

OIL AND GAS MIDSTREAM OPERATOR AGREEMENT

THIS OIL AND GAS MIDSTREAM OPERATOR AGREEMENT (the "Agreement") is made and entered into this ~~24~~²⁴ day of July, 2019, ("Effective Date") by and between Elevation Midstream, LLC 370 17th Street, Suite 5300, Denver, Colorado 80202 (the "Operator") a wholly owned subsidiary of Extraction Oil & Gas, Inc. ("Extraction"), and the City of Aurora, Colorado (the "City") with an address of 15151 E. Alameda Parkway, Aurora, Colorado, which may be collectively referred to herein as the "Parties", or individually as a "Party".

WHEREAS, the Parties agree that the use of Gathering Systems and Flowlines for the transportation of hydrocarbons, gas and produced water is beneficial to public health, safety, welfare and the environment and reduce air emissions and truck traffic by consolidating infrastructure;

WHEREAS, Operator desires to construct and operate a commercial central gathering facility ("CGF") to receive crude oil, associated field gas, and produced water for treatment and sales from production wells and central distribution points of Axis Exploration, LLC ("Axis"), an Extraction wholly owned subsidiary, Extraction and other oil and gas well operators located in Aurora, Colorado;

WHEREAS, Operator also desires to construct and operate Gathering Systems and Flowlines to transport crude oil, associated field gas, and produced water, from production wells and central distribution points of Axis, Extraction and other operators to a CGF located in Aurora, Colorado;

WHEREAS, the Parties agree that the use of Gathering Systems and Flowlines mitigates emissions, traffic and other adverse impacts associated with truck traffic;

WHEREAS, Operator also desires to construct and operate a Compressor Station, Launcher and Receiver sites, Valve Stations, Electrical Substation and related equipment ("Associated Facilities");

WHEREAS, based on this Agreement, the CGF and Associated Facilities will be determined permitted uses in the location identified on Exhibit A, and will abide by the standards and process defined by this Agreement and exhibits.

WHEREAS, the Colorado Oil and Gas Conservation Act, C.R.S. § 34-60-101 et. seq. (the "Act"), authorizes the Colorado Oil and Gas Conservation Commission ("COGCC" or "Commission") to adopt statewide rules and regulations and to amend existing rules and regulations or promulgate new rules and regulations, written policies and permit conditions that address issues associated with the CGF, Gathering Systems, Flowlines, and Associated Facilities, within the City and it is anticipated that COGCC will propose and adopt revisions to these requirements over time;

WHEREAS, the Colorado Department of Public Health and the Environment (the "CDPHE") adopted regulations for significant sources of odor emission, radiation control, hazardous waste, and water quality. CDPHE has promulgated specific emission control

requirements for oil and gas facilities and it is anticipated that CDPHE will propose and adopt revisions to these requirements over time;

WHEREAS, the Parties have proposed BMPs that are more protective than the COGCC or AQCC regulations for use at Operator's CGF, Gathering System, Flowlines, and Associated Facilities within the City;

WHEREAS, C.R.S. § 40-7-101, *et. seq.*, authorizes the Colorado Public Utilities Commission ("PUC"), to regulate intrastate pipelines. The PUC has promulgated specific pipeline requirements for the transport of natural gas, and it is anticipated that the PUC will propose and adopt revisions to these requirements over time;

WHEREAS, the United States Department of Transportation — Pipeline and Hazardous Materials Safety Administration ("PHMSA") has promulgated 49 C.F.R. Part 130, 192(C), (E), (G), (I), (L), (M), 194, & 195(F) which are regulations concerning pipelines including Gathering Systems transporting hazardous materials including Crude Oil and it is anticipated that PHMSA will propose and adopt revisions to these requirements over time;

WHEREAS, CDPHE regulates all contiguous land and structures, other appurtenances, and improvements on the land used for solid waste disposal handled by the CGF;

NOW THEREFORE, in consideration of the covenants and mutual promises set forth in this Agreement, including in the recitals, the Parties agree as follows:

ARTICLE I

1. **Effective Date.** This Agreement will be effective upon the date of the last signature.

2. **Defined Terms.** Capitalized terms used in this agreement are defined in Exhibit B.

3. **Term.** The term of this Agreement shall be from the Effective Date and will continue in effect as long as the Operator or its authorized successor(s) has operations, owns or controls the CGF, Gathering Systems, Flowlines, and Associated Facilities, or unless otherwise terminated as set forth herein (the "Term"). Additionally, in the event this Agreement is terminated no re-permitting of the CGF or Associated Facilities shall be required solely as a result of the termination of this Agreement.

4. **Exercise of Local Land Use Authority.** The City has enacted land use regulations pursuant to the Local Government Land Use Enabling Act, C.R.S. § 31-15-401 *et. seq.*, and the Land Planning Act, C.R.S. §29-20-101 *et. seq.*, which delegate to local governments the authority to enact land use regulations that regulate, *inter alia*, the impacts of oil and gas development. The Parties have engaged in a comprehensive and collaborative approach to develop terms and conditions for Operator's development of Facilities in the City included in this Agreement that meet or exceed the protections of human health, safety and welfare and the environment contained in the City's oil and gas regulations.

5. **Gathering System.** The Gathering System will be subject to the terms of this Agreement. Gathering System shall mean gathering pipelines or system as defined by the

Colorado Public Utilities Commission ("PUC"), Regulation No. 4, 4 C.C.R. 723-4901, Part 4, (4 C.C.R. 723-4901) or a pipeline regulated by PHMSA pursuant to 49 C.F.R. §§ 195.2 or 192.8. 49 C.F.R. §§ 195.2 of 192.8 and 4 C.C.R. 723-4901 in existence as of the date of this Agreement and does not include later amendments as noted in Exhibit B. The Operator confirms that it will be designing, constructing and operating the Gathering System consistent with the regulations set forth above. Operator confirms that it will be constructing all Gathering Systems in the City to the Class 3 location specifications pursuant to 49 C.F.R 192.5, subpart 3. As long as Operator is in compliance with this Agreement, Operator may perform all maintenance and operations on the Gathering System that the Operator deems prudent and necessary as long as in accordance with requirements set forth by easement language and state and federal requirements.

6. **Flowlines.** The Flowlines will be subject to the terms of this Agreement. Flowlines shall mean Off-Location Flowlines and Produced Water Transfer Systems regulated by the COGCC. As long as Operator is in compliance with this Agreement, Operator may perform all maintenance and operations on the Flowlines that the Operator deems prudent and necessary as long as in accordance with requirements set forth by easement language and state and federal requirements.

7. **Central Gathering Facility.** The CGF will be a commercial facility as defined in Exhibit B and by the CDPHE as a solid waste location or the facility at which the deposit and final treatment of solid wastes as defined by the CDPHE occurs. As long as Operator is in compliance with this Agreement and Exhibit B BMPs, Operator may perform all maintenance and operations on the CGF that the Operator deems prudent and necessary as long as also in accordance with requirements set forth by state and federal requirements. Exhibit A will depict the Facilities including the CGF covered under this Agreement.

8. **Operator's Best Management Practices.** Operator shall comply with all applicable local, state, and federal laws, regulations, codes, and specifications regarding its Facilities as of the Effective Date. Operator agrees to comply with the BMPs of this Agreement. The Operator agrees to include on all COGCC Form 2As submitted to the COGCC for the CGF those BMPs which (1) the COGCC has the ability to respond to and resolve potential complaints regarding the BMP and (2) the Commission has enforcement ability to ensure compliance with the BMPs. If the COGCC does not enforce a BMP, and no other agency has the authority to enforce the BMP, the Parties agree that the City has authority to enforce.

9. **The Project.** Operator has developed a plan in consultation with the City that is depicted:

- A. on Exhibit A of this Agreement (depicting the location of the CGF)
- B. as identified in Exhibit B (BMPs that shall be used at the CGF and Gathering System) and
- C. in a summary of planned operations and an operational timeline to the City (the three together comprises the "Project").

The Operator may revise the summary and timeline from time to time provided that the Operator will keep the City informed of any revision to the Development Schedule. The City, through Aurora Water, will identify water sources and Critical Infrastructure located near Operator's

infrastructure and the water sources and Critical Infrastructure will be noted on Operator's Site Plans that will be provided during the review process. The Operator will then note the distance of the water sources and Critical Infrastructure from the edge of the CGF and Associated Facilities listed on Exhibit A.

10. **Gathering Systems and Flowlines and Rights-of-Way.** Operator shall use Gathering Systems and Flowlines as required by BMP 45 on Exhibit B to be built in accordance with specifications set forth in Exhibit D. Operator will utilize Gathering Systems and Flowlines once operations commences. The Operator's obligation to build and utilize such Gathering Systems and Flowlines is subject to the Operator obtaining all necessary rights-of-way, crossings, licenses and easements and the City issuing Operator the necessary Public Improvement Permits. Operator shall be permitted to utilize temporary tanks during maintenance operations. The City agrees to cooperate with Operator and other of the Operator's affiliates in the implementation of the Gathering System and Flowlines as a BMP, including cooperation in identifying a preferred route. The City shall grant any necessary approvals associated with the Gathering System and Flowlines which will not be unreasonably delayed or withheld. Without affecting another provision in this Agreement, the City will not object in any forum for any federal, local or state process related to or ancillary to construction of the Gathering System and Flowlines. Subject to City review and approval, the City will grant surface Gathering System and Flowlines rights-of-way, permits or licenses on City-owned property as necessary and without further cost to Operator beyond a City fee schedule and, if applicable, reasonable property value cost for the transportation of produced water, oil, gas, associated hydrocarbons, electrical, telecommunications and any other lines required for the Project depicted in the associated exhibits to the Agreement. Any City fee schedule and, if applicable, property value cost should be reasonable, applied only where the City grants rights-of-way, crossings, easements or licenses to Operator, and consistent with fees and costs applied to other similarly situated industries. Operator will provide the City with a confidential map showing the location of its proposed Gathering System and Flowlines.

11. **Location of Gathering Systems and Flowlines.** Locations of Gathering System and Flowline easements are primarily on private lands and may be changed. The initial cost of installing the Gathering System and Flowlines and of maintaining such easements shall be borne by the Operator. In the event that Operator relocates an access road or Gathering System and Flowlines causing damage to improvements owned by the City, the Operator shall repair the damage pursuant to the appropriate permit. If Operator fails to make the necessary repairs, Operator shall promptly reimburse the City for such damage upon receipt of a reasonable itemized statement that documents the cost to repair the damage; provided that, such reimbursement shall be received by the City no later than forty-five (45) calendar days from the date of the itemized statement. Notwithstanding the foregoing, nothing in this paragraph prevents an independent developer from seeking an Agreement with Operator to relocate Gathering System and Flowlines. In the event that a relocation of the Gathering System and Flowlines is needed, the City and the Operator will work cooperatively to identify an alternative route and Operator shall be permitted to maintain use of the existing Gathering System and Flowlines until six (6) months after City's approval of any necessary permits for such alternative routes.

12. **Decommissioning of Gathering System and Flowlines.** In accordance with state law and this Agreement, the Operator shall properly drain and decommission in accordance with City, COGCC, DOT and PHMSA rules and regulations all Gathering System and Flowlines associated with any Plugged and Abandoned Well or Wells which are plugged, abandoned, and

decommissioned by oil and gas upstream affiliate operator(s), unless the applicable surface owner or surface use agreement requires measures to be taken that differ from City, COGCC, DOT and PHMSA rules and regulations, and shall remove from service all Gathering System and Flowlines related to the decommissioned by either abandoning in place and filling with flow fill or removing the pipe subject to mutual approval by the Parties.

