



MEMO

DATE: December 2, 2009
TO: The Planning and Zoning Committee
FROM: Planning & Zoning Department
SUBJECT: Light Industrial Special Use Permit (Oil and Gas Well) Case # 09-020

The applicant, Approach Operating LLC, is requesting a special use permit to allow for a light industrial use. The request is to allow for two oil and gas wells on 350.44 acres, owned by Jeffrey Spill, located in the vicinity of the junction of County Road 317 and US Highway 84, part of Sections 7 & 8, Township 27N, Range 04E, near the community of Tierra Amarilla. The Planning and Zoning Committee, being duly appointed, shall receive, review, and make recommendations to the Board of County Commissioners on said case # 09-020.

GENERAL STAFF FINDINGS OF FACT:

1. This application is made pursuant to the requirements the Rio Arriba County Design and Development Regulation System 2009-09 and the Rio Arriba County Oil and Gas Ordinance 2009-01.
2. The application is made pursuant to the requirements of the Rio Arriba County Design and Development Ordinance 2009-09 Article II, Section V, A. "Public Hearings," C. "Notice of Public Hearing," and D. "Areas of Notice Defined."
3. The applicant is proposing two different well sites on the same piece of property in this application, Jeffrey Spill #1 and Jeffrey Spill #3.
4. The applicant is in the exploratory phase of drilling. The applicant is proposing to drill in the following locations in order to determine whether or not there is a commercially viable oil or gas resource in the area. If the applicant does not find a resource the proposed wells will not be put into production, they will be plugged and abandoned pursuant to the New Mexico Oil Conservation Division (NMOCD) requirements.
5. The applicant has submitted a letter certifying that they are in compliance with the Surface Owner's Protection Act (SOPA).
6. The proposed locations are not in a Critical Management Area as defined in Section X of the Rio Arriba County Design and Development Regulation System Ordinance 2009-02.
7. The applicant proposes that construction and drilling activities will take place between the months of May to September.

8. All of the proposed properties are located in the CRAD.
9. The proposed well sites satisfy all setback requirements.
10. None of the proposed locations are located within, or contain, a known or designated cultural, historical, or archeological resource as defined by the State Historical preservation Office (SHPO).
11. The elevation of the proposed sites is at an elevation of approximately 7400 ft. and has an average annual precipitation of 16.21”.
12. The applicant proposes that each well site will have Storm Water Management Plan (SWMP), which will implement Best Management practices (BMPs) where applicable and that will address the following issues:
 - i. Prevent run-on and run-off on well site.
 - ii. Manage run-on and run-off on roads.

THE BMP FEATURES WILL BE INSPECTED AND MAINTAINED EVERY 14 DAYS DURING CONSTRUCTION AND AT LEAST ONCE A MONTH AFTER CONSTRUCTION. ALL BMPS WILL BE INSPECTED AND MAINTAINED AFTER A SIGNIFICANT PRECIPITATION EVENT, AS DEFINED IN THE ORDINANCE.

13. Roads will be improved and constructed to meet BLM Gold Book standards. A fifteen (15) mph speed limit will be imposed and the applicant proposes to water the road if necessary to prevent dust.
14. The traffic generated by the project is estimated to be 5-7 round trips per day during the construction and reclamation phases, an estimated 30-40 round trips per day during the drilling phase, and an estimated 1-2 round trips per day during production.
15. The three (3) most prevalent soil types onsite have limited potential for use as road base or construction materials.
16. The applicant proposes to eradicate existing noxious weed population and maintain noxious weed control throughout the lifespan of the proposed development. The applicant will consult with NRCS and the NMSU Agricultural Extension Office on the most appropriate way to manage noxious weeds and will notify the property owner prior to applying any chemical controls.
17. All disturbed soils will be stored so as to ensure their ecological viability. Interim reclamation will take place after each phase of development. Final reclamation will achieve vegetative cover of at least 70% of existing surrounding cover.
18. The applicant states that there were no endangered, threatened, or special status species observed within or adjacent to the project area.
19. All facilities will be painted flat juniper green.
20. There will be no permanent lighting installed on any of the proposed well sites.

