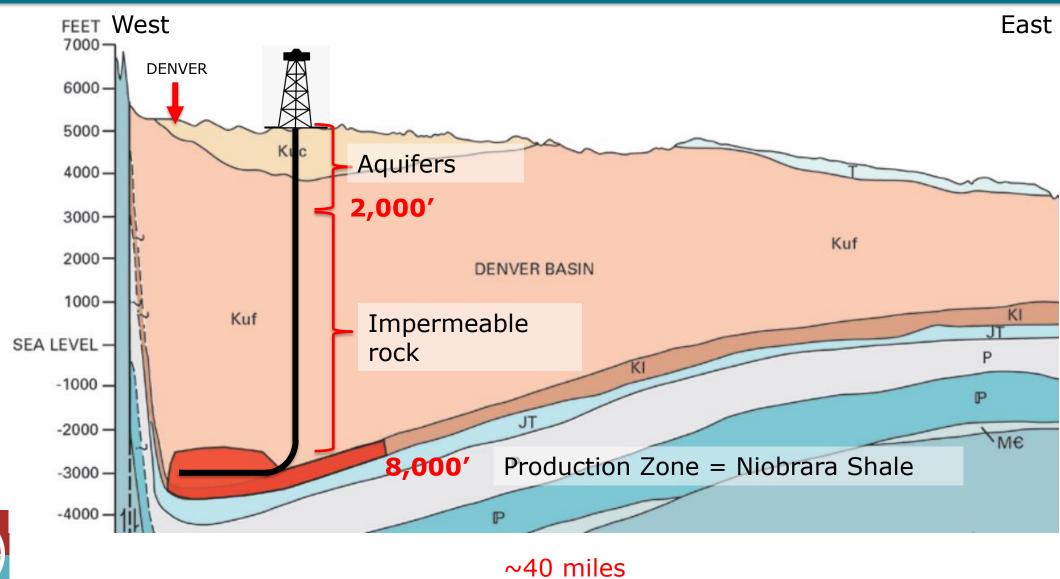




Blackstone



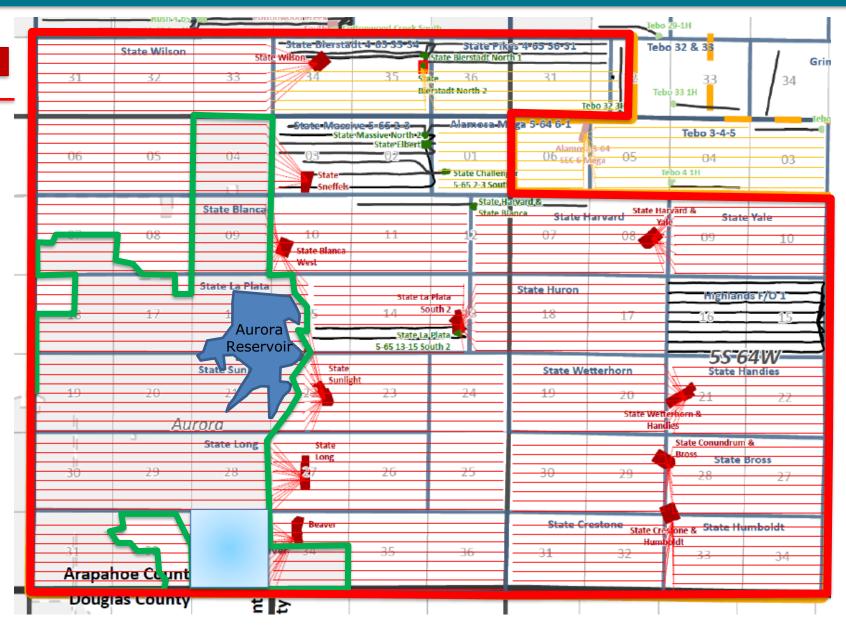
Deep Drilling (>7,000')



- 12 new Well Sites
- 174 new wells
- No Well Sites inside Aurora City limits
- Drilling under all of Ward VI and Aurora Reservoir (>7,000' depth)
- Red lines are wellbore path at 660' apart
- Drilling under DADS and Lowry Superfund Site
 - Lowry Ranch