13. **Required Permits and Applications.** Operator shall first obtain any necessary permits and agreements pursuant to these regulations prior to construction. The Operator shall submit all required City permits and applications such as but not limited to building permit, Stormwater and Erosion Control Permit, license agreements, rights-of-way permit, and OGFP application for the CGF, Associated Facilities, Gathering System and Flowlines as contemplated by this Agreement. The review by the City of these permits is to ensure the proposed Gathering System, Flowlines, Associated Facilities and CGF comply with this Agreement, and all applicable City of Aurora Municipal Code requirements. The timeframe for development review will be contingent on timely completion and accuracy of applicant submittals, staffing levels, the competing demands on City staff, and the timing of referral agencies, if any, City approval of Operator permit applications shall not be unreasonably, withheld, conditioned or delayed.

14. **Water Supply.** Operator will enter into a separate agreement with the City for the delivery of ground water through a commercially exempt well in accordance with the Colorado Division of Water Resources if City water infrastructure is unavailable.

ARTICLE II

1. **Applicability.** This review process will apply to the CGF, Gathering System, Flowlines, and Associated Facilities constructed pursuant to this Agreement.

2. **Pre-Application Process.**

A. **Pre-Application Meeting.** Operator shall request a pre-application meeting (a "Pre-Application Meeting") with the Office of Development Assistance prior to submitting an Oil and Gas Facilities Permit ("OGFP") application. The City shall schedule and hold the pre-application meeting within four (4) weeks of receipt of Operator's request for a meeting. The City may waive the Pre-Application Meeting or Pre-Submittal requirement set forth below for any Facility.

B. A sketch plan and detailed description of the CGF, Gathering System, Flowlines, and Associated Facilities, as applicable, must accompany the request for a Pre-Application Meeting.

C. At the Pre-Application Meeting, Operator shall present the proposed project to determine appropriate materials needed for the application, and any special conditions for the CGF, Gathering System, Flowlines, and Associated Facilities.

D. The City shall provide Operator with comments from the Pre-Application Meeting within two (2) weeks of the meeting.

3. **Pre-Submittal Meeting.** Following the Pre-Application Meeting, the Operator shall request a pre-submittal meeting (a "Pre-Submittal Meeting") with the City Staff to

demonstrate the Operator's ability to comply with BMPs. The City shall schedule and hold the Pre-Submittal meeting within seven (7) days of receipt of Operator's request for a meeting.

A. At the Pre-Submittal Meeting, Operator shall request that a portal be opened to allow the application to be submitted. The City shall open the portal within seven (7) days of the Pre-Submittal Meeting if it has not already done so.

B. Operator may then submit the application.

4. **Timing of Review Process, Completeness Determination Period.**

A. **City Completeness Determination.** Upon receipt of the Operator's OGFP application, the City will initiate a Pre-Acceptance Review to determine whether the OGFP application is sufficient to begin the review process. During the Pre-Acceptance Review, the City will identify any deficiencies in the OGFP application and will notify the Operator within two (2) business days of receipt of the application. If no deficiencies are identified, an invoice will be sent to the Operator and the fee listed in the City Code in effect at the time of submission of the OGFP Application must be paid prior to the City beginning review of the OGFP application. If deficiencies are identified, the Operator shall address them and resubmit the application. The City will review the resubmitted application to confirm that there are no further deficiencies within two (2) days of receipt. City will make completeness determination within two (2) weeks of receipt of Operator's complete OGFP.

B. **Timing of Review of OGFP.** The City shall complete its review of all OGFP Submittal Requirements and its decision on the OGFP application within and in no greater than seventeen and a half (17.5) weeks of receipt of the OGFP application package ("Review Process"). The seventeen and a half (17.5) week timeframe will be dependent on the Parties complying with the specified timeframes below. The OGFP application must include all of the Submittal Requirements listed below, unless otherwise agreed to between the City and the Operator, and demonstrate that the Operator has incorporated all BMPs listed in Exhibit B. The aggregate seventeen and a half (17.5) week process for the CGFP is:

1. The City shall complete its first review of the OGFP application within fifteen (15) days of receipt of the application.
2. Operator shall have fifteen (15) days to response to Staff comments on the OGFP application.
3. The City shall complete its second review of the OGFP application within fifteen (15) days to review Operator's responses to Staff's comments, and provide Operator with any subsequent comments, if any.
4. Operator will have ten (10) days to respond to any Staff subsequent comments ("Second Round of Operator Responses").
5. Following the Second Round of Operator Responses, the City will complete its third review and issue a decision on the OGFP application within thirty-two (32) days of receipt of Operator's response to subsequent comments, if any. If after the Second Round of Operator

Responses, the City does not issue a decision on the OGFP application, the Parties will seek review from a Hearing Officer pursuant to the provisions set forth in Article II, Section 9.

C. **Timing of Review of Civil Construction Plans.** Operator can submit its Civil Construction Plans concurrent with the second City review of the CGFP. The Civil Construction Plan eleven (11) week review process is as follows:

1. The City shall complete its first review of the Civil Construction Plans within twenty (20) days of receipt of the Civil Construction Plans.
2. The First Round of Operator revisions shall be complete within five (5) days to respond to Staff comments on the Civil Construction Plans.
3. City shall complete its second review of the Civil Construction Plan within fifteen (15) days to review Operator's responses to Staff's comments, and provide Operator with any subsequent comments, if any.
4. The Operator has five (5) days to respond to any Staff subsequent comments in the second round of revisions.
5. Following the second round of Operator revisions, the City will complete its final review and issue a decision on the Civil Construction Plans within ten (10) days of receipt of Operator's response to subsequent comments, if any.

D. **Building Permit Review of CGFP.** The Commercial & Multi-Family Review Timeline, eight (8) week review process, is as follows:

1. The City shall review the Building Plan for Code Compliance within twenty-six (26) days of receipt of the Building Plan.
2. Operator code corrections shall be complete within twelve (12) days to respond to Staff comments on the Building Plan.
3. The City shall review the Code Corrections within two (2) days. Upon final City review, the City shall not unreasonably delay or withhold approval of the Building Plan.

5. **City Administrative Approvals.** The Parties agree that by submitting an OGFP application addressing the CGF, Gathering System, Flowlines, and Associated Facilities, the Operator has complied with the City's administrative process and such OGFP application is subject to City administrative approval by City Staff which will not be unreasonably withheld, conditioned or delayed. The City shall issue other administrative approvals for other local permits that may be required, including but not limited to, Stormwater, Public Improvement Permits, Civil Construction Plans, Building Permits, other permits, and agreements necessary for the development of the Project as long as the obligations as set forth by those permits have been addressed.

6. **Final Decision.** The City's decision with respect to any OGFP application is final.

7. **OGFP Application Delays.** For each day that the City's decision on an OGFP application is delayed beyond the time frame provided for in the Pre-Application Process, the Completeness Determination and the Review Process, the City shall reimburse the Operator \$1,000 per day ("Delay Reimbursement"). This Delay Reimbursement is limited to fifteen (15) days per incident.

8. **Hearing Officer Process.** If the City fails to meet the time requirements at any point in the overall OGFP process, or fails to issue a decision on an OGFP, the Operator may request a review by an independent third party selected in good faith by the Parties ("Hearing Officer"), in accordance with the following process:

- i. If Operator desires to request a review of the OGFP application process by a Hearing Officer, Operator shall notify the City of that request, which shall include the specific, good-faith reason for the request.
- ii. The City will have ten (10) business days to respond to the request or to cure the breach by progressing the OGFP application.
- iii. If the City fails to respond, or fails to progress the OGFP application, or responds with a denial of the OGFP application in breach of this Agreement, the Hearing Officer will then be chosen within seven (7) days.
- iv. The Hearing Officer must be qualified by education, training, and experience to hear and determine oil and gas disputes, permitting disputes, or must be a member of the International Institute for Conflict Prevention and Resolution's ("CPR") Energy, Oil & Gas Panel of Neutrals.
- v. If the Parties cannot mutually select the Hearing Officer within seven (7) days, the CPR will make the selection.
- vi. The Hearing Officer has fifteen (15) days to review the OGFP application and provide a recommendation on what is needed to progress the application through the process (the "Recommendation"). The City will have ten (10) days to begin progressing the OGFP application through the application process based on the Recommendation. If the Recommendation identifies a deficiency in the Operator's application, the Operator shall have ten (10) days to address the deficiency or communicate to the City how it plans to address the deficiency.
- vii. If the Operator has completed the application process but the City has not issued a decision, the hearing officer shall provide a recommendation to the city on whether to approve or deny the OGFP.

- viii. If the City does not follow the Recommendation of the Hearing Officer within (ten) 10 days of the Hearing Officer's Recommendation, the City's failure to follow the Recommendation will be deemed a denial of the OGFP application and constitute a final decision. Operator may appeal the decision pursuant to C.R.C.P. Section 106.

9. **Required Application Contents.** An Oil and Gas Facilities Permit ("OGFP") application to the City contains the following (together, the "Submittal Requirements") as described in Exhibit B BMPs or Current City Code and Criteria. Application requirements will be at the discretion of the City based on type of submittal:

- A. Master Plan to include the following:
 - i. All the planned components and land uses for the site
 - ii. Public improvement plan
 - iii. Context Map
- B. Plans for Gathering System and Flowline Submittal Materials:
 - i. Letter of Introduction including applicable items below:
 - a) The name, address, email and telephone number of the applicant.
 - b) A summary statement of the project
 - c) A description of the Gathering System and Flowline, including the product(s) or substance(s) being transported and its/their source, size, terminus or end of route, and type of Facility, including any support structures involved.
 - d) All public utility crossings labeling the diameter and type of utility crossing to include bridges, culverts, water, wastewater and stormwater infrastructure. Also identify all public utilities within a 150-foot buffer from Gathering System and Flowline.
 - e) A description of the route or location of the Gathering System and Flowline and reasons for its selection.
 - f) Procedures to be employed in mitigating any adverse impacts of the proposed routes or sites of the Gathering System and Flowline.
 - g) An outline of the planned construction, including startup and commissioning schedule, and include timing of each. The City acknowledges that this outline is subject to change, due to factors including, but not limited to, contractor availability,

weather, ability to close ROW tracts, and the timing of third-party facility completion.

- h) Information of any Neighborhood Meeting conducted, to include the location, date, time, attendance and method of advertising. Such meeting is not required, but is recommended by the Planning Department to encourage communication between an applicant and the neighbors.
- i) A description of the hazards, if any, of fire, explosion and other dangers to the health, safety and welfare of the applicant's or the operator's employees and the public.
- j) A Decommissioning Plan. The decommissioning plan shall address how the Gathering System and Flowline will be properly cleaned, capped and maintained if the Gathering System and Flowline will be Properly Abandoned in Place or whether the Gathering System and Flowline will be removed from the ground.
- k) A description of any haul routes during construction, identifying the roads and bridges involved and the weight of the loads.
- l) Existing land use within or adjacent to the Gathering System and Flowline within 1,800 feet.
- m) Soils reports required for Gathering System and Flowline crossings or any Gathering System and Flowline encroaching in public right-of-way, if required by the Department of Public Works.
- n) Present zone and overlay zoning districts, which include floodplains and floodways, if appropriate.
- o) Operator shall provide either authorization letters or agreements from all impacted property owners to verify application can be accepted.
- p) Signature of the applicant.
- q) Easements or rights-of-way for the Gathering System and Flowline from other land owners or a statement that the applicant is currently in good faith negotiations with the owners of surface properties, irrigation ditch companies and/or affected irrigation ditch easement owners of record at the point crossed by the Gathering System and Flowline.

r) A statement which provides evidence of compliance with the following standards:

- 1) The Gathering System and Flowline will not have an undue adverse effects on existing and future development of the surrounding area as set forth in applicable City Master Plans.
- 2) The design of the proposed Gathering System and Flowline mitigates negative impacts on the surrounding area to the greatest extent feasible.
- 3) The disturbed area shall be maintained during construction by the applicant or property owner in such a manner to control soil erosion, dust and the growth of noxious weeds.

