



# TOWN OF ERIE

645 Holbrook Street  
Erie, CO 80516

## Meeting Agenda

### Town Council

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Tuesday, June 2, 2026

6:00 PM

Council Chambers

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#### Study Session

[Link to Watch or Comment Virtually: www.erieco.gov/CouncilMeeting](http://www.erieco.gov/CouncilMeeting)

#### I. Discussion Items

[2026-353](#)

Discussion - Potential Sale of Town's Mineral Rights

Attachments:

[June 2 Presentation Final v.2](#)

6:00-9:00 p.m.

#### XII. Adjournment

9:00 p.m.

*(The Town Council's Goal is that all meetings be adjourned by 10:30pm. An agenda check will be conducted at or about 10:00 p.m., and no later than at the end of the first item finished after 10:00 p.m. Items not completed prior to adjournment will generally be taken up at the next regular meeting.)*

#### Translation Services

*Persons planning to attend the meeting who need sign language interpretation, translation services, assisted listening systems, Braille, taped material, or other accommodation should email the Town Clerk's Office at [TownClerk@ErieCO.gov](mailto:TownClerk@ErieCO.gov) or call 303-926-2710. Please submit requests at least 48 hours prior to the meeting.*

*Si requiere una copia en español de esta publicación o necesita un intérprete durante la reunión del Consejo, por favor llame a la Ciudad al [TownClerk@ErieCO.gov](mailto:TownClerk@ErieCO.gov) o 303-926-2710. Por favor envíe sus solicitudes al menos 48 horas antes de la reunión.*



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645 Holbrook Street  
Erie, CO 80516

## Town Council

**Board Meeting Date: 6/2/2026**

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**File #:** 2026-353, **Version:** 1

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**SUBJECT:**

Discussion - Potential Sale of Town's Mineral Rights

**DEPARTMENT:** Legislation

**PRESENTER(S):** Breena Meng, Town Attorney  
David Frank, Director of Environmental Services

**TIME ESTIMATE:** 150 minutes  
*For time estimate: please put 0 for Consent items.*

**FISCAL SUMMARY:**

Yet to be determined

**POLICY ISSUES:**

Per the Town Charter, the purchase and sale of Town property, including mineral rights, must be approved by the Town Council by ordinance.

**STAFF RECOMMENDATION:**

Discussion of potential sale of mineral rights and negotiation points.

**SUMMARY/KEY POINTS**

- This is a chance for the Town Council members to discuss the possible sale of Town-owned mineral rights, understand the current negotiation points, and ask questions.
- No vote will be taken or decision made at this meeting.

**BACKGROUND OF SUBJECT MATTER:**

The Draco Pad was approved, March 26, 2025, by the Colorado Energy and Carbon Management Commission (ECMC) despite Erie's objections and thorough testimony. The Civitas/SM Energy project involves 26 wells in a pad located in unincorporated Weld County with underground drilling extending west under the Town of Erie and Boulder County.

Civitas/SM Energy approached the Town in Spring 2025 regarding the possibility of acquiring the Town's mineral rights.

June 2, 2026 will be a chance for the Council to discuss in more detail the possible sale of Town mineral rights to SM Energy. The Town Attorney has been negotiating this sale with Civitas. The basic negotiation points currently are:

- Land to be received by the Town to include three parcels on County Line Road approximately 158 acres
- The plugging of 17 existing wells in Erie
- The ability of the Town to pursue its own environmental testing at the Draco Pad including air quality monitoring
- Percentage of the revenue off the wellhead to be paid to the Town - 2%; estimated to be \$15M+.

Should an agreement be reached between the Town and SM Energy, an ordinance will come back to the Town Council for consideration. That would happen in a public meeting, and public comments will be taken prior to any vote. All documents related to the potential sale will be public and available for review for that meeting.

Should no agreement be reached, no further discussion or meetings will be held.

