TO:	**Planning Commission**
SUBJECT:	***DRAFT* Planning Commission Decision** **Gunnison Energy Corporation** **Construction of Section 18 Well Pad** **Federal 1289 H1 and H2 Wells** **File No. OG2012-08**
PREPARED BY:	**Neal Starkebaum, Assistant Director** **Gunnison County Community Development Department**
DATE:	**Planning Commission meeting of January 20, 2012**
APPLICANT:	**Gunnison Energy Corporation** **1801 Broadway, Suite 1200** **Denver, CO 80202**

PROJECT SUMMARY:
The project involves the construction of an approximate 5-acre drilling well pad to accommodate future multiple gas wells. Two wells, the Federal 1289 HL1 & HL2, are proposed to be horizontally drilled in 2012. If the wells are productive, the gas will be transported by the construction of a 6 inch gas line, connecting to the Hotchkiss Gas Gathering system.

SURFACE OWNERSHIP:
Mr. John Hotchkiss
Hotchkiss Ranches, Inc.
619 Shepard's Lane
Hotchkiss, CO 81419

MINERAL OWNER:
United States of America, Bureau of Land Management
Federal Lease Serial Number COC-65106 & COC-74129
Assigned to Gunnison Energy Corporation on September 2, 2001

WELL LOCATION:
The site is located west of Highway 133 on the Hotchkiss Ranch, in the SWNE Section 18, Township 12 South, Range 89 West, 6th P.M., northwest of Paonia Reservoir.

ACCESS:
Access to the site will be via existing private roads, from State Highway 133. No new road construction is required. SG Interests and Gunnison Energy Corporation have an existing agreement with Gunnison County to maintain County Road 265, for the application of magnesium chloride by Gunnison County, with financial reimbursement provided by SG Interests and Gunnison Energy.

DOCUMENTS INFORMING THIS REVIEW AND ACTION:
This review and recommendation incorporates, but is not limited to, all the documentation submitted to the County and included within the Planning Office file relative to this application, including all exhibits, maps, references and documents.

***GUNNISON COUNTY, COLORADO TEMPORARY REGULATIONS FOR OIL AND GAS OPERATIONS*:** The application was reviewed for compliance with the *Gunnison County, Colorado Temporary Regulations for Oil and Gas Operations, May 18, 2004*, and is defined as a Minor Oil and Gas Operation Project.

REFERRAL AGENCY COMMENTS:
Scott Morrill, Gunnison County Emergency Services, provided comments in an email dated December 18, 2011:
"I have reviewed Gunnison Energy's application for the Hotchkiss 1289 HL1 and HL2 Wells. The primary focus of Gunnison County Emergency Management regarding this application is on Section 18, Emergency Response Plan. I have no comments relative to this application, but will say that Gunnison Energy's Emergency Response Plan was previously approved, and they provide regular updates to the plan. These updates include new well location information, as well as changes in personnel and emergency contact information. Thanks for the opportunity to review this application."

WORK SESSIONS:
Work sessions were held by the Planning Commission on:
December 2, 2011
January 20, 2012

SITE VISIT:
A site visit will be scheduled for later this summer/fall. The Planning Commission conducted a site visit to the Hotchkiss Water Storage Facility, which is in the immediate vicinity of the proposed well pad, in 2011.

PUBLIC HEARING:
A public hearing was held by the Planning Commission on January 20, 2012. At that time…….
The full record of that hearing, including all testimony, is hereby incorporated into this record.

FINDINGS:
The Gunnison County Planning Commission, having considered the application, all exhibits and testimony finds that:

1. Subject to the Conditions of Approval included in the Decision, below, the application is consistent with *Section 1-107: Oil and Gas Operations Standards, Gunnison County Temporary Regulations for Oil and Gas Operations, May 18, 2004.*

2. Approval is limited to the location and description of the Gunnison Energy Corporation Section 18 well pad, Federal 1289 H1 and H2 wells, as described in the application. Any change will require either an application for amendment of this permit, or submittal of an application for a new permit, in compliance with applicable requirements of the *Temporary Regulations for Oil and Gas Operations*, or as those may be hereinafter amended.

3. This review and decision incorporates, but is not limited to, all the documentation submitted to the County and included within the Planning Office file relative to this application; including all exhibits, references and documents as included therein.

DECISION:
The Gunnison County Planning Commission, having considered the submitted application, all exhibits, documentation and public testimony, and having reached the above Findings, hereby approves Gunnison Energy Corporation Section 18 well pad, Federal 1289 H1 and H2 wells and gas flowline; Oil and Gas Operations Permit Nos. OG2012-08, for construction of the Section 18 well pad, the Federal 1289 H1 and H2 wells and gas flowline, as a Minor Oil and Gas Operation, with the following conditions:

1. This permit is limited to the description of the Gunnison Energy Corporation Section 18 well pad, Federal 1289 H1 and H2 wells, and gas flowline. Any substantive change will require either an application for amendment of this permit, or submittal of an application for a new permit, in compliance with applicable requirements of the *Temporary Oil and Gas Regulations*, or as those may be hereinafter amended.

2. This permit may be revoked or suspended if Gunnison County determines that any material fact set forth herein or represented by the applicant was false or misleading, or that the applicant failed to disclose facts necessary to make any such fact not misleading.

3. Approval of this use is based upon the facts presented and implies no approval of similar use in the same or different location and/or with different impacts on the environment. Any such future application shall be reviewed and evaluated, subject to its compliance with current regulations, and its impact to the County.

4. Approval of this permit is based upon the facts presented and implies no approval of similar use in the same or different location and/or with different impacts on the environment and community. Any such future application shall be reviewed and evaluated, subject to its compliance with current regulations, and its impact to the County.