C. Site Plan for the CGF and Associated Facilities to include the following:

- i. Proposed location of CGF and Associated Facilities on CGF property
- ii. Road access
- iii. Haul routes
- iv. Existing easements and rights-of-way
- v. Visible improvements within 500 feet
- vi. Distances to nearest occupied structure
- vii. Gathering System and Flowline Routes
- viii. Interim Reclamation Plan
- ix. Landscape Plan (including fencing and other criteria listed in the BMPs)
- x. Lighting Plan
- xi. Visual Mitigation Plan
- xii. Air Quality Plan
- xiii. Fugitive Dust Suppression Plan
- xiv. Emergency Response Plan
- xv. Fluid Disposal Plan

- xvi. PHA-HAZOP Letter- The Operator will provide a letter that the PHA-HAZOP has been completed and the engineer of record has incorporated all applicable PHA-HAZOP recommendations in the design.
- xvii. Noise Management Plan
- xviii. Operations Plan
- xix. Project Development Schedule
- xx. Security Plan
- xxi. Traffic Letter or other analysis requested in the Pre-Application Notes & Traffic Management Plan
- xxii. Wildlife Impact Mitigation Plan (if applicable)
- xxiii. Road Maintenance Agreement
- xxiv. Recorded Surface Use Agreement, if applicable
- xxv. Stormwater and Erosion Control Plan (Grading, Drainage and Erosion Plan)
- xxvi. License Agreements, if applicable.
- xxvii. Form 2A if already submitted to the COGCC which confirms the ownership of the surface information and any BMPs imposed by COGCC, if already submitted to the COGCC.
- xxviii. A certified list of the names, addresses and the corresponding Parcel Identification Numbers assigned by the County Assessor of owners of surface properties located within 150 feet of the CGF and Associated Facilities. The source of such list shall be the records of the County Assessor, or an ownership update from a title, abstract company, or attorney derived from such records, or from the records of the County Clerk and Recorder. If the list was assembled from the records of the County Assessor, the applicant shall certify that such list was assembled within thirty (30) days of the application submission date.
- xxix. Such additional information as may be reasonably be required by the City.

11. **Application Notices.**

A. **Notice of Application.** When Operator submits an OGFP application to the City, the Operator shall provide a list of all property owners (names, property addresses and mailing addresses) and all registered neighborhood organizations within one mile of the CGF and

Associated Facilities and the surface owners of the property upon which the CGF or Associated Facilities is located ("Notified Residents"). The City shall send out notices of the OGFP application to notified residents when the review process commences for the purpose of receiving public comment.

B. **Notice of Administrative Decision.** The City shall provide Operator with a form letter for Notice of Administrative Decision for a pending OGP application. At least ten (10) calendar days prior to the scheduled decision on an OGFP application, the Operator shall send out a Notice of Administrative Decision to the Notified Residents. The Operator shall provide proof to the city of mailed notices by affidavit or certificate of mailing.

C. **Resident Notification of Neighborhood Meeting.** When the City begins the OGFP review process, the Operator shall send notification of a Neighborhood Meeting to all Notified Residents. The notice must include:

- i. Operator's contact information
- ii. Approximate date to begin construction
- iii. Information on the Neighborhood Meeting

D. Operator shall send proof of mailed notices to the City by affidavit or certificate of mailing.

E. **Neighborhood Meeting.** Upon City acceptance of the OGFP application, the operator shall hold a meeting to facilitate engagement between the operator and nearby residents ("Neighborhood Meeting"). Operator shall notify all Notified Residents of the Neighborhood Meeting. Operator shall provide notice a minimum of ten (10) days in advance of the Neighborhood Meeting. Notified Residents may submit written comments to the City on the OGFP application including the BMPs. The City shall transmit those comments which require an Operator response to the Operator. Operator shall respond to those comments within thirty (30) days in writing to the City. A neighborhood meeting may not be required if there are no residents within one mile of the CGF or Associated Facilities location, no comments are received from initial notice of filing of OPFP Application and both Parties agree.

F. **Fee.** The Operator shall be subject to an administrative fee associated with plan review and report analysis.

ARTICLE III

1. **Project Development Schedule; Operator Agreement Update.** The Operator will provide a summary of planned operations and an operational timeline to the City. The Operator may revise the summary and timeline from time to time provided that the Operator will keep the City informed of any revision to the Development Schedule.

2. **Intent to Supplement State Rules and Regulations.** The Parties recognize that pursuant to the Act, the COGCC regulates the development and production of oil and gas resources in Colorado. By the powers vested to the COGCC through the Act, the COGCC has promulgated statewide rules and regulations for oil and gas development. Further, the Parties recognize that pursuant to the Air Act, AQCC regulates air quality in Colorado. By the powers

vested to the AQCC through the Air Act, AQCC has promulgated statewide air quality rules and regulations over oil and gas development. The BMPs identified in this Agreement are intended to supplement and are in addition to these state rules and regulations. However, Operator shall comply with applicable federal, state and local statutes, ordinances, rules, regulations and standards pertaining to public health, safety, and welfare and the environment. Operator shall comply with the more protective of the BMPs contained in this Agreement or applicable Federal or State or local laws, regulations, rules, or standards that are generally applicable in nature,

3. **Permitted Use.** The property of the proposed CGF and its Associated Facilities are located in SE 1/4 Section 34, Township 3 South, Range 64 West which allows for oil and gas operations and thereby the construction of the CGF and Associated Facilities are permitted uses.

4. **Roads.** The City agrees to allow Operator to develop required roadways and an access road off of Cavanaugh Rd in accordance with the City's published Roadway Specification Manual.

5. **Pre-Engineered Building.** The City agrees to a pre-engineered building with a mutually agreed upon structural architectural design.

6. **Security Fencing.** The City will allow for there to be a chain link security fence immediately surrounding the CGF and Compressor Station, with visual mitigation of the chain linked fence addressed by BMPs used in the visual mitigation plan.

7. **Limit on Commencement of Construction.** The Operator agrees to not move any heavy equipment or begin construction at the CGF, Gathering System, Flowlines, or Associated Facilities based on COGCC approval until the Operator has received administrative approval after the OGFP application review process by the City pursuant to Section II of this Agreement and all applicable City, State, and Federal permits.

8. **Notification of Activities.** Operator will provide the City with notification of Operator's best estimate as to when the Construction Phase for the CGF, Gathering System, Flowlines and Associated Facilities will begin.

9. **Protests, Objections, and Minor Changes.** By entering into this Agreement the Parties agree to the included protections to health, safety, welfare and the environment to be included as BMPs in Operator's plan of development. So long as the Operator complies with the terms and conditions of this Agreement:

A. the City agrees that it shall not protest, request a hearing, oppose or object in any forum to any permits, applications or similarly related approvals related to the Operator's Facilities and plan of development subject to this Agreement; and

B. the Operator may seek a minor exception to strict application of the BMPs as provided in Exhibit B, BMP 41. The City will not unreasonably withhold, condition, or delay approval of minor exceptions to BMPs.

10. **New Technologies.** The City through the office of the City Manager may propose to Operator, in writing, new technologies reasonably believed to have a material benefit for public health, safety, welfare, and the environment within the City limits. Such proposal will describe in sufficient detail:

- A. the technology to be considered;
- B. the performance objective in the BMPs that is addressed by the technology; and
- C. support for why the technology will be materially beneficial.

Operator will consider the proposal in good faith and provide the City with a written response within thirty (30) business days stating whether and where Operator will employ the proposed technology within the City limits and providing a brief explanation for why Operator will or will not employ the proposed technology. Operator on its part will notify the City in writing of any new technology that it seeks to implement that would have a material benefit to public health, safety, welfare, and the environment and will seek written approval from the City to modify one or more of the conditions set forth in the in this agreement or the related permit to employ the proposed technology at the CGF, Gathering System, Flowline, or Associated Facilities. The use of the new technology will be a minor adjustment and will be approved administratively without being subject to a hearing. Any dispute arising as to the use of a proposed new technology will be determined by a third-party expert agreed upon by the Parties.

11. **Inspections.** The Operator agrees to allow the City access to the CGF, Gathering System, Flowlines, and Associated Facilities easements for the purpose of undertaking compliance inspections, provided the City personnel are equipped with all appropriate personal protection equipment (PPE), that such personnel comply with the Operator's customary safety rules and are accompanied by an Operator's representative with the exception of Stormwater and Erosion Control Permit inspections for Facilities. The City shall provide advance notice to the Operator prior to an inspection. The City agrees to provide the Operator with the results of any inspection within forty-eight (48) hours of the inspection, or sooner. Additionally, the City reserves the right to contact the appropriate COGCC, CDPHE, PUC, or PHMSA area inspector if non-compliance issues related to state laws, rules, or regulations are suspected or identified as a result of field inspections or if non-compliance issues are not resolved expediently, The Operator agrees to reimburse the City for inspection costs reasonably incurred to inspect the Operator's facilities to determine compliance with the Agreement.

12. **Trucking of Water.** Except for the use of the EWS #7 disposal facility, the Parties have agreed that Operator cannot utilize an injection well facility for the purposes of disposing produced water within four (4) miles of the City Limit. For any volumes of produced water unable to be disposed of at the EWS #7 disposal facility due to events beyond Operator's control, the Operator will be allowed to use City roads to truck produced water to another water disposal facility. After one calendar year, if Operator still needs to truck water, Operator and the City will discuss alternative plans for transportation and disposal of proposed water.

13. **Culverts.** Operator to construct all necessary culverts for road construction, per any applicable Drainage Plan. In the event no information is available the operator shall complete any necessary studies or analysis to determine the appropriate culvert size.

14. **Vesting of Property Rights.** This Agreement constitutes a site-specific development plan under C.R.S. § 24-68-101 et. seq. and represents a vested property right for the Operator to develop the location of the CGF and Associated Facilities so long as Operator is in compliance with the Agreement.

15. **Future Regulations.** The City reserves the right in the future to enact and apply prospectively regulations that are general in nature and that are applicable to all commercial and industrial operations in the City, provided however that the application of such prospective regulations does not materially impede, preclude, or financially burden Operator's operations generally authorized by this Agreement and, further that such regulations are not preempted by state law.

16. **Third Party Consultation.** This Agreement and any accompanying BMPs contain provisions establishing that the Operator shall undertake certain action items "to the maximum extent practicable" or where "practicable". If the City has a good faith belief that Operator will not be able to comply, the City may obtain an independent third-party industry expert's opinion as to practicability and Operator shall reimburse the City any costs associated with such third party's opinion. The City and Operator shall agree that the consultant has the required expertise to undertake the "to the maximum extent practicable" or "practicability".

17. **Force Majeure.**

Subject to the terms and conditions in this Paragraph, neither Party to this Agreement shall be liable for any delay or failure to perform under this Agreement due solely to conditions or events of Force Majeure, as that term is specifically defined herein; provided that:

A. the non-performing Party gives the other Party prompt written notice describing the particulars of the occurrence of the Force Majeure;

B. the suspension of performance is of no greater scope and of no longer duration than is required by the Force Majeure event or condition; and

C. the non-performing Party proceeds with reasonable diligence to remedy its inability to perform and provides weekly progress reports to the other Party describing the actions taken to remedy the consequences of the Force Majeure event or condition.

D. As used herein, "Force Majeure" shall mean any delay or failure of a Party to perform its obligations under this Agreement caused by events beyond the Party's reasonable control, and without the fault or negligence of the Party, including, without limitation:

- i. changes in federal or state law or administrative practice concerning water rights administration, water quality or stream flow requirements;
- ii. changes in state water rights administrative practice concerning the reuse of reclaimed water through leases to others for use at locations outside the City limits, including, but not limited to, challenges to retained dominion and control;
- iii. acts of God, sudden actions of the elements such as floods, earthquakes, hurricanes, or tornadoes, sabotage, vandalism beyond that which can be reasonably prevented by the Party, terrorism (including eco-terrorism), war, riots, fire, explosion, severe weather, snow, other extreme weather conditions, and drought or water curtailment;

- iv. blockages, insurrection, bans, moratoriums, strike, slow down or labor disruptions (even if such difficulties could be resolved by conceding to the demands of a labor group); actions by federal, state, municipal or any other government or agency (including but not limited to, the adoption or change in any rule or regulation or environmental constraint imposed by federal, state or local government bodies) but only if such requirements, actions, or failures to act prevent or delay performance;
- v. inability, despite due diligence, to obtain required licenses, permits, approvals or water supplies, infrastructure, electricity, equipment, services, materials or fuel; and
- vi. changes of law relating to financial obligations, revenues and budgetary matters concerning Colorado local governments and their enterprises.