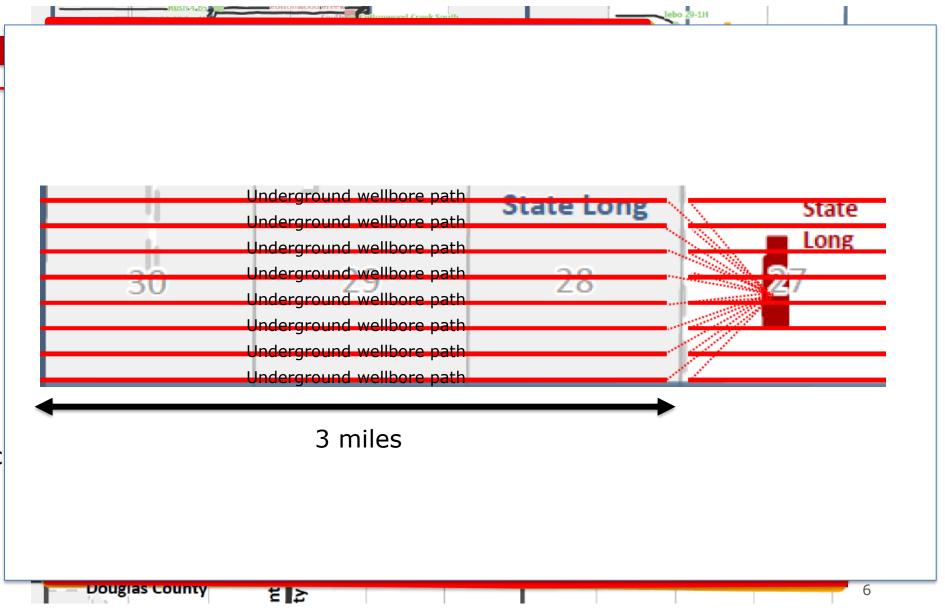
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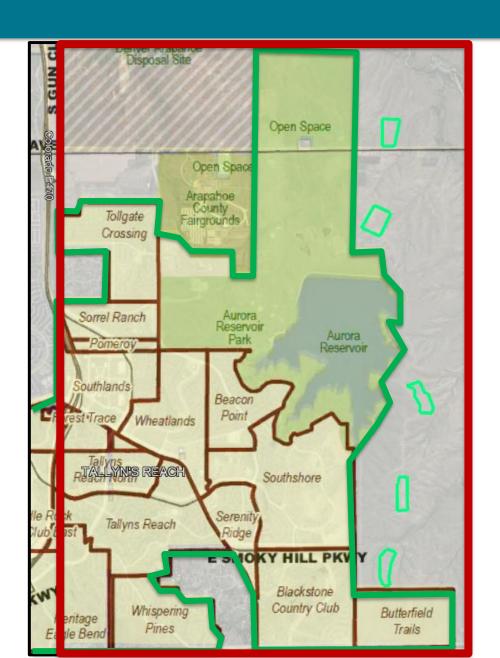


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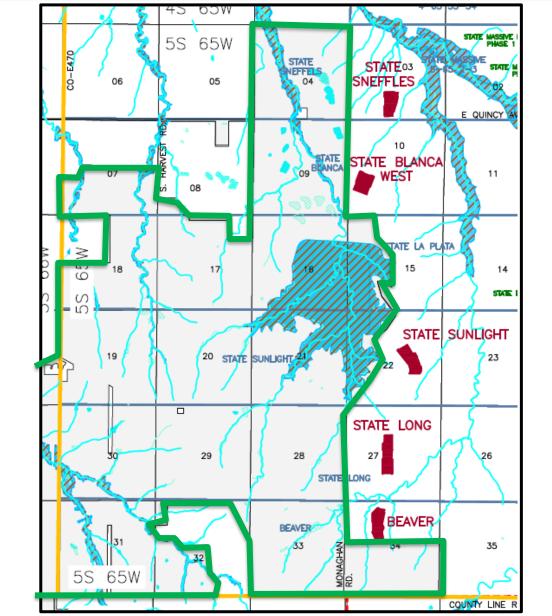
- 5 Well Sites directly east of Ward VI
- 47 Wellbore paths directly under Ward VI (all neighborhoods except Saddle Rock North, South, and East)
- No Well Sites inside Aurora City limits
- All Well Sites are >2,000' from Residential Building Units (RBUs)
- Well Sites placed beyond 1st ridge east of Ward VI and Reservoir
- Well Sites may be visible to some but not all residents after drilling is complete





Protection of Water Resources

- Well Sites planned to avoid active drainages
- State Sunlight well site is over the ridge and drains to the east





Process

Leasing mineral interest

Apply for CAP (COGCC)

