

CE Pad Neighborhood Meeting Community Participation Report

November 18, 2022

Prepared by MRG, LP

In compliance with City of Loveland (“City”) Code at Division 18.114.03.04.D., this document summarizes the Neighborhood Meeting for MRG, LP’s (“MRG”) proposed oil and gas location known as the “CE Pad” held on November 9, 2022, virtually via Zoom.

Attendees

Because the meeting was, at the City’s request, conducted over Zoom, there were no hard-copy sign-in sheets. However, the City moderated the Zoom meeting and provided MRG with an attendee spreadsheet, which MRG attaches as Attachment 1 for reference. There were 6 attendees from or affiliated with City of Loveland, 7 attendees from or affiliated with MRG, and an additional 68 general attendees. Of the non-City and non-MRG attendees, 48 provided their city of residence and/or zip code. Of the participants providing their zip code, 43 are Loveland residents, and of the participants providing their zip code, 2 are within 2,000’ of the proposed CE Pad.

Presentations

The meeting convened at approximately 6:10 PM and began with presentations from City staff (Troy Bliss and Vincent Junglas) and the City’s outside legal counsel (Matt Sura). The City presentations provided an overview of the City’s Track 2 Enhanced Standards for Oil and Gas Operations permit process applicable to the CE Pad and the state permit process applicable to the CE Pad. MRG also explained these processes and then detailed the how the location was selected, the site plan, schedule, project mitigations, and best management practices (“BMPs”). A copy of MRG’s presentation has been included as Attachment 2 of this Community Participation Report for reference. After the presentation, MRG and the City of Loveland heard comments and fielded questions from participants wishing to comment and/or ask questions for approximately 60 minutes, extending time to insure additional attendees could participate.

Summary of Support, Concerns, Issues and Problems Expressed by Participants

Attendee participation included statements of affirmative support for the CE Pad specifically, including statements in support from the residents in closest proximity to the project, and questions about the CE Pad specifically, as well as statements in opposition to oil and gas development generally and questions about oil and gas operations generally. Three attendees provided statements and asked questions about the City’s Code provisions relating to notice. All questions but the following were answered by the City or MRG, as appropriate. The question unable to be specifically answered related to from where or from what owner MRG will source water for completions; a specific answer on this issue could not be provided because MRG is continuing to negotiate its water supply contracts. MRG did explain, however, that all water sourced for the project would be allocated for industrial use and that the project’s water usage would not affect available drinking water or otherwise impact the community’s water supply. All other issues specific to the CE Pad were addressed. The statements, questions, and answers were as follows, presented in chronological order.

- A participant asked what will happen to produced water. MRG responded that produced water is currently planned to be trucked off-location but that MRG is exploring alternative options of transporting produced water as well.
- A participant asked whether MRG and Kinston were related and whether the CE Pad and the Kingston project benefited one another. MRG answered yes to each of these questions. This participant also inquired about waste disposal, and MRG responded that waste will be disposed of in a designated E&P (exploration and production) waste facility. This participant also queried where water will be sourced for the project. MRG explained that the water is in the process of being purchased and will be designated for industrial use. MRG further explained that the water typically comes from multiple sources. This participant also asked who is the Director, to which the City explained Brett Limbaugh's role with the City. Finally, this participant asked about the olfactory testing done as part of audio, visual, and olfactory inspections ("AVO"), and MRG explained that individuals perform AVO on location and that there are additional monitoring programs in place with CDPHE.
- A participant identifying himself as the closest resident to the project offered his support of the project. This participant spoke favorably of MRG's outreach to his family, referenced the Colorado Oil and Gas Conservation Commission ("COGCC") as having some of the strictest rules in the country, and made a statement that he thought it was important for the United States to be less dependent on foreign oil.
- A participant voiced support for the CE Pad and stated her belief that the location was well thought out. This participant also commented that she appreciated the best management practices ("BMPs") being offered by MRG.
- A participant asked a question about another oil and gas project MRG has planned in the City. The City explained that the meeting was about the CE Pad and that other project would receive its own neighborhood meeting. This participant also asked about notice surrounding the neighborhood meeting. The City explained that the neighborhood meeting was noticed in accordance with the City's code. This participant made a statement indicating she did not like the notice provisions in the City's Code. The City encouraged this participant to monitor the City's website for oil and gas activity.
- A participant asked where the wellbores would be located. MRG explained where the wellbores would be drilled.
- A participant asked about the appeal process. The City explained that the permit for the CE Pad project was, pursuant to the City's code, not subject to appeal to the City Council. The City explained how this participant could make comments prior to the City's administrative decision on the permit application. This participant also asked about how MRG will execute this project as a new operator. MRG explained that while the company itself is new, its team has many years of experience, including a number of the MRG team working together in the DJ Basin on oil and gas development projects.