18. **Authority to Execute Agreement.** Each Party represents that the undersigned individuals have the full right and authority to enter into this Agreement and bind the Parties to the terms and conditions contained herein. This Agreement may be amended only by an instrument executed by both Parties.

19. **Assignment.** This Agreement may be amended only by instrument executed by the Parties.

A. The City Manager may approve assignment of this Agreement so long as the potential assignee can demonstrate that it can comply with all terms of this Agreement. The potential assignee shall provide proof of insurance to the satisfaction of the City's risk manager.

B. Operator may assign this Agreement to a subsidiary without prior written consent but shall provide the City notice of any the assignment. Any assignment to an affiliate or non-affiliate shall not be unreasonably withheld, conditioned or delayed.

C. The City may not assign right, duty, or obligation under this Agreement without the prior written consent of Operator.

20. **Successors and Assigns.** The terms and conditions of this Agreement shall bind and extend to the City and the Operator, and the Operator's successors and assigns, and the Operator shall require any successor and assign, by written agreement, to adhere to all terms and conditions of this Agreement, and to expressly assume the defense and indemnity insurance or bonds obligations to the City as set forth herein in a document reasonably acceptable in form to the City. Such assignment shall not relieve the assignor of any obligations that accrue during the period of operation of the assignor or otherwise arising out of the actions or inactions of the assignor during its period of operation.

21. **No Third-Party Beneficiaries.** This Agreement is not intended to, and does not create, any right, benefit, responsibility or obligation that may be enforced by any non-Party. Additionally, nothing in the Agreement shall entitle any third party to any claims, rights or remedies of any kind.

22. **Notices.** All notices and other correspondence related to this Agreement shall be in writing and shall be delivered by: A) certified mail with return receipt, or B) hand delivery with signature or delivery receipt provided by a third-party courier service (such as FedEx, UPS, etc.) to the designated representative of the Party as indicated below. A Party may change its designated representative for notice purposes at any time by written notice to the other Party. The initial representatives of the Parties are as follows:

City: City of Aurora
City Attorney's Office
15151 E. Alameda Parkway, #5300
Aurora, CO 80012
Attn: City Attorney
(303)739-7030
Email: dbrotzma@auroragov.org

Operator: Elevation Midstream, LLC
370 17th Street, Suite 53000
Denver, CO 80202
Telephone: 720-557-8300
lec.falnoticesrajextractionog.com

23. **Enforcement of BMPs.** The Parties understand and agree that the BMPs shall be enforced as follows:

A. BMPs that impose requirements that go beyond or are not addressed by current State or Federal requirements, and for which the relevant State or Federal agency does not have enforcement authority, may be enforced by the City under this Agreement pursuant to the dispute resolution and default and remedies provisions included in this Agreement.

B. The City may monitor the BMPs that duplicate State of Colorado requirements or federal requirements and request enforcement of the corresponding state or federal requirements, but the City shall not enforce those BMPs under this Agreement, unless the relevant state or federal agency fails to enforce any of these BMPs. If the City believes that the Operator has violated any of these federal or state BMPs, then the City may request investigation and enforcement by the relevant state or federal agency. If the relevant State or federal agency determines that no violation of the relevant state or federal agency requirements has occurred, then such determination by the relevant state or federal agency shall conclusively establish the Operator's compliance with the corresponding BMPs. If the relevant state or federal agency determines that the relevant state or federal agency requirements have been violated, then relevant state or federal agency's resolution of such alleged violation shall constitute all enforcement due with respect to the corresponding BMPs under this Operator Agreement and the City may not impose any further enforcement.

24. **Enforcement, Defaults, Remedies and Dispute Resolution.**

A. **Default.**

- i. If either Party fails to perform any of its obligations set forth in this Agreement, and the Party fails to cure such breach or failure within 30 days after notice of such breach ("Cure Period") by the non-breaching Party, this act or omission constitutes a breach.
- ii. If such breach or failure is of a nature which cannot reasonably be cured within the Cure Period, the Party shall commence within the Cure Period to cure and diligently pursue to resolve.
- iii. If the breach cannot be remedied, the Parties may determine that the breach is not material to the Agreement and continue without termination

B. Remedies.

- i. If the Operator fails to make a payment when due under this Agreement, the Operator shall pay the amount of damages plus any interest provided by law.
- ii. Neither Party is entitled to recover any special, consequential or punitive damages for the other Party's breach of this Agreement.

C. **Dispute Resolution.** Any dispute, or claim (of any kind) arising out of or relating in any way to this Agreement ("Dispute") other than a dispute or claim involving a delay on an OGFP application, must be resolved as follows: if a Dispute relating to this Agreement arises among the Parties, the Parties shall first consider any proposed resolution by either Party on the matter. The Parties shall, in good faith, negotiate a resolution. If the Dispute is not resolved, the Parties shall promptly convene a meeting to be attended by persons with decision-making authority regarding the Dispute. The meeting attendees shall negotiate in good faith toward a resolution of the Dispute.

25. Indemnity.

A. **General Indemnity.** Operator shall indemnify, defend, and hold the City harmless from and against all losses, damages, claims, demands, and suits (including court costs and reasonable attorney's fees) that the City might incur or be liable for (collectively "Claims") to the extent that such Claims result directly from the Operator's Operations or failure to act under this Agreement, except to the extent any Claims result from or are attributable to the negligence, gross negligence, willful misconduct, or malicious acts (or omissions) of the City, its employees, or representatives. Claims are limited to those arising from or related to personal injury, physical damage to or loss of property, death, and Environmental Liabilities as defined below.

B. **Environmental Indemnity.** Operator hereby agrees to indemnify, defend and hold harmless the City and other Indemnified Parties from and against any and all Environmental Liabilities caused by Operator and imposed upon or asserted against an Indemnified Party and related to this Project whenever and by whomever asserted.

As used in this Section, "Environmental Liabilities" shall mean any obligations or liabilities (including any claims, demands, actions, suits, judgments, orders, writs, decrees,

permits or injunctions imposed by any court, administrative agency, tribunal or otherwise, or other assertions of obligations and liabilities) that are related to contamination of the environment or human health or safety and involving Operator's operations or installation of Facilities pursuant to this Agreement (including, but not limited to, on site or off site contamination by pollutants and occupational safety and health) and involving this Agreement and arising out of, based upon or related to the environmental laws.

The term "Environmental Liabilities" shall include, but not be limited to: (i) fines, penalties, judgments, awards, settlements, losses, damages, costs, fees (including attorneys' and consultants' fees), expenses and disbursements; (ii) defense and other responses to any administrative or judicial action (including claims, notice letters, complaints, and other assertions of liability); and (iii) financial responsibility for (1) cleanup costs and injunctive relief, including any removal, remedial or other response actions and natural resources damages (2) any other compliance or remedial measures.

The terms "removal," "remedial" and "response" action shall include the types of activities covered by CERCLA or SDWA, as amended, and whether the activities are those which might be taken by a governmental entity or those for which a governmental entity might seek to require of waste generators, storers, treaters, owners, operators, transporters, disposers or other persons under "removal," "remedial," or other "response" actions.

C. Indemnification Procedures.

- i. If any claim relating to the matters indemnified against pursuant to this Agreement is asserted against a Party that may result in any damage for which that Party is entitled to indemnification under this Agreement ("Indemnified Party"), then the Indemnified Party shall promptly give notice of such claim to Operator.
- ii. Upon receipt of such notice, Operator shall have the right to undertake, by counsel or representatives of its own choosing, the good faith defense, compromise or settlement of the claim, such defense, compromise or settlement to be undertaken on behalf of Operator.
- iii. The Indemnified Party shall cooperate with Operator in such defense at Operator's expense and provide Operator with all information and assistance reasonably necessary to permit the Operator to settle and/or defend any such claim.
- iv. The Indemnified Party may, but shall not be obligated to, participate at its own expense in a defense of the claim by counsel of its own choosing, but Operator shall be entitled to control the defense unless the Indemnified Party has relieved Operator from liability with respect to the particular matter.
- v. Indemnified Party within ten (10) business days after receiving notice of the claim from the Indemnified Party.

- vi. If Operator does not so elect or fails to act within such period of ten (10) business days, the Indemnified Party may, but shall not be obligated to, undertake the sole defense thereof by counsel or other representatives designated by it, such defense to be at the expense of Operator.
- vii. The assumption of such sole defense by the Indemnified Party shall in no way affect the indemnification obligations of Operator; provided, that no settlement of any claim shall be affected without Operator's consent.

26. **Integration Clause.** This Agreement, along with all Exhibits attached hereto, represents the entire agreement of the Parties and, and neither Party has relied upon any fact or representation not expressly set forth herein. All prior and contemporaneous conversations, negotiations, possible alleged agreements, representations, covenants and warranties concerning the subject matter hereof, are merged in this Agreement, supersede all previous understandings and agreements between the Parties, whether oral or written.

27. **Conflicts.** In the event that conflicts exist within the terms and conditions of this Agreement and the attached Exhibits, the terms of this Agreement control.

28. **Governing Law.** This Agreement shall be governed and construed in accordance with the laws of the State of Colorado without reference to its conflicts of laws provisions. Should it be necessary to initiate court proceedings concerning this Agreement, the Parties agree that venue shall be in the District Court for Arapahoe County, Colorado.

29. **Insurance.** The Operator agrees to provide liability insurance under the conditions, and in the amounts, set forth on Exhibit D.

30. **Severability.**

A. If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void insofar as it conflicts with such laws; however, the remainder of this Agreement shall be in full force and effect.

B. In the event that any part of this Agreement would otherwise be unenforceable or in conflict with applicable laws due to the term or period for which such part is in effect, the term or period for which such part of this Agreement shall be in effect shall be limited to the longest period allowable which does not cause such part to be unenforceable or in conflict with applicable laws.

C. If any section, paragraph, provision, or portion thereof of this Agreement is held by any Court to be void and/or unenforceable for any reason, such section, paragraph, provision, or portion thereof shall be excised from the Agreement and shall be replaced with terms and provisions that are most consistent with, and which reflect, the Parties' intention. All remaining sections, paragraphs, provisions, or portions thereof shall remain in full force and effect.

31. **No Attorneys' Fees.** In the event of any litigation, mediation, arbitration or other dispute resolution process arising out of or related to this Agreement, each Party agrees to be responsible for its own attorneys' and other professional fees, costs and expenses associated with any such proceedings.

32. **No Presumption.** The Parties to this Agreement and their attorneys have had a full opportunity to review and participate in the drafting of the final form of this Agreement. Accordingly, this Agreement shall be construed without regard to any presumption or other rule of construction against the Party causing the Agreement to be drafted.

33. **Amendments.** No changes, alterations or modifications to any of the provisions set forth in this Agreement shall be effective unless contained in a written agreement signed by both Parties in the same form.

34. **Waiver.** No failure on the part of any party hereto to exercise and no delay exercising any right hereunder shall operate as a waiver of such right. The remedies provided herein are cumulative and not exclusive of any remedies provided by law. No waiver of or failure to exercise any right hereunder shall operate to prevent future enforcement of such right.

35. **Headings.** The descriptive headings of the sections of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any provisions herein.

[Signature pages to follow.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by a duly authorized representative on the day and year first written above.