21. The applicant proposes the three following methods of obtaining water but has not specified which method they will be using:
 - i. Purchase water from a local commercial or municipal source;
 - ii. Purchase water from a landowner with existing valid water rights and apply for permission from the Office of the State Engineer to use the water for commercial purposes;
 - iii. Permitting and drilling a natural resource extraction well on a willing property owner's property.
22. All of the proposed locations are in the Rio Nutrias Watershed.
23. The applicant will drill a determination well to determine depth to groundwater. If there is groundwater within 100 ft. of the surface, the applicant shall install a water monitoring well.
24. The applicant proposes to truck all drilling solids and produced water to T-N-T Environmental, Inc., a regulated disposal facility near Lindrith.
25. The applicant states that all solid waste will be regularly removed and disposed of in a permitted landfill.

WELLSITE SPECIFIC FINDINGS OF FACT:

Jeffrey Spill #1 and #3:

1. The applicant proposes to access the property from US Highway 84 and will obtain a NMDOT permit.
2. The application states that there will be a total of 7.85 acres disturbed throughout the project, including all roads to be constructed, with approximately half of that disturbed area to be reclaimed if the well goes into production.
3. The applicant proposes to upgrade and construct portions of road to access the well site.
4. The proposed road will be 8289 ft. long. The applicant proposes that the road will be 28' wide during construction, reclaimed to 20' wide during drilling, and reclaimed to 14' wide if the well enters into production.
5. The applicant proposes that the pad sites will be 2.52 acres during construction and drilling and will be reclaimed to 1 acre if the well goes into production.

STAFF RECOMMENDATIONS:

Based on staff findings of fact, staff recommends that, if approved, the following conditions be applied to the special use permit:

1. The applicant should amend the application to depict the location and slope of the proposed staging area on the vicinity map.

2. The applicant shall identify the name, address, contact number and distance from well site of the nearest emergency response facilities.
3. The applicant shall depict the proposed location of the determination well on the vicinity map.
4. The applicant shall determine the source of water for the project and provide some documentation verifying which source they will be using.
5. The well site shall be inspected 2-4 times annually as per a schedule determined by the Planning and Zoning Department.
6. If a monitoring well is not required, the applicant shall supply background groundwater quality data from samples obtained from the nearest possible private water well.
7. The application should be amended to include information about NMOSE permitted well No. RG-37567 which is within .5 (half a mile) miles of the proposed oil and gas well site.
8. At the end of section K.2.2 the applicant states that there is no clearly defined aquifer or productive potable water bearing zone in the Mancos, yet in the discussion of the Mancos Shale layer, the applicant states that there are water producing zones in the Mancos Shale layer, but does not provide any water quality data about the water being produced in those zones. These statements appear to contradict one another and the applicant should amend the application and provide data to either state that the Mancos Shale does contain zones of potable water production, or provide additional data to prove that the Mancos Shale layer does not actually contain potable water.
9. The applicant makes reference to permitted water wells within five miles of the well sites in section K.8.2 of the application. The application should be amended to include specific details of the wells referenced including the location, permit number, depth of well, what aquifer the water wells yields from, and any other pertinent information documented in NMOSE records.
10. The applicant shall list and depict on a vicinity map any and all permitted NMOSE water features as identified in the NMOSE Hydrographic Survey, including but not limited to infiltration galleries, spring boxes, stock ponds, etc.



MEMO

DATE: December 2, 2009
TO: The Planning and Zoning Committee
FROM: Planning & Zoning Department
SUBJECT: Light Industrial Special Use Permit (Oil and Gas Well) Case # 09-019

The applicant, Approach Operating LLC, is requesting a special use permit to allow for a light industrial use. The request is to allow for two oil and gas wells on 2,259.68 acres, owned by Dora Spill, located in the vicinity of mile marker 249 on US Highway 84, part of Sections 32, Township 28N, Range 04E, near the community of Tierra Amarilla. The Planning and Zoning Committee, being duly appointed, shall receive, review, and make recommendations to the Board of County Commissioners on said case # 09-019.