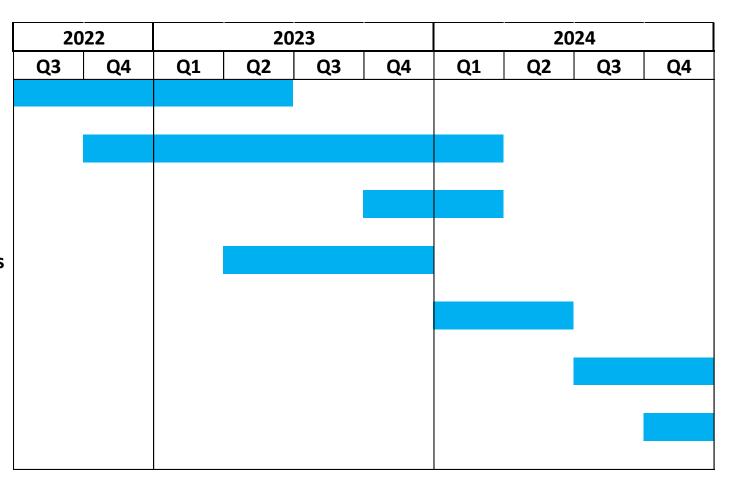
Apply for DSU (COGCC)

Apply for Arapahoe County permits

Apply for COGCC Form 2A

Apply for COGCC Form 2

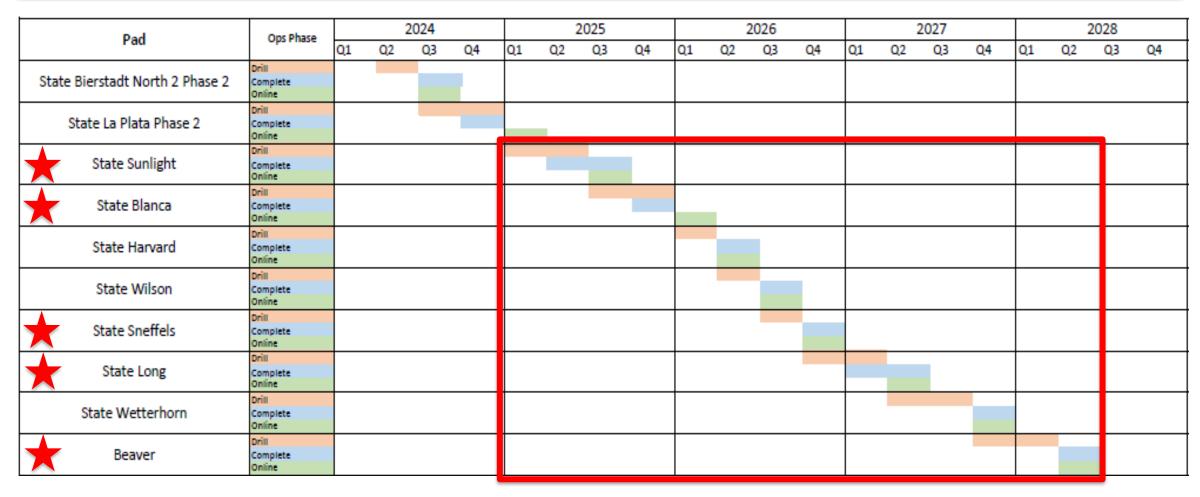
Force pooling





Estimated by Oil & Gas Division

Timing







Well Site offsetting Ward VI

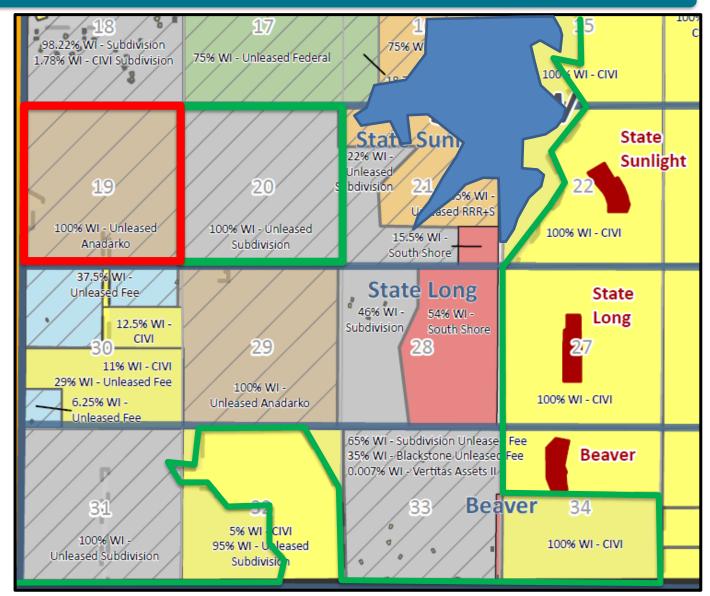
Schedule Provided by Crestone

Leasing

- Complex
- Historically subdivision homeowners do not own minerals
- ∼3,000 mineral owners
- Example Section 20
 (Some Wheatlands and Beacon Point)
 - Individual property owners own minerals
- Example 19 (Southlands mall and surrounding)
 - Oxy (Anadarko Petroleum) owns minerals