THE CITY:

THE CITY OF AURORA COLORADO



BOB LEGARE
Mayor

ATTEST:



STEPHEN RUGER
City Clerk



PETTINATO MOSLEY
Risk Manager

APPROVED AS TO FORM:



Christine McKenney
Interim Client Manager

THE OPERATOR:

ELEVATION MIDSTREAM, LLC



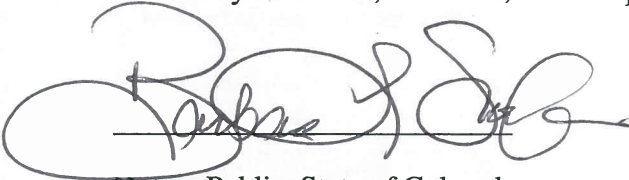
KEVIN L. WILLIAMS
President

[Acknowledgements on following page]

ACKNOWLEDGEMENTS

STATE OF COLORADO
COUNTY OF ADAMS

This Agreement was acknowledged before me on, July 24, 2019 by, Bob LeGare as Mayor
of the City of Aurora, Colorado, a municipal corporation.



Notary Public, State of Colorado
My commission expires:

BARBARA L. SHAFER
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20034031125
MY COMMISSION EXPIRES 09/17/2019

STATE OF COLORADO
COUNTY OF DENVER

This Agreement was acknowledged before me on July 18, 2019 by Kevin L. Williams,
as President of Elevation Midstream, LLC, a Delaware limited liability company.

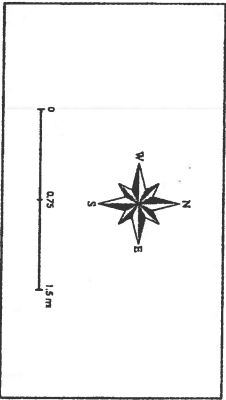
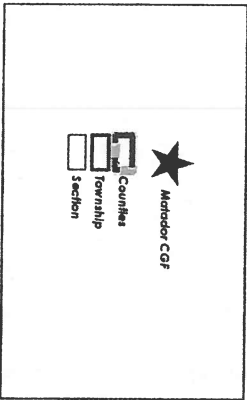
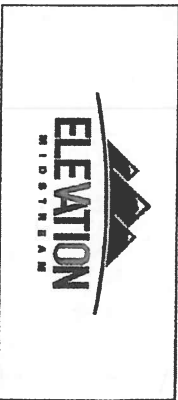


Notary Public, State of Colorado
My commission expires: 10/27/2022

CLAUDIA RAMOS
Notary Public
State of Colorado
Notary ID # 20034005108
My Commission Expires 10-27-2022

List of Exhibits:

- | | |
|------------|---|
| Exhibit A: | Map of Elevation CGF Site |
| Exhibit B: | Midstream Definitions and Best Management Practices |
| Exhibit C: | Elevation Insurance Requirements |
| Exhibit D: | Pipeline Requirements |



Elevation Midstream, LLC
MATADOR CGF LOCATION

SCALE: 1:61,141	PRJ: MAD93 CO NORTH PIPE 0501 PI
DATE: 4/10/2019	AUTHOR: AEC

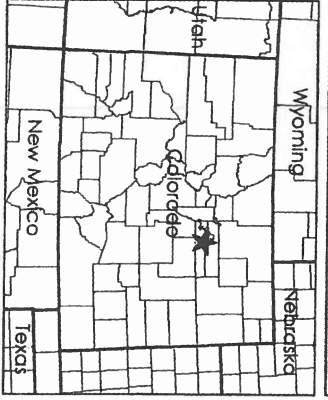


EXHIBIT B

DEFINITIONS AND BEST MANAGEMENT PRACTICES FOR CGF, GATHERING SYSTEM, FLOWLINES, AND ASSOCIATED FACILITIES

I. DEFINITIONS

1. **AMSE** - Association of Mechanical and structural engineers.
2. **Buried Depth** - The depth of cover to the top of the largest pipe, typically a minimum of forty eight (48) inches.
3. **Central Gathering Facility (CGF)** - A facility that receives crude oil, liquid hydrocarbons, associated field gas, and produced water from production wells and central distribution points via a pipeline gathering system to stabilize the liquid hydrocarbon into a saleable product.
4. **Commercial Exempt Well** - Defined by the state of Colorado Department of Natural Resources Division of Water Resources for uses of water for drinking and sanitation facilities inside a business.
5. **Compressor Station** - A facility that collects natural gas from exploration and production facilities via a pipeline gathering system and transports natural gas into third party systems for further processing.
6. **Corrosion** - The deterioration of a material, usually a metal, which results from a reaction with its environment.
7. **Crude Oil** - Oil that is extracted from the ground before it is refined into usable products, such as gasoline.
8. **Custody Transfer** - Refers to the transaction involving the transportation and measurement of a raw petroleum product from one operator to another.
9. **Event** - A significant occurrence or happening. As applicable to pipeline safety, an event could be an accident, abnormal condition, incident, equipment failure, human failure, or release.
10. **Associated Facilities** - Launcher and Receiver site, Valve Station, Compressor Stations, Electrical Substation, and other related equipment.

11. **Flowlines** - Off-Location Flowline transferring produced fluids (crude oil, natural gas, condensate, or produced water) from an oil and gas location to a production facility, injection facility, pit, or discharge point that is not on the same oil and gas location, as defined and regulated by the COGCC. This definition also includes flowlines connecting to gas compressors or gas plants.
12. **Gas** - Natural gas, flammable gas, manufactured gas, petroleum, or other hydrocarbon gases including propane; or any mixture of gas produced, transmitted, distributed, or furnished by a utility.
13. **Gathering System** - A network of buried pipelines (gathering lines as regulated by 49 CFR 192 and 49 CFR 195) collecting liquid hydrocarbon, vaporous hydrocarbons, and produced water and transporting them to a midstream facility.
14. **Hazard and Operability Analysis (HAZOP)** - A hazard and operability analysis is a systematic method for evaluating hazards. It often involves the review of detailed system drawings, specifications, and operating procedures. Process hazards and potential operating problems are identified through a qualitative investigation of deviations from normal process conditions.
15. **Horizontal Directional Boring or Drilling (HDD)** - is a method of installing underground pipelines, cables and service conduit through trenchless methods. It involves the use of a directional drilling machine, and associated attachments, to accurately drill along the chosen bore path and back ream the required pipe.

HDD is utilized in order to safely and effectively install pipelines. HDD provides minimal surface damage as well as minimal to no traffic disruption. The HDD process begins with boring a small, horizontal hole (pilot hole) under the crossing obstacle (e.g. a highway) with a continuous string of steel drill rod. When the bore head and rod emerge on the opposite side of the crossing, a special cutter, called a back reamer, is attached and pulled back through the pilot hole. The reamer bores out the pilot hole so that the pipe can be pulled through. The pipe is usually pulled through from the side of the crossing opposite the drill rig. Usually a "drilling mud" is injected into the bore during cutting and reaming to stabilize the hole and remove soil cuttings. Drilling mud can be made from clay or polymers. The mud reduces drilling torque and gives stability and support to the bored hole. The fluid must have enough gel strength to keep cuttings suspended for transport, to form a filter cake on the borehole wall that contains the water within the drilling fluid, and to provide lubrication between the pipe and the borehole on pullback. Drilling fluids are designed to match the soil and cutter. They are monitored throughout the process to make sure the bore stays open, pumps are not overworked, and fluid circulation throughout the borehole is maintained. Loss of circulation could cause a locking up and possibly overstressing of the pipe during pullback. Drilling

- muds are thixotropic and thus thicken when left undisturbed after pullback. However, unless cementitious agents are added, the thickened mud is no stiffer than very soft clay. Drilling mud provides little to no soil side-support for the pipe.
16. **Hydrocarbon** - An organic compound of hydrogen and carbon, such as any of those which are the chief components of petroleum and natural gas.
 17. **Internal Floating Roof Tanks** - A tank that has both a fixed roof and an internal floating roof. The fixed roof is usually a cone roof. The internal floating roof can be constructed of steel, aluminum, plastic or other material. These tanks hold stabilized liquid hydrocarbon.
 18. **Lease Automatic Custody Transfer (LACT)** - A Lease Automatic Custody Transfer unit or LACT unit measures the net volume and quality of liquid hydrocarbons. This system provides for the automatic measurement, sampling, and transfer of oil from one operator to another.
 19. **Pig** - A generic term signifying any independent, self-contained device, tool, or vehicle that is inserted into and moves through the interior of a pipeline for inspecting, dimensioning, or cleaning.
 20. **Pig Launcher and Receiver Sites** - A location including equipment associated with the operation and maintenance of the pipelines associated with the cleaning and inspection of the pipelines also known as pigging.
 21. **Pipeline & Hazardous Materials Safety Administration** - PHMSA monitors compliance through field inspections of facilities and construction projects; programmatic inspections of operator management systems, procedures, and processes; incident investigations; and through direct dialogue with operator management.
 22. **(Pipeline) Maintenance** - is the process of maintaining property or equipment, including pipelines, to preserve it and prevent it from failure and ensure that it will continue to perform its intended function.
 23. **Process Safety Management (PSM)** - An analytical tool focuses on preventing releases of any substance defined as highly hazardous by the EPA or OSHA. A "process" is defined by OSHA in the PSM standard as "any activity involving a flammable substance including any use, storage, manufacturing, handling, or the on-site movement of such chemicals, or combination of these activities."
 24. **Produced Water Transfer System** - Defined by COGCC, to mean a system of off-location flowlines that transports produced water generated at more than one well site or production facility.

25. **Public Project** - (1) a public work or improvement within the City that is wholly owned by the City; or (2) a public work or improvement within the City where 50% or more the funding is provided by any combination of the City, the Federal Government, the State of Colorado, any regional transportation District, the Urban Drainage and Flood Control District, any regional transportation authority, any Colorado county, or any type of governmental entity, or any type of quasi-governmental entity; or (3) any public work or improvement funded and constructed within the City for the benefit of the City.
26. **Valve Stations** - A location associated with the pipeline gathering system where Safety Shutdown Valves, Automated Safety Devices, and pressure monitoring devices are strategically located to isolate segments of the pipeline gathering system.
27. **Water Flowline** - means a pipe composed of rigid material such as steel, PVC or HDPE or lay-flat pipe with the general characteristics of fire hose, which is used to transport or convey water for application to use.

II. BEST MANAGEMENT PRACTICES FOR CGF, GATHERING SYSTEM, FLOWLINES, AND ASSOCIATED FACILITIES

1. *Access Roads.* Access points to public roads shall be located, improved and maintained to assure adequate capacity for efficient movement of existing and projected traffic volumes and to minimize traffic hazards. Permanent access roads must be improved a minimum distance of two hundred (200) feet on the access road from the point of connection to a public road. All access roads shall be in conformance with the City's Roadway Specification Manual applicable at time of OGFP application for CGF, Gathering System, Flowlines, and Associated Facilities. The access road must be improved as a hard surface (concrete or asphalt) for the first one hundred (100) feet from the public road, unless public road is not already a hard surface, in which case, Operator shall meet the current standards of the public road and the access road must be improved as a crushed surface (concrete or asphalt) for one hundred (100) feet past the hard surface in the appropriate depth to support the weight load requirements of the vehicles accessing the CGF, Gathering System, Flowlines, and Associated Facilities.

A geotechnical report and pavement design will be submitted to the City for approval. If an access road intersects with a pedestrian trail or walk, the Operator must pave the access road as a hard surface (concrete or asphalt) a distance of one hundred (100) feet on either side of the trail or walk and if necessary, replace the trail or walk to address the weight load requirements of the vehicles accessing the well and production facilities unless the trail or walk is not already a hard surface, in which case, Operator shall meet the current standards of the trail or walk. Temporary access roads associated with the operation must be reclaimed and revegetated to the original state within sixty (60) days after discontinued use of the temporary access roads.

For the CGF, all required roadways for the project shall be evaluated and included in a Public Improvement Plan.