GENERAL STAFF FINDINGS OF FACT:

26. This application is made pursuant to the requirements the Rio Arriba County Design and Development Regulation System 2009-09 and the Rio Arriba County Oil and Gas Ordinance 2009-01.
27. The application is made pursuant to the requirements of the Rio Arriba County Design and Development Ordinance 2009-09 Article II, Section V, A. "Public Hearings," C. "Notice of Public Hearing," and D. "Areas of Notice Defined."
28. The applicant is in the exploratory phase of drilling. The applicant is proposing to drill in the following locations in order to determine whether or not there is a commercially viable oil or gas resource in the area. If the applicant does not find a resource the proposed wells will not be put into production, they will be plugged and abandoned pursuant to the New Mexico Oil Conservation Division (NMOCD) requirements.
29. The applicant is proposing two different well sites on the same piece of property in this application, Dora Spill #2 and Dora Spill #3.
30. The applicant has submitted a letter certifying that they are in compliance with the Surface Owner's Protection Act (SOPA).
31. The proposed locations are not in a Critical Management Area as defined in Section X of the Rio Arriba County Design and Development Regulation System Ordinance 2009-02.
32. The applicant proposes that construction and drilling activities will take place between the months of May to September.

33. All of the proposed properties are located in the CRAD.
34. The proposed well sites satisfy all setback requirements.
35. None of the proposed locations are located within, or contain, a known or designated cultural, historical, or archeological resource as defined by the State Historical preservation Office (SHPO).
36. The elevation of the proposed sites is at an elevation of approximately 7400 ft. and has an average annual precipitation of 16.21”.
37. The applicant proposes that each well site will have Storm Water Management Plan (SWMP), which will implement Best Management practices (BMPs) where applicable and that will address the following issues:
 - iii. Prevent run-on and run-off on well site.
 - iv. Manage run-on and run-off on roads.
 - v. The BMP features will be inspected and maintained every 14 days during construction and at least once a month after construction. All BMPs will be inspected and maintained after a significant precipitation event, as defined in the application.
38. Roads will be improved and constructed to meet BLM Gold Book standards. A fifteen (15) mph speed limit will be imposed and the applicant proposes to water the road if necessary to prevent dust.
39. The traffic generated by the project is estimated to be 5-7 round trips per day during the construction and reclamation phases, an estimated 30-40 round trips per day during the drilling phase, and an estimated 1-2 round trips per day during production.
40. The three (3) most prevalent soil types onsite have limited potential for use a road base or construction materials.
41. The applicant proposes to eradicate existing noxious weed population and maintain noxious weed control throughout the lifespan of the proposed development. The applicant will consult with NRCS and the NMSU Agricultural Extension Office on the most appropriate way to manage noxious weeds and will notify the property owner prior to applying any chemical controls.
42. All disturbed soils will be stored so as to ensure their ecological viability. Interim reclamation will take place after each phase of development. Final reclamation will achieve vegetative cover of at least 70% of existing surrounding cover.
43. The applicant states that there were no endangered, threatened, or special status species observed within or adjacent to the project area.
44. All facilities will be painted flat juniper green.
45. There will be no permanent lighting installed on any of the proposed well sites.

46. The applicant proposes the three following methods of obtaining water but has not specified which method they will be using:
 - iv. Purchase water from a local commercial or municipal source;
 - v. Purchase water from a landowner with existing valid water rights and apply for permission from the Office of the State Engineer to use the water for commercial purposes;
 - vi. Permitting and drilling a natural resource extraction well on a willing property owner's property.
47. All of the proposed locations are in the Rio Nutrias Watershed.
48. The applicant will drill a determination well to determine depth to groundwater. If there is groundwater within one hundred (100) ft. of the surface, the applicant shall install a water monitoring well.
49. The applicant proposes to truck all drilling solids and produced water to T-N-T Environmental, Inc., a regulated disposal facility near Lindrith.
50. The applicant states that all solid waste will be regularly removed and disposed of in a permitted landfill.

**WELLSITE SPECIFIC FINDINGS OF FACT:
Dora Spill #2 and #3:**

6. The applicant proposes to access the property from US Highway 84 and will obtain an updated NMDOT permit.
7. The application states that there will be a total of 8.50 acres disturbed throughout the project, including all roads to be constructed, with approximately half of that disturbed area to be reclaimed if the well goes into production.
8. The applicant proposes to upgrade and construct portions of road to access the well site.
9. The proposed road will be 9709 ft. long from US Highway 84. The applicant proposes that the road will be 28' wide during construction, reclaimed to 20' wide during drilling, and reclaimed to 14' wide if the well enters into production.
10. The applicant proposes that the well site will be 2.52 acres during construction and drilling and will be reclaimed to 1 acre if the well goes into production.