- A participant asked whether the wells would be drilled horizontally, to which MRG responded in the affirmative. This participant asked about chemicals used in the hydraulic fracturing process. MRG explained that the hydraulic fracturing fluid is composed of 98% water, 1% sand, and 1% chemicals, which will be disclosed on the FracFocus website. This participant also asked if there is information regarding vibrations or seismic activity. MRG explained that vibrations would not be felt and that seismic was related to injection wells inapplicable to the CE Pad. MRG explained that while these impacts were not anticipated, more details regarding earthquake activity was available on the School of Mines' website.
- A participant from Fort Collins asked about the CE Pad's state (COGCC) permit application having been amended. MRG explained that state permit applications are frequently amended during the state's and applicant's pre-completeness determination iterative process. This participant also asked if the City had reverse setbacks. The City and MRG both explained that the City's Code does have reverse setbacks.
- A participant asked about emergency response for the project. The City explained that it will review the MRG's emergency response plan in close detail. MRG explained that its emergency response plan would be developed in coordination with the responding emergency response providers who would approve the plan in conjunction with the City. This participant asked if the wellbores would reach Boyd Road, and MRG answered in the negative. This participant asked questions about how much produced water there will be. MRG that there will be about 180,000 barrels of water per well, with one barrel equal to 42 gallons. MRG stated that the amount of produced water will be trucked off location over a 20 year period. This participant asked where and whether there was an active pipeline system for takeaway capacity. MRG responded that there was an existing, active pipeline east of County Road 3.
- A participant asked if the natural gas was wet or dry, and MRG responded it was wet and still could be piped. This participant asked if MRG anticipated any flaring of natural gas, and MRG explained that it does not anticipate any flaring. This participant asked about mineral ownership within the project area. MRG explained that it currently has leased about 80% of the mineral acreage to be developed by the CE Pad. This participant asked when "pooling" of minerals would occur. MRG stated that pooling is a separate process with the state and that this process would occur after the state permit is approved. This participant asked whether there was an earthquake concern associated with the project. MRG explained that earthquakes associated with oil and gas activity generally were historic events in Oklahoma where operators were disposing of waste products in such a manner that induced seismicity occurred but that there are present day safeguards against this occurring.
- A participant asked if the produced oil and natural gas would be available in Loveland and if not, where. MRG responded that it does not refine the products it produces and does not know precisely where the refined products are sold. MRG state that regardless of whether Loveland receives the end products, the City benefits from tax revenue and by receiving royalties as the City is a mineral owner.

- The final participant asked about notice of the neighborhood meeting. The City explained the notice requirements under its Code. This participant made a statement that she is an active member of Colorado Rising (a group against oil and gas development) and that she is opposed to hydraulic fracturing and the project. This participant asked whether the project would be subject to air quality monitoring. MRG explained that its project would be subject to air quality monitoring and that MRG has agreed to monitor for air emissions for substantially longer than required by applicable state and local law. This participant asked if the readings were continuous and accessible to the general public. MRG stated that the air monitoring is on a continuous basis and that reports go to CDPHE monthly. MRG further noted that it receives air quality monitoring data on a rolling basis and that there are consequences if the readings were to be in excess of what is permitted. MRG also discussed how there will be fewer emissions from this project in general because of MRG's intent to electrify many operations. This participant also asked from where and from what owner MRG was sourcing its water. MRG explained it would be purchasing water from third-party providers who have stored water designated for industrial use. This participant made a statement that she was concerned about the water use involved in this project.