2. *Air Quality.* In order to minimize degradation to air quality Operator agrees to the provisions set forth in this Section. Operator must eliminate, capture, or minimize all potentially harmful emissions and minimize dust associated with onsite activities and traffic on access roads pursuant to the terms of this Agreement. Operator shall comply with all applicable state and federal regulations including regulations promulgated by CDPHE, COGCC, and US EPA.

A. Minimization of Emissions.

To protect air quality, the following will be required:

- i. The use of electric equipment and electric line power to operate all permanent production equipment where technically or economically feasible.

- ii. Natural gas engines and turbines will be operated and maintained in accordance with the CDPHE and the US EPA regulations and emissions standards.
 - iii. The use of no-bleed continuous and intermittent pneumatic devices that do not bleed natural gas to the atmosphere. This requirement can be met by replacing natural gas with electricity or instrument air, or routing the discharge emissions to a closed loop-system or process.
 - iv. Any combustion device, auto ignition system, recorder, vapor recovery device or other equipment used to meet the hydrocarbon destruction or control efficiency requirement shall be installed, calibrated, operated, and maintained in accordance with the manufacturer's recommendations, instructions, and operating manuals.
 - v. Year-round compliance with the odor standards pursuant to COGCC and CDPHE regulations.
 - vi. Reduction of emissions from oil and gas maintenance activities. For planned maintenance activities involving the intentional venting of gas, the Operator shall provide forty-eight (48) hour advance written notice to the City of such proposed venting. Such notice shall identify the duration and nature of the venting event, a description as to why venting is necessary, a description of what vapors will likely be vented, what steps will be taken to limit the duration of venting, and what steps the Operator proposes to undertake to minimize similar events in the future.
 - vii. If emergency venting is required, or if accidental venting occurs, the Operator shall provide such notice to the City of such event as soon as, but in no event longer than twenty-four (24) hours from the time of the event with the information listed above and with an explanation as to the cause and how the event will be avoided in the future.
 - viii. Telemetric control and monitoring systems, to detect when pilot lights on control devices are extinguished.
 - ix. Exhaust from all engines, motors, coolers, and all other equipment must be vented up and away from nearest residences.
 - x. Operator agrees to participate in Natural Gas STAR program or other voluntary programs to encourage innovation in pollution control at sites.
- B. *Leak Detection and Repair.* The Operator shall develop and maintain an acceptable leak detection and repair ("LDAR") program as required by CDPHE using modern leak detection technologies such as infra-red cameras. The operator shall conduct quarterly IR camera monitoring of all permanent production equipment.

Except when an emergency circumstance would necessitate an immediate repair, Operator must repair leaks as quickly as practicable. If more than five (5) days repair time is needed after a leak is discovered, an explanation of why more time is required

must be submitted to the City. At least once per year, the Operator shall notify the City five (5) business days prior to an LDAR inspection of its facilities to provide the City the opportunity to observe the inspection.

Data related to LDAR during any phase shall be made available to the City upon request.

C. *Ozone Air Quality Action Days.* The Operator shall respond to air quality Action Day advisories posted by the Colorado Department of Public Health and Environment for the Front Range Area by implementing their suggested air emission reduction measures as feasible. Emission reduction measures shall be implemented for the duration of an Ozone Air Quality Action Day advisory and may include measures such as:

- i. Minimize vehicle and engine idling;
- ii. Reduce truck traffic and worker traffic;
- iii. Delay vehicle refueling;
- iv. Postpone construction activities to the maximum extent practicable.
- v. Within thirty (30) days following the conclusion of each annual Ozone Air Quality Action Day season, Operator must submit a report to the City that details which measures it implemented during any Action Day advisories.

D. *Compliance.* The Operator must submit bi-annual reports to the City certifying (i) compliance with these air quality requirements and documenting any periods of material non-compliance, including the date and duration of each such deviation and a compliance plan and schedule to achieve compliance, (ii) that the equipment at the CGF and Associated Facilities continues to operate within its design parameters, and if not, what steps will be taken to modify the equipment to enable the equipment to operate within its design parameters. The bi-annual report must contain a certification as to the truth, accuracy and completeness of the reports, signed by a Responsible Official. The Operator will also provide the City with a copy of any self-reporting submissions that Operator provides to the CDPHE due to any incidence of non-compliance with any CDPHE air quality rules or regulations at the CGF and Associated Facilities.

3. *Automatic Safety Protective Systems.* An automated safety system, governed by safety devices and a programmable logic computer, will be installed at the CGF, Gathering System, Flowlines, and Associated Facilities. The automated safety system shall include the installation, monitoring and remote control of *Safety shutdown valves ("SDVs")* among many other engineered measures and devices that are implemented to greatly reduce or eliminate the potential for an upset condition.

A. The SDV will be equipped to operate remotely via the automated safety

protective system, which monitors multiple flowing pressures and rates which have predetermined maximum and/or minimum threshold values programmed and will remotely shut the CGF, Gathering System, Flowlines, and Associated Facilities in should certain upset conditions be detected. Additionally, the automated safety system provides the ability to remotely shut-in the CGF, Gathering System, Flowlines, and Associated Facilities on demand through operator remote intervention. The Automatic Safety Protective System will have documented yearly testing to ensure functionality.

- B. Automated Safety Systems shall be maintained per OSHA PSM guidance and annually documented compliance.
- C. Automated Process and Safety Systems shall be maintained per OSHA PSM guidance and a Computerized Maintenance Management System implemented for compliance and auditable periodic testing.

4. *Buildings Structures, and Associated Appurtenances*

Any buildings or structures must meet the design standards contained in the City's zoning code. All site features shall be integrated into the building or site design.

- 5. *Burning.* No open burning except for the use of combusters or flares shall occur on the site of any oil and gas operation, as per City Code.
- 6. *CGF and Compressor Station Construction Specification BMP.* The CGF and Compressor Station shall be designed and constructed to specifications delineated in OSHA PSM, B31.3 pipe specifications, and COGCC regulations.
- 7. *Chemical Disclosure and Storage.* Operator shall disclose the referenced chemicals to the Aurora Fire Rescue and Bennett Fire as part of the Emergency Response Plan pursuant to the process set forth in the ERP. Chemicals that will be disclosed include methanol, tri-ethylene glycol, corrosion inhibitor and other operational required chemicals used for safe operation of CGF and Associated Facilities.
- 8. *Construction Work Hours.* Operator shall only construct CGF and Associated Facilities, Gathering Systems and Flowlines during hours as specified in Aurora Zoning Code unless exceptions are requested by the City, and approved by the City, during the OGFP process.
- 9. *Class II Underground Injection Control Wells.* For operations associated with the CGF, the Operator shall not develop, use, operate or contract with any third party for the use of any Class II underground injection control wells within the City Limits or within a four (4) mile buffer of the City's existing or planned critical infrastructure as of the effective date of the Operating Agreement. Notwithstanding the four (4) mile buffer, Operator may use the Class II underground injection facility located in Section 5, T5S-

R64W in Arapahoe County. The City will provide Operator with a drawing that defines the critical infrastructure as of the Effective Date of the Agreement.

10. *Color.* All permanent above ground associated production equipment, structures and stationary equipment on each CGF, Gathering System, Flowlines, and Associated Facilities shall be painted in a tan or brown matte finish unless a different color is necessary for safety per regulations.

11. *Combustion Devices.* To the extent flares, thermal oxidizers, or combustion devices are utilized, all such flares shall be designed and operated as follows:

- A. A combustion device shall be available at the CGF and Compressor Station during operations for maintenance or emergencies only.
- B. The combustion device must be fired with natural gas and designed to operate with a 98% or higher hydrocarbon destruction efficiency.
- C. The combustion device must be designed and operated in a manner that will ensure no visible emissions during normal operation. Visible emissions means observations of smoke for any period or periods of duration greater than or equal to one (1) minute in any fifteen (15) minute period during normal operation, pursuant to EPA Method 22. Visible emissions do not include radiant energy or water vapor.
- D. The combustion device must be operated with a flame present at all times when emissions may be vented to it, or other mechanism that does not allow uncontrolled emissions.
- E. All combustion devices must be equipped with an auto-igniter unless manned while in use.

12. *Containment Berms.* The Operator shall utilize steel-rim berms around all permanent facility tankage at the CGF and Compressor Station with sufficient capacity to contain the maximum volume of the largest tank on location, plus a twenty-five (25)-year twenty-four (24)-hour rain event, plus sufficient freeboard to prevent overflow.

- A. All berms and containment devices shall be inspected quarterly by the Operator and maintained in good condition.
- B. No potential ignition sources shall be installed inside the secondary containment area unless the containment area encloses a fired vessel or such sources are rated in accordance with industry codes and standards.
- C. Permanent containment berms shall be constructed of earthen berms or steel rings, designed and installed to prevent leakage and resist degradation from erosion or routine operation.
- D. Secondary containment shall be constructed with a synthetic or engineered liner that mechanically connected to the earthen berm or steel ring to prevent leakage.

13. *Cultural and Historical Resource Protection.* The Operator agrees to comply with the City of Aurora Municipal Code, as amended, by not causing any construction, alteration, removal, or demolition of a building or feature or make any changes that would impair the historic association of the landmark building, landmark site, or historic district, pursuant to those qualities depicted in the Code, without first obtaining approval. Operator will submit the permit application and await the planning department's approval following referral to the historic preservation commission, if applicable. If there is a discovery of historic artifacts, Operator will notify the City.
14. *Discharge Valves.* Open-ended discharge valves on all storage tanks, pipelines and other containers within the CGF, Gathering System, Flowlines, and Associated Facilities shall be secured and shall not be accessible to the general public. Open-ended discharge valves within the CGF, Gathering System, Flowlines, and Associated Facilities shall be blinded and locked and where feasible placed within the interior of the secondary containment area.
15. *Electric Equipment.* Operator shall use electric line power, if technically and economically feasible, to power permanent production equipment, such as compressors and motors, in order to mitigate noise and to reduce emissions.
16. *Emergency Response Plan.*

The Operator is required to complete a detailed Emergency Response Plan for all operations in the City of Aurora, and CGF, Gathering System, Flowlines, and Associated Facilities in accordance with the provisions of this Section, and Operator agrees to notify and work with Aurora Fire Rescue, Aurora Public Safety and Bennett Fire to prepare for an emergency, if requested by them to do so. In case of an emergency the Operator will have appropriate response foam on hand to respond to emergencies on the CGF, Gathering System, Flowlines, and Associated Facilities. The Operator will have a tank large enough to hold the water needed for putting out a fire of the largest building at the CGF. The City, Aurora Fire Rescue, and Bennett Fire, if applicable, must approve the Emergency Plan before the operations commence. As long as all requirements of this Section are met, the City, Aurora Fire Rescue, and Bennett, if applicable, shall not unreasonably withhold approval and shall approve the Emergency Response Plan within thirty (30) days of submittal.

The Emergency Plan shall be filed with the City, Bennett Fire, if applicable, and Aurora Fire Rescue and updated on an annual basis or as conditions change (responsible field personnel change, ownership changes, etc.). As part of the evacuation plan, Emergency Responders will notify surrounding residents.

The Emergency Plan shall consist of at least the following information:

A. Name, address and phone number, including twenty-four (24) hour emergency numbers for at least two persons responsible for emergency field operations as well as the contact information for any subcontractor of Operator, engaged for CGF, Gathering System, Flowlines, and Associated Facilities emergencies.

B. An as-built CGF, Gathering System, Flowlines, and Associated Facilities map, to be provided after the CGF, Gathering System, Flowlines, and Associated Facilities are placed in service, in a format suitable for input into a GIS system depicting the locations type of above ground facilities and associated equipment for emergency response and management purposes. The information concerning the CGF, Gathering System, Flowlines, and Associated shall be held confidentially by the City and shall only be disclosed in the event of an emergency or to emergency responders or for the training of emergency responders. The City shall deny the right of inspection of the as-built facilities maps to the public pursuant to C.R.S. § 24-72-204.