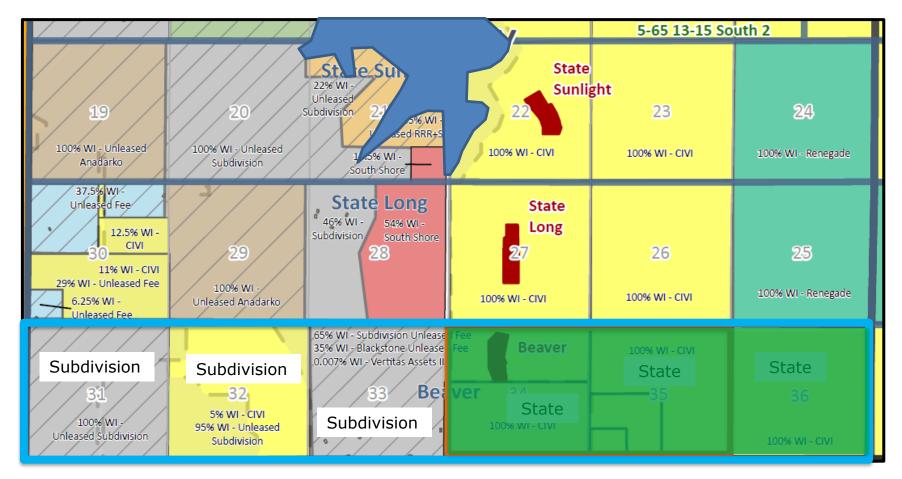




Drilling and Spacing Unit (DSU)

- Crestone

 applying to
 expand DSUs
- Example: 3/6=50%



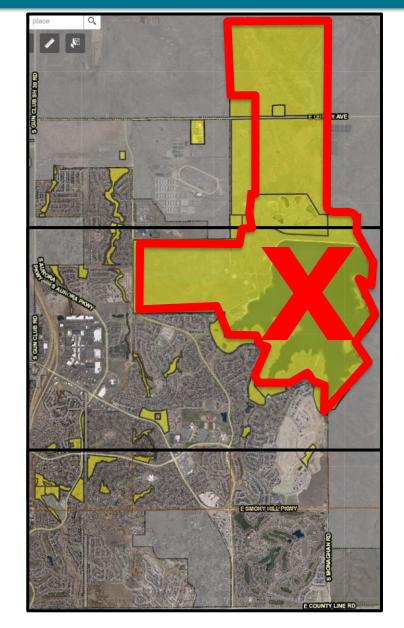






City Mineral Ownership

- Working with Real Property to assess
- Likely on the order of 100's of acres
- Bonus and royalty would bring income to the City
- Do not own the minerals under the large tracts on this map
- Do not own the minerals under Aurora Reservoir







City-owned <u>surface property</u>

City Response

Done:

- City has no direct authority since wells outside City limits
- Providing information and answering questions since June 2022
- Drafted 2-page memo (July 2022)
- Attended Mayor Pro Tem Bergan's Town Hall (July 2022)
- Attended Tallyn's Reach Community meeting (October 2022)
- Coordinating with Arapahoe County on FAQs
- Updated memo to 12 pages (November 2022)

To Do:

- Lead staff group to gather written perspectives (January 2023)
- Continue to answer questions and attend community meetings
- Provide comments in Arapahoe County and COGCC public comment periods



Contact

ARAPAHOE COUNTY OIL & GAS www.arapahoegov.com/oilandgas

- Diane Kocis, Energy Specialist
- DKOCIS@ARAPAHOEGOV.COM
- 720-425-0422

COLORADO OIL & GAS CONSERVATION COMMISSION

https://cogcc.state.co.us

- Melissa Housey, Location Specialist
- MELISSA.HOUSEY@STATE.CO.US
- (303) 894-2100 x5194

AURORA OIL & GAS DIVISION

- Jeffrey S. Moore, P.G., Manager
- JSMOORE@AURORAGOV.ORG
- 303-739-7676



Thank you!



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