**ATTACHMENT(S):**

1. Presentation



# Discussion – Potential Sale of Town’s Mineral Rights

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Town Council  
June 2, 2026



# Agenda

- Where We Currently Stand
- Negotiating Points
- Next Steps
- Meeting Wrap Up – No decisions or votes will happen today

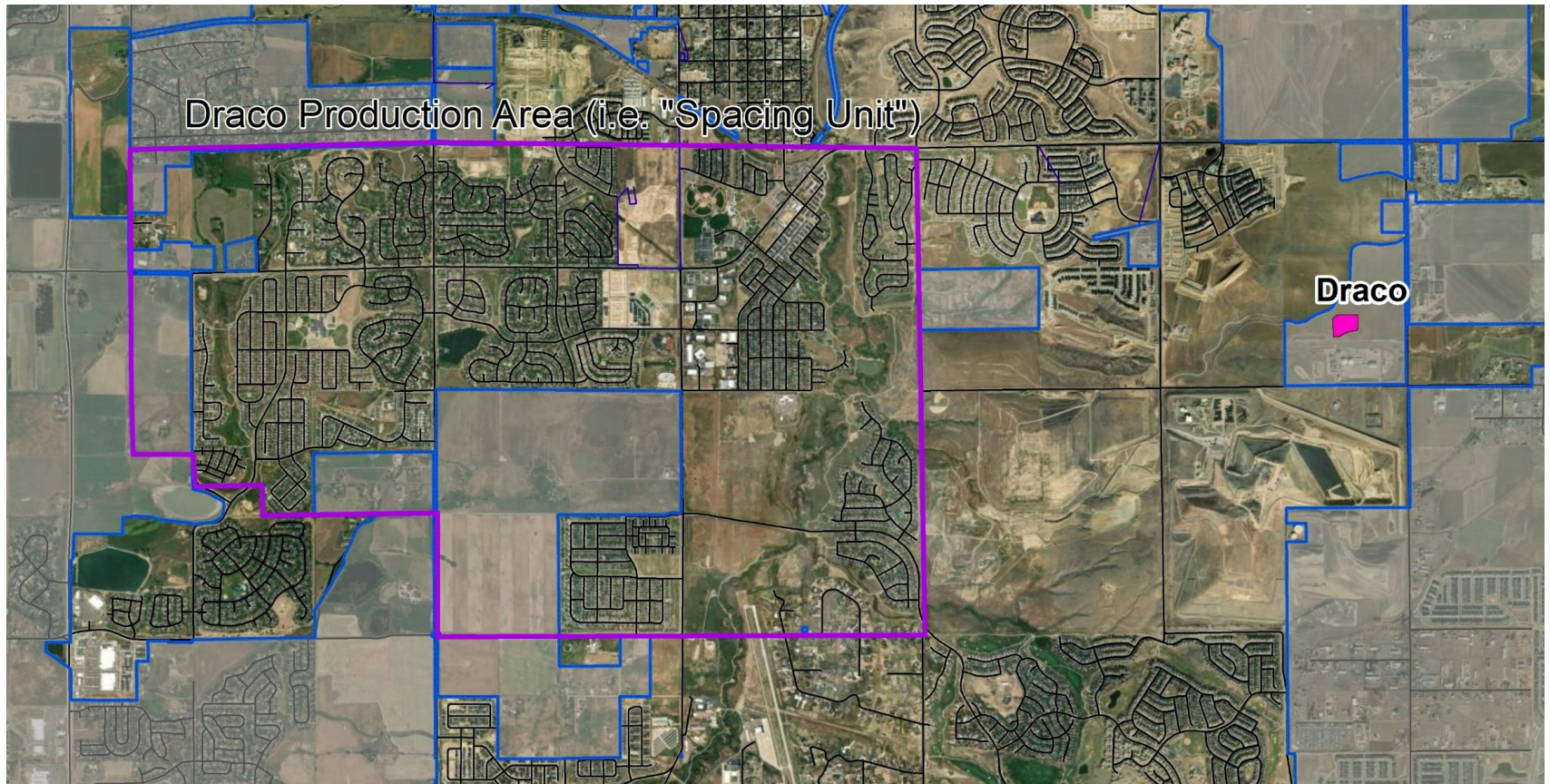


## Where We Currently Are

- Draco Pad Approved - On March 26, 2025  
The Colorado Energy and Carbon Management Commission (ECMC) approved the Draco Pad despite Erie's objections. The Civitas/SM Energy project involves 26 wells located in unincorporated Weld County with drilling extending west under Erie and Boulder County.
- Spring 2025 – Civitas/SM Energy approached the Town for the possibility of acquiring the Town's Mineral rights. Initial offer was for one parcel of land (31+ acres) in exchange for mineral rights. Parcel appraised at \$2.85M.
- Negotiations are ongoing. A special meeting has been tentatively scheduled for June 16 for Council to make a decision, assuming a final agreement has been reached.
- Decision to sell any Town property, including mineral rights, is a policy decision of the Town Council.