STAFF RECOMMENDATIONS:

Based on staff findings of fact, staff recommends that, if approved, the following conditions be applied to the special use permit:

11. The applicant should amend the application to depict the location and slope of the proposed staging area on the vicinity map.

12. The applicant shall identify the name, address, contact number and distance from well site of the nearest emergency response facilities.
13. The applicant shall depict the proposed location of the determination well on the vicinity map.
14. The applicant shall determine the source of water for the project and provide some documentation verifying which source they will be using.
15. The well site shall be inspected 2-4 times annually as per a schedule determined by the Planning and Zoning Department.
16. If a monitoring well is not required, the applicant shall supply background groundwater quality data from samples obtained from the nearest possible private water well.
17. The applicant makes reference to permitted water wells within five miles of the well sites in section K.8.2 of the application. The application should be amended to include specific details of the wells referenced including the location, permit number, depth of well, what aquifer the water wells yields from, and any other pertinent information documented in NMOSE records.
18. At the end of section K.2.2 the applicant states that there is no clearly defined aquifer or productive potable water bearing zone in the Mancos, yet in the discussion of the Mancos Shale layer, the applicant states that there are water producing zones in the Mancos Shale layer, but does not provide any water quality data about the water being produced in those zones. These statements appear to contradict one another and the applicant should amend the application and provide data to either state that the Mancos Shale does contain zones of potable water production, or provide additional data to prove that the Mancos Shale layer does not actually contain potable water.
19. The applicant shall list and depict on a vicinity map any and all permitted NMOSE water features as identified in the NMOSE Hydrographic Survey, including but not limited to infiltration galleries, spring boxes, stock ponds, etc.



MEMO

DATE: December 2, 2009
TO: The Planning and Zoning Committee
FROM: Planning & Zoning Department
SUBJECT: Light Industrial Special Use Permit (Oil and Gas Well) Case # 09-018

The applicant, Approach Operating LLC, is requesting a special use permit to allow for a light industrial use. The request is to allow for an oil and gas well on 2,985.49 acres, owned by Edward Spill, located in the vicinity of mile marker 249 on US Highway 84, part of Sections 01, Township 27N, Range 03E, near the community of Tierra Amarilla. The Planning and Zoning Committee, being duly appointed, shall receive, review, and make recommendations to the Board of County Commissioners on said case # 09-018.

GENERAL STAFF FINDINGS OF FACT:

51. This application is made pursuant to the requirements the Rio Arriba County Design and Development Regulation System 2009-09 and the Rio Arriba County Oil and Gas Ordinance 2009-01.
52. The application is made pursuant to the requirements of the Rio Arriba County Design and Development Ordinance 2009-09 Article II, Section V, A. "Public Hearings," C. "Notice of Public Hearing," and D. "Areas of Notice Defined."
53. The applicant is in the exploratory phase of drilling. The applicant is proposing to drill in the following locations in order to determine whether or not there is a commercially viable oil or gas resource in the area. If the applicant does not find a resource the proposed wells will not be put into production, they will be plugged and abandoned pursuant to the New Mexico Oil Conservation Division (NMOCD) requirements.
54. The applicant has submitted a letter certifying that they are in compliance with the Surface Owner's Protection Act (SOPA).
55. The proposed locations are not in a Critical Management Area as defined in Section X of the Rio Arriba County Design and Development Regulation System Ordinance 2009-02.
56. The applicant proposes that construction and drilling activities will take place between the months of May to September.
57. All of the proposed properties are located in the CRAD.
58. The proposed well sites satisfy all setback requirements.