C. A detailed plan for response to emergencies that may include any or all of the following: explosions, fires, gas, oil or water pipeline leaks, or ruptures. A provision that any spill outside of the containment area, that has the potential to leave the facility or to threaten waters of the State, or as required by the City-approved Emergency Response Plan shall be reported to the Local Government Designee (LGD) and the COGCC Director in accordance with COGCC regulations.

D. Detailed information identifying CGF access or evacuation routes, and health care facilities anticipated to be used.

E. A statement and detailed information indicating that the Operator has adequate personnel, supplies, and training to implement the Emergency Plan immediately at all times during construction and operations.

F. The Operator shall have current Safety Data Sheets ("SDS") for all chemicals available upon request. The SDS sheets shall be provided immediately upon request to City officials, a public safety officer, or a health professional as required by COGCC Rule 205. The contractors of the operator are responsible for management of their own SDS sheets and are available upon request.

G. All "walk throughs" or trainings associated with the Emergency Plan shall be coordinated with the City, Bennett, or Aurora Fire Rescue, upon their request.

H. Operator shall reimburse the appropriate emergency agencies for their expenses resulting from the Operator's operations, to the extent required by Colorado Revised Statutes.

I. Operator shall provide the City with its emergency shutdown protocols and promptly notify the City of any emergency shutdowns related to onsite upset conditions that would have an impact to any area beyond the confines of the CGF, Gathering System, Flowlines, and Associated Facilities.

J. Operator shall use non-toxic foam such as Novacool or equivalent if foam is necessary to respond to an accident.

17. *Events be reported.* Any COGCC reportable safety event or OSHA reportable injuries shall be reported to the City within twenty-four (24) hours. Once the applicable forms

are submitted to the agency, a copy of that form will be provided to the City. In the event of a fire, explosion or need for emergency services response, 911 shall be called.

18. *Groundwater Pollution Mitigation.* Operator shall avoid causing degradation to surface or ground waters within the City and to wetlands within the City. If Operator is responsible for a degradation to water, it will pay its proportionate share to restore water quality as close to baseline as possible.
19. *CGF and Associated Facilities Documentation.* CGF and Associated Facilities documentation will be held in accordance to OSHA Process Safety Information and continuous review per OSHA requirement.
20. *Security Fencing.* Permanent security fencing shall be installed around the CGF and Associated Facilities and shall be secured. An internal security fencing may include chain link fence with security wire. Gating systems shall meet City's Roadway Specification Manual applicable at time of OGFP application.
21. *Flammable Material.* All ground within twenty-five (25) feet of any tank, or other structure containing flammable or combustible materials, shall be kept free of dry weeds, grass, rubbish, or landscaping.
22. *Fugitive Dust Suppression.* Dust associated with on-site activities and traffic along pipeline ROW shall be minimized throughout construction and operational activities such that there are no visible dust emissions from access roads or the CGF, Gathering System, Flowlines, and Associated Facilities to the maximum extent practicable given wind conditions. No untreated produced water or other process fluids shall be used for dust suppression. SDS for any chemical-based dust suppressant, other than magnesium chloride, shall be submitted to the City prior to use. If dust is not suppressed the City may require the surface to be improved to a dust-free surface.
23. *General Maintenance.* Operator shall operate and maintain all equipment pursuant to manufacturer specifications consistent with technological limitations and reasonable and customary maintenance practices.
24. *Insurance.* Operator agrees to provide liability and insurance under the conditions, and in the amounts, set forth in Exhibit C.
25. *Lighting.* Lighting shall be downcast and shall not shine beyond the boundaries of the CGF and Associated Facilities. Operator shall submit a photometric plan for approval for the CGF and compressor station with the OGFP application.
26. *Lightning Protection.* Lightning protection mitigation measures will be considered by the Operator during the CGF and Associated Facilities design and installed per industry best practice to mitigate lightning strike events and/or consequences.
27. *Maintenance of Machinery.* Routine field maintenance of vehicles or mobile machinery shall not be performed within five hundred (500) feet of any Waters of the United

States as defined by the EPA. All fueling must occur over impervious material and spills must be cleaned up and properly disposed.

28. *Mechanical Integrity Program.* Mechanical Integrity Program shall be developed and implemented per industry best practices.
29. *Mud Tracking.* In accordance with the stormwater management plan, the Operator shall take all practicable measures to ensure that vehicles do not track mud or debris onto City streets. If mud or debris is nonetheless deposited on City streets, in excess of *de minimus* levels, the streets shall be cleaned within twenty-four (24) hours by the Operator. If for some reason this cannot be done, or needs to be postponed, the City shall be notified of the Operator's plan for mud removal.
30. *Noise Mitigation.* For the CGF, the following noise mitigation apply:

A. Operator shall comply with noise requirements set forth in the City's zoning code for all construction activities.

B. Operator shall adhere to the following noise levels per the City's noise ordinance:

7am-9pm	9pm- 7am
70 db(A)	65 db(A)

C. Operator may be required to provide for additional noise mitigation based on the following site specific characteristics considering the distance from the nearest residential structure:

- i. Nature and proximity of adjacent development (design, location, use);
- ii. Prevailing weather patterns, including wind directions;
- iii. Type and intensity of the noise emitted; and
- iv. Vegetative cover on or adjacent to the site or topography.

D. Based on the foregoing, if there is a Residential Building Unit within one thousand three hundred twenty (1,320) feet of the CGF location, the City may require one or more of the following additional noise abatement measures or BMPs depending on the site including:

- i. A Noise Management Plan specifying the hours of maximum noise and the type, frequency and level of noise emitted, and the mitigation methods to be employed to control both A and C scale noise;
- ii. A Baseline Noise Mitigation Study shall be conducted to ascertain baseline noise levels at the CGF to demonstrate that noise is expected to

be mitigated to the maximum extent practicable and a copy will be provided to the City.

- E. All noise mitigation measures shall be paid for by the Operator.
- F. Noise Mitigation Barriers. The Operator shall use a combination of berms, bales and other measures during the construction of the CGF and Associated Facilities. During the operations of the CGF and Associated Facilities, the Operator shall use a combination of equipment enclosures, structures or pre-engineered buildings, berms, landscaping, and other visual mitigation measures to ensure compliance with the City's noise ordinance.

- 31. *Notifications to the City Regarding Commencement of Construction at CGF and Pipeline Operations.* Written notice to the City no less than thirty (30) days prior to the commencement of any of the following: Construction, planned maintenance, and abandonment. Operator must obtain all necessary permits prior to construction. Any notification provided by Operator to City pursuant to this Agreement may be used by the City for public notification. All Notifications referenced in this agreement shall be submitted to the Planning Local Government Designee (LGD) with copies to the Public Works City Engineer and the Water Department Environmental Services Manager.
- 32. *Noxious Weed Control.* The Operator shall be responsible for ongoing noxious weed (as defined under State law) control at the CGF and Associated Facilities and along access roads per City or other applicable agency regulations.
- 33. *Operations and Maintenance of the CGF Work Hours.* All facilities on the CGF property shall be manned 24/7 with the appropriate number of operators to ensure the safe, and reliable operation of the CGF, Gathering System, Flowlines, and Associated Facilities.
- 34. *Odor.* Operator will prevent odors by routing to closed loop systems to the maximum extent practicable. Odor emitting from the CGF and Associated Facilities must be controlled immediately. Operator must minimize odors by proactively addressing and resolving, to the maximum extent practicable, citizen concerns within (twenty-four) 24 hours.
- 35. *PHA-Hazard and Operability Study.* A third party PHA-HAZOP certified facilitator shall coordinate the Hazard and Operability Study with the Operator after the permitting phase. If any of the findings by the PHA-HAZOP certified facilitator is applicable, this information will be added to the Emergency Response Plan and the Aurora Fire Rescue training. The Operator will provide a letter that the engineer of record has incorporated all applicable PHA-HAZOP recommendations in the design.
- 36. *Platting Requirements.* The site configuration of the parcel must comply with subdivision standards and should not limit access for adjacent unplatted properties. Cross access agreements may be necessary to ensure that other properties are not negatively impacted.

37. *Removal of Debris.* All construction-related debris shall be removed from the CGF, Gathering System, Flowlines, and Associated Facilities for proper disposal in a timely manner. The CGF, Gathering System, Flowlines, and Associated Facilities shall be maintained free of debris and excess materials at all times during operation. Operator shall also not stockpile debris at the CGF, Gathering System, Flowlines, and Associated Facilities.
38. *Risk Management.* As part of Operator's application to the City, Operator agrees to provide a risk management plan, which will include the identification of potential risks, methods of risk avoidance, and controls that implement techniques to prevent accidents and losses and reduce the impact or cost after the occurrence of identified potential events.
39. *Spills.* Operator must notify the City of any spill of any material on permeable ground on the CGF, Gathering System, Flowlines, and Associated Facilities that has a reportable spill quantity under any law. Operator will also provide the City with a copy of any self-reporting submissions that Operator provides to the COGCC due to any spills at the CGF, Gathering System, Flowlines, and Associated Facilities.
40. *Stormwater Management.* Operator must apply for and obtain a City stormwater and erosion control permit. Erosion and sedimentation control is required.
41. *Strict Application of BMP Standards.* Operator may seek a minor exception to strict application of the BMPs from the City, by making a written request to the City. The request must include the justifiable rationale supporting the request. As part of a granted exception request for the City, the City may require alternative mitigation measures to ensure compliance with the goals of the applicable BMPs. Such approval will not be unreasonably withheld, conditioned, or delayed.
42. *Trailers.* A construction trailer(s) is permitted as an accessory use during construction only. No permanent residential trailers shall be permitted at the CGF, Gathering System, Flowlines, and Associated Facilities; provided, however, that until six (6) months following the end of the construction phase on the CGF, Gathering System, Flowlines, and Associated Facilities, temporary residential and/or security trailers are permitted, as needed for on-site operations, for exclusive use by the Operator's personnel and the personnel of its subcontractors on a temporary basis.
43. *Transportation and Circulation.* The Operator will submit a traffic management plan for the City to review and if acceptable, approve that includes detailed descriptions of all proposed haul routes for equipment, pipe and all other material to be hauled on the public and private streets and roads during pipeline and facility construction. The traffic management plan shall include the following:
 - A. Estimated weights of vehicles when loaded, a description of the vehicles, including the number of wheels and axles of such vehicles and trips per day.

- B. Detail of access locations for each CGF, Gathering System, Flowlines, and Associated Facilities including sight distance, turning radius of vehicles and a template indicating this is feasible.
 - C. Truck traffic volumes converted to equivalent single axle loads and compared with existing volumes. Trucks anticipated on roadways that are being accessed to equivalent single axle loads using existing volumes and proposed with extraction activities.
 - D. Truck routing map and truck turning radius templates with a listing of required and determined that certain improvements are necessary at intersections along the route.
 - E. Complete traffic letter, determining operational changes and geometric modifications necessary as a result of extraction activities.
 - F. Identification of need for any additional traffic lanes, which would be subject to the final approval of the City's engineer.
 - G. Restriction of non-essential traffic to and from CGF, Gathering Systems, Flowlines and Associated Facilities to periods outside of peak am and pm traffic periods and during school hours of schools along the designated traffic routes (generally 7-9 a.m. and 3-6 p.m.).
 - H. City may request consolidated haul routes and roadway improvements or upgrades based on contents of traffic management plan.
 - I. Road Repairs will be addressed as set forth in the Road Maintenance Agreement. A separate Road Maintenance Agreement shall be required for Operator.
44. *Tree Mitigation.* CGF, Gathering Systems, Flowlines and Associated Facilities shall be constructed in a manner to minimize the removal of and damage to and replacement of existing trees in accordance with the City's tree mitigation policy.
45. *Construction of Gathering System and Flowlines.* The Operator agrees to construct a Gathering System and Flowlines for the transportation of hydrocarbons and produced water to the CGF. Operator shall be permitted to utilize temporary tanks during Gathering System and Flowline maintenance operations, provided Operator has obtained City approval regarding location and required screening for temporary tanks if the maintenance or temporary tanks are present longer than a week. For maintenance operations that extend greater than seven days, Operator shall give City prior notice of maintenance activities within three days and planned number of temporary tanks.
46. *Visual Mitigation.* Operator shall submit a landscape and screening plan to mitigate visual impacts from the CGF and Associated Facilities for City approval during the OGFP review process.