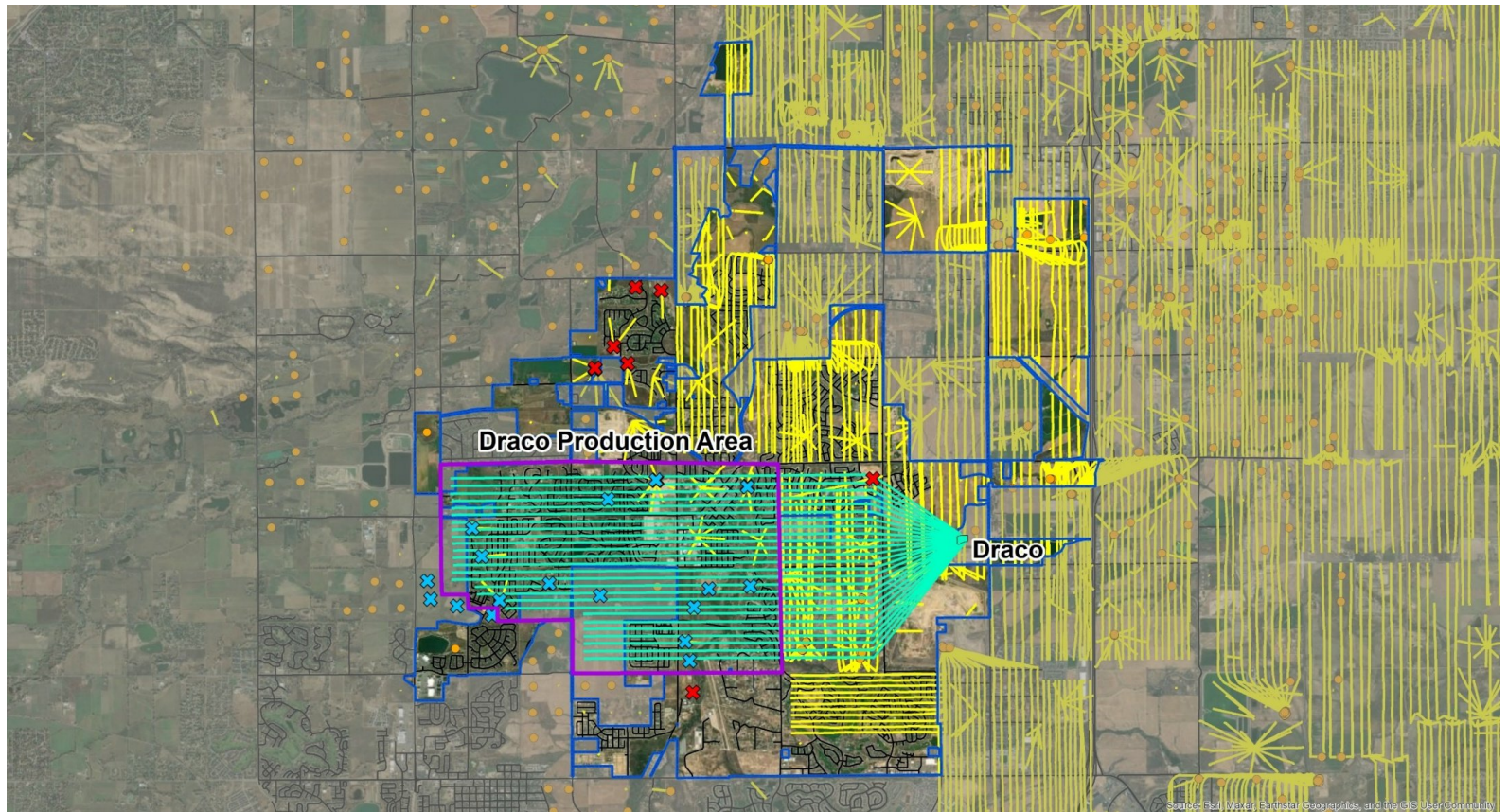


# Draco Facility and Production Area





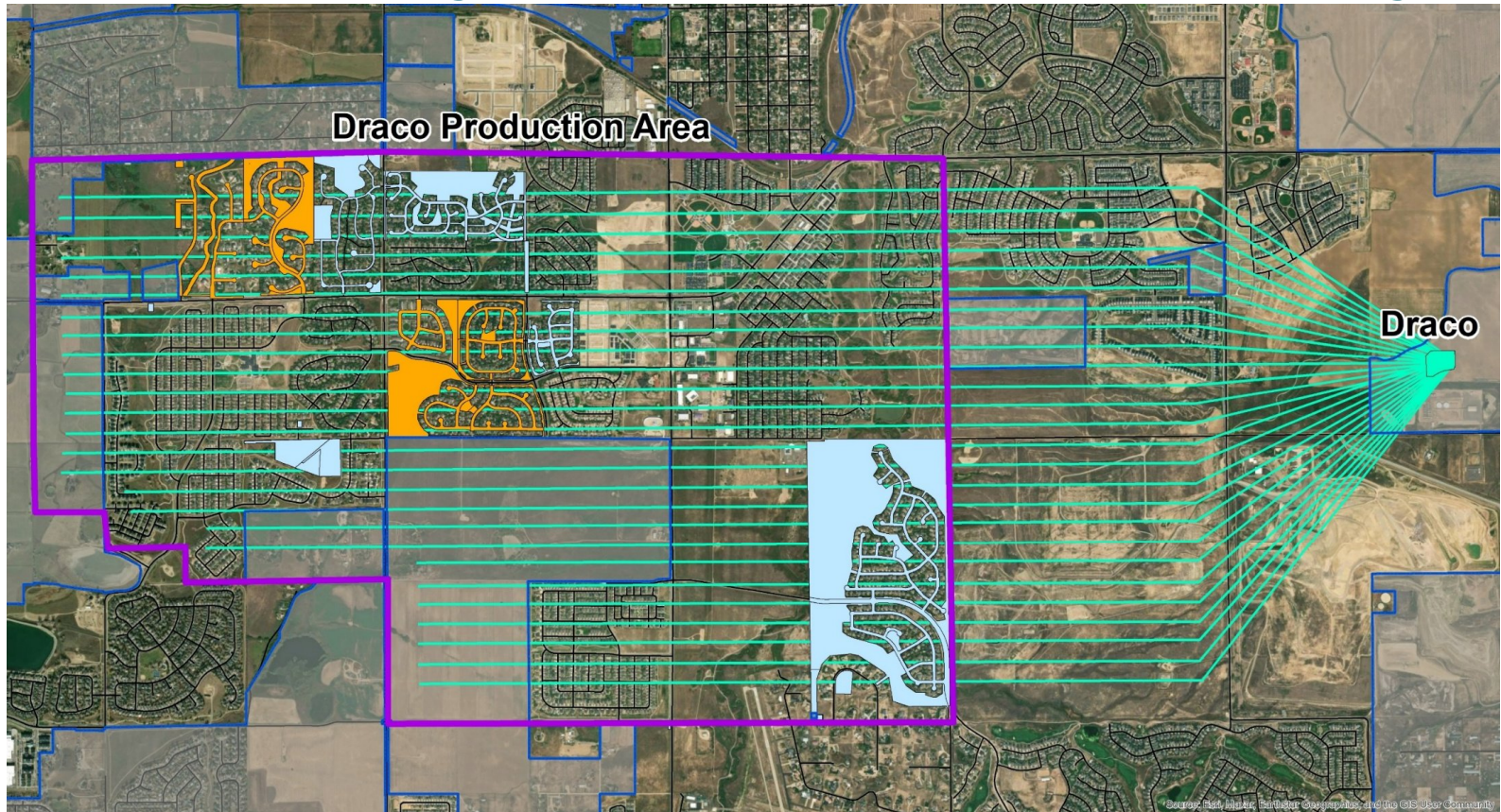
# Existing and Planned Drilling in and near Erie



Each red X indicates one or more wells to be plugged. Including all wells owned by SM Energy.



