

STATE OF COLORADO }  
  } ss  
COUNTY OF ELBERT }

At a regular meeting of the Board of County Commissioners for Elbert County, State of Colorado, held at the Courthouse in Kiowa on Wednesday, the 12th of March, 2014 A.D., there were present:

|                 |                            |
|-----------------|----------------------------|
| Kurt Schlegel   | Commissioner Chairman      |
| Robert Rowland  | Commissioner Vice Chairman |
| Larry Ross      | Commissioner               |
| Sheryl Caldwell | Deputy, Clerk to the Board |

When the following proceedings, among others were had and done, to wit:

**APPROVE  
RESOLUTION 14 -20**

**SU 13-0010 PRESCOTT RANCHES EXPLORATORY WELL SPECIAL USE PERMIT REVIEW- A REQUEST TO PERMIT AN EXPLORATORY OIL AND GAS WELL FOR FUTURE DEVELOPMENT OF MINERAL RESOURCES IN SEC 32, T12, R59.**

**WHEREAS**, Mustang Creek LLC (hereinafter “Applicants”) request approval of SU 13-0010 to permit an oil and gas well for development of mineral resources; and

**WHEREAS**, the location is in a portion of Section 32, Township 12 South, Range 59 West, in Elbert County; and

**WHEREAS**, the existing zoning is Agricultural (A) and no change in zoning is proposed; and

**WHEREAS**, the Planning Department has made the following Findings related to this application:

1. Applicants have submitted and complied with the general provisions for Special Use Applications as defined in Part II, Section 17, B, of the Elbert County Zoning Regulations.
2. The application is also in compliance with the specified intent for an oil and gas well within the Elbert County Zoning Regulations; and

**WHEREAS**, on February 13th, 2014, a public hearing was held with presentations by Staff and Applicants, and there was a request for public comment; and

**WHEREAS**, the Planning Commission approved the recommendation 7 to 0, the Planning Commission forwarded a recommendation for approval to the Board of County Commissioners to “approve” the application; and



**WHEREAS**, the Board of County Commissioners, having found that this hearing was properly noticed, and having reviewed the recommendations of the Planning Commission, and having reviewed the documentation of the applicant and listened to the presentation of the applicant and Staff, and having listened to all public comment, and being fully advised in the premise;

**BE IT THEREFORE RESOLVED**, the Board of County Commissioners do hereby approve SU 13-0010 Prescott Ranches Exploratory Well Special Use Permit with conditions of approval to include:

1. The applicant agrees to continue reclamation until 70% of the original vegetation, or seed mix requested by the landowner, is established, per COGCC and CDPHE General Stormwater Discharge Permit requirements.
2. A Road Operations and Maintenance Agreement must be in place with Elbert County Public Works prior to recordation. As part of this agreement, the applicant agrees to repair/replace any and all roadway infrastructure (i.e. gravel or paved surface), cattle guards, culverts, or drainage swales impacted by vehicular traffic, associated with the project.
3. The applicant agrees to all site inspections requested by the Elbert County Engineer. Any and all costs associated with these inspections shall be paid for by the applicant. A letter of agreement is to be placed in the Community and Development Services file prior to recordation.
4. The applicant will test four water wells located within ½ mile of this project, in accordance with COGCC rule 609. In addition, baseline and subsequent testing in accordance with these same COGCC standards shall be applied to Deadman Reservoir and Horse Creek. Monitoring is dependent on permission from the property owner to access and baseline. Any monitoring data will be forwarded to Elbert County. Testing will occur prior to activity and following completion and shall include all tests required by COGCC. With permission from the landowner, results of that testing will be made available to the well/landowner, CDS and the Elbert County Health and Environment Department.
5. Should the applicant reconsider the water source, that source and any associated permits must be provided and reviewed by the Colorado Division of Water Resources. A letter indicating CDWR approval is to be placed in the Community and Development Services file prior to recordation.



6. The applicant will maintain good housekeeping on the site in accordance with the submitted Facility Operations Plan.
  - a. Only fresh water may be applied to roads and other ground surfaces for dust mitigation.
7. Chemicals will be stored in accordance with the submitted Facility Operations Plan.
8. Waste disposal will be conducted in accordance with the submitted Facility Operations Plan. No open pits will be permitted except for the disposal of drill cuttings.
9. The applicant agrees to electrify all site equipment in accordance with the submitted Facility Operations document.
10. All lighting mitigation, visual mitigation and wildlife mitigation will be in accordance with the respective plans submitted by the applicant.
11. Prescott Ranches/Mustang Creek LLC will comply with all requests made by Simla Fire Protection District. A letter of agreement is to be placed in the Community and Development Services file prior to recordation.
12. An approved "Determination of Non-Tributary Ground Water must be submitted prior to well production. A copy of this determination shall be placed in the CDS file within 30 days of state approval.
13. Should the project change to include coal bed methane formations or the use of produced water for beneficial use, the application must be re-submitted to CDWR for approval.
14. Mustang Creek LLC is encouraged to participate in the Local Emergency Planning Commission (LEPC) to facilitate regular communication with Elbert County Emergency Management. Communication is also encouraged through regular mail or email in regards to any pertinent or voluntary information. Mustang Creek LLC is required to report on storage use and release of hazardous material per the Emergency Participation Community Right to Know Act. (EPCRA)
15. The applicant will secure and submit to Community and Development Services, all required COGCC permits prior to recordation.
16. The Special Use Exhibit should be recorded within one hundred eighty (180) days of Board of County Commissioner approval.
17. The Special Use will not become effective until all conditions of approval are met, all fees paid and documents recorded.



18. Adopt the Findings enumerated herein.

Upon a motion duly made and seconded, the foregoing resolution was adopted by the following vote:

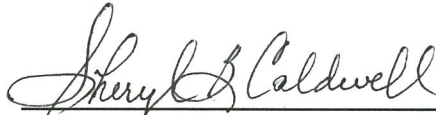
  
\_\_\_\_\_ Aye  
KURT SCHLEGEL, CHAIRMAN

  
\_\_\_\_\_ Aye  
ROBERT ROWLAND, VICE CHAIRMAN

  
\_\_\_\_\_ Aye  
LARRY ROSS, COMMISSIONER

ATTEST: DALLAS SCHROEDER  
COUNTY CLERK

BY: SHERYL CALDWELL

  
\_\_\_\_\_  
Deputy, Clerk to the Board