59. None of the proposed locations are located within, or contain, a known or designated cultural, historical, or archeological resource as defined by the State Historical preservation Office (SHPO).
60. The elevation of the proposed sites is at an elevation of approximately 7400 ft. and has an average annual precipitation of 16.21”.
61. The applicant proposes that each well site will have Storm Water Management Plan (SWMP), which will implement Best Management practices (BMPs) where applicable and that will address the following issues:
 - vi. Prevent run-on and run-off on well site.
 - vii. Manage run-on and run-off on roads.
 - viii. The BMP features will be inspected and maintained every 14 days during construction and at least once a month after construction. All BMPs will be inspected and maintained after a significant precipitation event, as defined in the application.
62. Roads will be improved and constructed to meet BLM Gold Book standards. A fifteen (15) mph speed limit will be imposed and the applicant proposes to water the road if necessary to prevent dust.
63. The traffic generated by the project is estimated to be 5-7 round trips per day during the construction and reclamation phases, an estimated 30-40 round trips per day during the drilling phase, and an estimated 1-2 round trips per day during production.
64. The three (3) most prevalent soil types onsite have limited potential for use a road base or construction materials.
65. The applicant proposes to eradicate existing noxious weed population and maintain noxious weed control throughout the lifespan of the proposed development. The applicant will consult with NRCS and the NMSU Agricultural Extension Office on the most appropriate way to manage noxious weeds and will notify the property owner prior to applying any chemical controls.
66. All disturbed soils will be stored so as to ensure their ecological viability. Interim reclamation will take place after each phase of development. Final reclamation will achieve vegetative cover of at least 70% of existing surrounding cover.
67. The applicant states that there were no endangered, threatened, or special status species observed within or adjacent to the project area.
68. All facilities will be painted flat juniper green.
69. There will be no permanent lighting installed on any of the proposed well sites.
70. The applicant proposes the three following methods of obtaining water but has not specified which method they will be using:

- vii. Purchase water from a local commercial or municipal source;
- viii. Purchase water from a landowner with existing valid water rights and apply for permission from the Office of the State Engineer to use the water for commercial purposes;
- ix. Permitting and drilling a natural resource extraction well on a willing property owner's property.

- 71. All of the proposed locations are in the Rio Nutrias Watershed.
- 72. The applicant will drill a determination well to determine depth to groundwater. If there is groundwater within one hundred (100) ft. of the surface, the applicant shall install a water monitoring well.
- 73. The applicant proposes to truck all drilling solids and produced water to T-N-T Environmental, Inc., a regulated disposal facility near Lindrith.
- 74. The applicant states that all solid waste will be regularly removed and disposed of in a permitted landfill.

WELLSITE SPECIFIC FINDINGS OF FACT:

Edward Spill #4:

- 11. The applicant proposes to access the property from US Highway 84 and will obtain an updated NMDOT permit.
- 12. The application states that there will be a total of 6.45 acres disturbed throughout the project, including all roads to be constructed, with approximately half of that disturbed area to be reclaimed if the well goes into production.
- 13. The applicant proposes to upgrade and construct portions of road to access the well site.
- 14. The proposed road will be 8081 ft. long from the Dora Spill Site #2 and a total of 17,790 ft. from US Highway 84. The applicant proposes that the road will be 28' wide during construction, reclaimed to 20' wide during drilling, and reclaimed to 14' wide if the well enters into production.
- 15. The applicant proposes that the well site will be 1.26 acres during construction and drilling and will be reclaimed to .5 acres if the well goes into production.

STAFF RECOMMENDATIONS:

Based on staff findings of fact, staff recommends that, if approved, the following conditions be applied to the special use permit:

- 20. The applicant should amend the application to depict the location and slope of the proposed staging area on the vicinity map.
- 21. The applicant shall identify the name, address, contact number and distance from well site of the nearest emergency response facilities.

22. The applicant shall depict the proposed location of the determination well on the vicinity map.
23. The applicant shall determine the source of water for the project and provide some documentation verifying which source they will be using.
24. The well site shall be inspected 2-4 times annually as per a schedule determined by the Planning and Zoning Department.
25. If a monitoring well is not required, the applicant shall supply background groundwater quality data from samples obtained from the nearest possible private water well.
26. The applicant shall list and depict on a vicinity map any and all permitted NMOSE water features as identified in the NMOSE Hydrographic Survey, including but not limited to infiltration galleries, spring boxes, stock ponds, etc.
27. At the end of section K.2.2 the applicant states that there is no clearly defined aquifer or productive potable water bearing zone in the Mancos, yet in the discussion of the Mancos Shale layer, the applicant states that there are water producing zones in the Mancos Shale layer, but does not provide any water quality data about the water being produced in those zones. These statements appear to contradict one another and the applicant should amend the application and provide data to either state that the Mancos Shale does contain zones of potable water production, or provide additional data to prove that the Mancos Shale layer does not actually contain potable water.
28. The applicant makes reference to permitted water wells within five miles of the well sites in section K.8.2 of the application. The application should be amended to include specific details of the wells referenced including the location, permit number, depth of well, what aquifer the water wells yields from, and any other pertinent information documented in NMOSE records.