# Draco Drilling Area & Town's Mineral Rights



Light blue area show already leased minerals; orange areas show unleased minerals

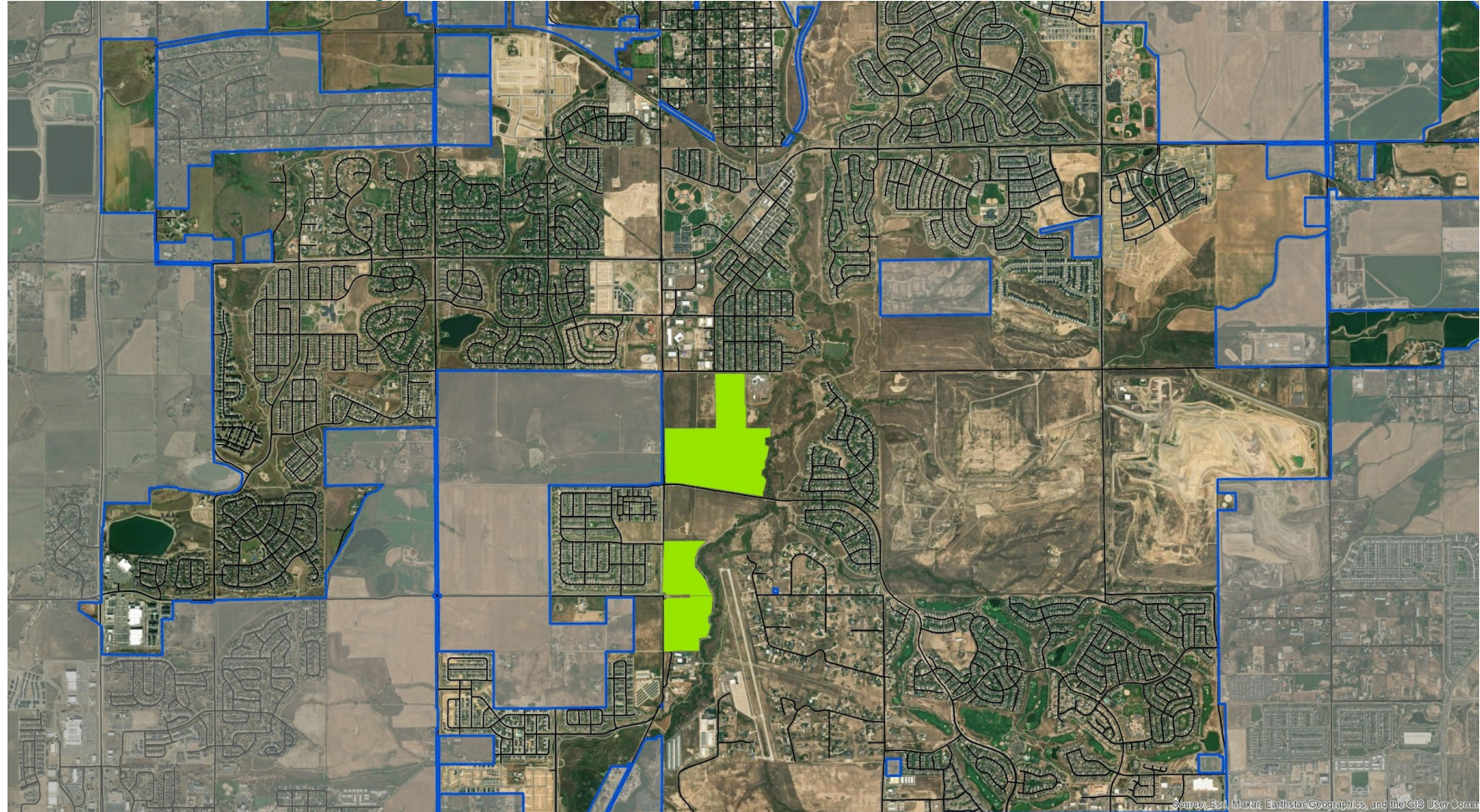


## Current Negotiation

- Additional safety measures
  - Plug and abandon 17 wells (in addition to the wells the ECMC ordered capped in the Draco Plan)
- Additional local oversight
  - On site inspections of the Draco Pad
- Additional Compensation
  - Property – three parcels on County Line Road (approx. 158 acres, appraised at ~\$13.575M)
  - Production Revenue – 2% (estimated to be \$17M+ over the life of the well, majority in the first five years. Dependent on well production.)
  - Cash payment of \$4.5M



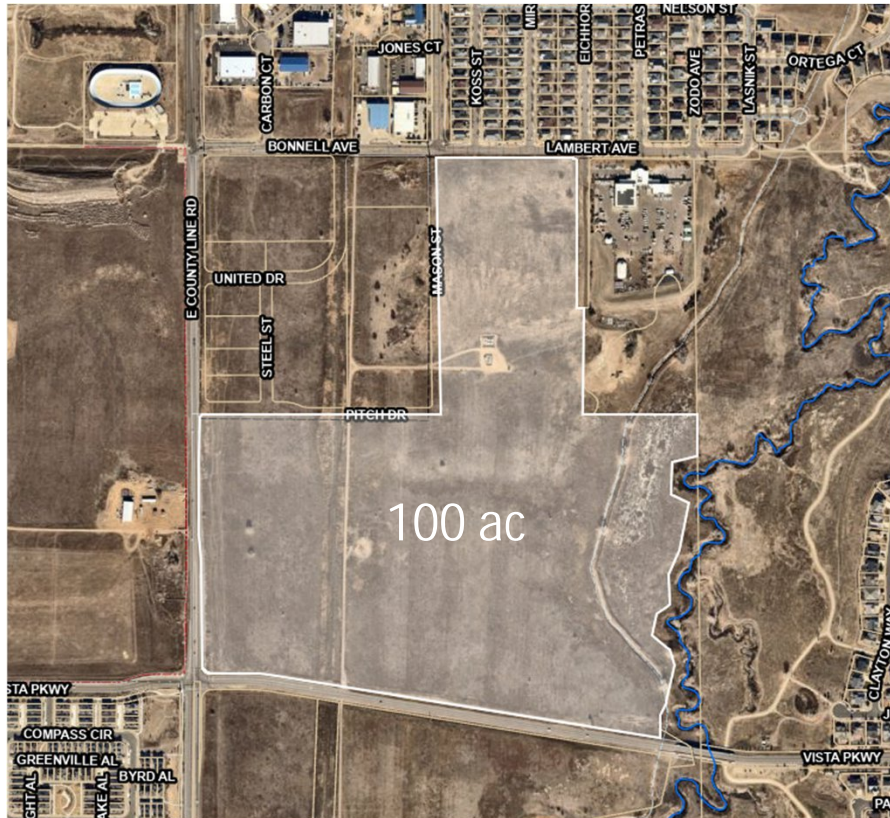
# Parcels Proposed to be Transferred



Sources: Esri, Maxar, Earthstar, Geographics, and the GIS User Community



# Parcels Proposed to be Transferred





## Additional Information

- What happens if the Town does not sell?
  - The Town would only receive royalty payments for the portions of the Town's mineral interest that are currently leased
  - The unleased portions could not be forced pooled, per SB24-185
- Can the Town's minerals be avoided if they are in the line of the drilling?
  - The unleased portions **MUST** be avoided unless leased or voluntarily pooled.



## Next Steps

- If agreement reached – ordinance for purchase comes to Council for consideration at a public meeting, possibly middle of June.
  - Full agreement and ordinance will be available for public review prior to the meeting.
  - Public comment will be taken at the meeting
- If no agreement reached, no further discussion or meetings will be held.