Visual impacts from the CGF and Associated Facilities including security fencing shall be mitigated through a combination of equipment enclosures, structures or pre-engineered buildings, landscaping, opaque fencing or other similar measures from public right-of-way and critical public views. Critical public views are defined as views from existing adjacent surface property owners as of the date of this Agreement. Visual mitigation may be reduced or waived if written approval is provided by the adjacent surface property owners and the city determines that the reduction or waiver is not visible from public right-of-way or impairs critical public views.

47. *Wastewater and Waste Management.* Operator must submit a waste management plan to the City that complies with the following:
- A. All fluids shall be contained and there shall be no discharge of fluids with the exception of unimpacted stormwater per the Federal SPCC Regulations.
 - B. Waste shall be stored in tanks, transported by tanker trucks and/or pipelines, and disposed of at licensed disposal or recycling sites.
 - C. A copy of the Operator's Spill Prevention, Control, and Countermeasure Plan (SPCC) will be given to the City, which describes spill prevention and mitigation practices.
48. *Water Supply.* The Operator agrees to comply with applicable laws, rules and regulations concerning the source(s) of water used in the construction and operations phase. Operator shall use a commercially exempt potable water well permitted by the Colorado Division of Water Resources until the City can provide municipal water to the CGF.
49. *Wildlife Impact Mitigation Plan.* This BMP is only applicable in the event that a Facility is located in a significant wildlife habitat, as defined by the State Division of Wildlife, and/or in a natural area or open space. In such a case, the Operator shall consult with the State Division of Wildlife or the City Parks, Recreation and Open Space Department to obtain recommendations for appropriate site-specific and cumulative impact mitigation procedures. If not applicable, Operator shall provide the City with a statement that it has investigated whether the Facility is located near a significant wildlife habitat and that this BMP is not applicable.

EXHIBIT C

Insurance Requirements

During the term of the Agreement with the City of Aurora (the "City"), Operator shall comply with the following requirements:

1. Operator shall maintain or cause to be maintained, with insurers authorized by the state of Colorado and carrying a financial strength rating from A.M. Best of no less than A- VII (or a similar rating from an equivalent recognized ratings agency), at a minimum, the following types of insurance with limits no less than the amounts indicated:

- A. Commercial General Liability insurance on an occurrence-based form including coverage for bodily injury or property damage for operations and products and completed operations with limits of not less than \$1,000,000 each and every occurrence.
- B. Automobile Liability insurance with limits of not less than \$1,000,000 each and every occurrence.
- C. Workers' Compensation insurance- Statutory Workers' Compensation Coverage for the employee's normal State of employment/hire. Including Employer's Liability insurance with limits of not less than \$1,000,000 Each Accident, Disease - Each Employee, Disease - Policy Limit.
- D. Umbrella/Excess Liability - in excess of General Liability, Employer's Liability, and Automobile Liability with limits no less than \$25,000,000 per occurrence; provided, however, that for so long as the Construction Phase is ongoing at the CGF, Gathering System, Flowlines and Associated Facilities. Operator will maintain such insurance with limits no less than \$100,000,000 per occurrence.
- E. Environmental Liability/Pollution Legal Liability insurance- with limits of not less than \$5,000,000 per pollution incident, with coverage being required beginning with the date that is eight (8) years from the date of CGF, Gathering System, Flowline and Associated Facilities construction. (the "Required Date"). Coverage must include gradual pollution events. This insurance may be on a claims-made basis, however the retroactive date must precede the Required Date.

2. Operator shall waive and cause its insurers under the above policies to waive for the benefit of the City any right of recovery or subrogation which the insurer may have or acquire against the City or any of its affiliates, or its or their employees, officers or directors for payments made or to be made under such policies.

3. As it pertains to the risks and liabilities assumed by Operator under this Agreement, Operator agrees to add the City and its elected and appointed officials and employees as Additional Insureds under general liability (including operations and completed operations), auto liability and umbrella liability.

4. Operator shall ensure that each of the policies are endorsed to provide that they are primary without right of contribution from the City or any insurance or self-insurance otherwise maintained by the City, and not in excess of any insurance issued to the City.

5. Operator shall ensure that each of the policies above (excluding workers' compensation and OCC/COW) are endorsed to state that the inclusion of more than one insured under such insurance policy shall not operate to impair the rights of one insured against another insured and that the coverage afforded by each insurance policy shall apply as though a separate policy had been issued to each insured.
6. All policies shall be endorsed such that they cannot be canceled or non-renewed without at least 30 days' advanced written notice to the Operator and the City, evidenced by return receipt via United States mail, except when such policy is being canceled for nonpayment of premium, in which case 10 days advance written notice is required. Language relating to cancellation requirements stating that the insurer's notice obligation is limited to "endeavor to" is not acceptable.
7. Operator shall, prior to permit issuance, deliver Certificates of Insurance reasonably acceptable to the City confirming all required minimum insurance is in full force and effect.
8. Deductibles or retentions shall be the responsibility of Operator. Deductibles or retentions must be listed on the Certificate of Insurance required herein and are subject to the reasonable approval of the City.
9. Operator shall require any of its subcontractors to carry the types of coverage and in the minimum amounts in accordance with the requirements set out in Section 1.A, 1.B. and 1.C. Operator agrees that it shall be responsible for any damage or loss suffered by the City as a result of non-compliance by Operator or any subcontractor with this section.
10. In the event that Operator's coverage lapses, is cancelled or otherwise not in force, the City reserves the right to obtain insurance required herein and charge all costs and associated expenses to Operator, which shall become due and payable immediately.

EXHIBIT D

PIPELINE REQUIREMENTS FOR GATHERING SYSTEMS and FLOWLINES

1. *Easements.* All pipeline rights-of-way ("ROWs") or easements shall be located outside existing and future road ROWs based on the latest available roadway information.
2. *License Agreements.* License Agreements are required for all crossing of City ROW and City easements.
3. *Stormwater Management.* Operator must apply for and obtain a City stormwater and erosion control permit. Erosion and sedimentation control is required.
4. The pipeline buried depth should be a minimum of forty-eight (48) inches for all pipes outside of the City ROW. All pipes within the arterial City ROWs shall be a minimum of twenty (20) feet depth. All pipes within all other City ROWs shall be a minimum of fifteen (15) feet depth. All pipelines installed beneath public ROW shall be bored unless otherwise approved by the City Engineer.
5. Operator is responsible for locating all existing and proposed utility crossings and ensure a minimum vertical separation of ten (10) feet below said crossing. If during the crossing design, a reduced vertical separation is requested due to site specific factors, the City Engineer can approve a crossing with as little separation as five (5) feet. Some crossing locations may be subject to additional requirements including enhanced stabilization.
6. All pipeline utility crossings shall be perpendicular or a minimum crossing angle sixty (60) degrees.
7. Horizontal offsets to all existing and proposed City utilities shall be a minimum of ten (10) feet edge to edge with the exception of critical infrastructure or planned critical infrastructure then the horizontal offset shall be a minimum of thirty (30) feet. Construction equipment is not allowed on top of critical infrastructure unless additional protection, as approved by the City, is applied.
8. The pipeline shall not have an undue adverse effect on existing and future development on the surrounding area as set forth in applicable City Master Plans and mitigates negative impacts on the surrounding area to the greatest extent feasible.
9. The nature and location or expansion of the pipeline will not unreasonably interfere with any significant wildlife habitat and will not unreasonably affect any endangered wildlife species, unique natural resource, known historic landmark or archaeological site within the affected area.

10. No adverse impact, from stormwater runoff, to the public ROWs, of water supply and/or surrounding properties will result because of the pipeline.
11. Operator shall mitigate any conflicts with any mutual irrigation ditch and/or structures used to transport water within the easement or ROW of the pipeline.
12. No pipeline shall be constructed in any zoning district until approved by the City.
13. Pipeline route shall follow quarter-sections, or existing ROW and may not traverse properties diagonally unless diagonal distance is less than two hundred fifty (250) feet unless specified by landowner or developer, with coordination of the City. For all routes on non-platted parcel of land that do not meet the criteria in this paragraph, the Operator shall consult the City as to an acceptable pipeline route.
14. No pipelines shall be allowed in City ROW, with the exception of ROW crossings, and the edge of the closest pipeline to ROW must be a minimum distance of thirty (30) feet. Any pipeline which is located within an easement obtained on or after the Effective Date, and within an existing and/or future ROW, shall be moved at the expense of the operator and/or permitted upon receipt of notice by City of its intent to improve or construct a roadway within the ROW.
15. Maximum pipeline corridor width shall be seventy-five (75) feet. Temporary construction easements are not included in maximum width.
16. To the maximum extent feasible, all pipelines shall be sited a minimum of one hundred fifty (150) feet away from general residential, commercial, and industrial buildings, as well as the high-water mark or floodplain of any water of the United States as defined by the EPA. This distance shall be measured from the nearest edge of the pipelines or Flowlines. Gathering Systems that pass within one hundred fifty (150) feet of general residential, commercial, and industrial buildings or the high-water mark or floodplain of any water of the United States as defined by the EPA shall incorporate leak detection, secondary containment, or other mitigation, as appropriate. The mitigation plan for such pipelines shall be submitted to the City.
17. Operator will conduct an x-ray or other non-destructive examination on all welds and conduct survey and logging for every girth weld in place.
18. Operator will conduct survey and logging for every girth weld in place.
19. Operator will Utilize jeeping (holiday detector) as well as visual inspection of coating. Once a jeep (damage) is detected, pipe coating shall be repaired and re-jeeped until damage is repaired and does not cause a jeep or detection.
20. Following construction, site shall be left in as good a condition as prior to construction and Operator shall work with the applicable surface owner on restoration. Operator shall

restore the site to a substantially similar condition as it existed prior to construction unless otherwise agreed by the City in writing.

21. All steps and or phases of construction shall be inspected by Operator's third-party inspectors or the City.
22. Floodways, creeks, ditches, and other conveyances shall be bored underneath at a depth no less than twenty (20) feet as determined by a Professional Engineer stamped geotechnical report and horizontal directional drill design.
23. A DOT Operational Control Center (OCC) will be used to monitor and control the DOT regulated pipelines. Safety and pipeline systems actively monitor for rupture, leak and flow anomalies.
24. Operator to conduct quarterly pigging on the pipelines.
25. On all Flowlines regulated by the COGCC leak protection and detection shall be provided through differential metering to meet zero tolerance levels for migration of product from the pipe envelope. Operator to conduct additional leak detection through aerial surveys at least 2 times per year.
26. On all Flowlines regulated by the COGCC Operator shall hydrostatic test to 1.25 times the Maximum Operating Pressure for four (4) hours for exposed pipe and eight (8) hours for buried pipe.
27. On all Flowlines regulated by the COGCC Operator shall utilize automated systems for over pressure protection & low pressure detection that shut-in the pipe in order for Operator to investigate.
28. All new pipelines shall have the legal description of the location recorded with the Clerk and Recorder of the City within thirty (30) days of completion of construction and provide the City GIS feature classes in the projection identified by the City. GIS data shared with the City shall not be shared with the public.
29. Operator will submit to City all records required to be submitted to PHMSA or the PUC including those related to inspections, pressure testing, pipeline accidents and other safety incidents.
30. Once the non-water pipelines are no longer in use, they shall be properly abandoned in place using flowfill or similar or removed. At this time the easement shall be released to the property owner or to the City. All pipelines, installed greater than fifty (50) years ago, shall be properly abandoned or re-certified by a third party and the certification shall be provided to the City.