



# TOWN OF ERIE

645 Holbrook Street  
Erie, CO 80516

## Town Council

**Board Meeting Date: 4/28/2020**

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**File #:** 20-215, **Version:** 1

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### **SUBJECT: CONSENT AGENDA**

A Resolution of the Board of Trustees of the Town of Erie Approving the Second Amendment to the Contract Operating Agreement Between the Town and Summit Energy Research, LLC

**DEPARTMENT:** Administration

**PRESENTER:** Farrell Buller, Deputy Town Administrator

**TIME ESTIMATE:**

### **FISCAL SUMMARY:**

Cost as Recommended: \$40,956.47

Balance Available: 0

Budget Line Item Number: 100.20.910.560140.100281

New Appropriation Required: Yes

### **STAFF RECOMMENDATION:**

**Approve resolution authorizing the second amendment to the operating agreement**

### **SUMMARY AND BACKGROUND OF SUBJECT MATTER:**

Background:

As a part of the Town of Erie and City of Lafayette inter-governmental agreement and the development of the Nine Mile corner, the Town agreed to plug and abandon the Adam #1 well. The well is located at the southwest corner of Arapahoe Road and Highway 287 with the flow lines and gathering line extending east across Highway 287 and north into the Arapahoe Ridge open space.

On October 8, 2019 the Board of Trustees approved an amendment to the operating agreement with the Town's current operator, Summit Companies, to oversee the completion of the plug and abandon process per all Colorado Oil and Gas Conservation Commission regulations. In the first amendment it was agreed that Summit would discontinue operating and maintaining the property and instead oversee and direct the plugging and abandonment of the Adams 1 Well and related drip facilities. The process approved would cement all gas flow lines in place as opposed to physically removing all flow lines.

After the project began, the key anchor of the Nine Mile development made their participation contingent on the full removal of the flow lines. This change in process requires a second

amendment to the operating agreement to increase the payment to Summit by \$40,956.47 upon full removal of the flow lines and facilities related to Adams#1 well.

**Fiscal Impact:**

The cost of the project has been increased by \$40,956.47, and funding will be appropriated during the first supplemental budget process. Without this additional funding to fully remove the flow lines the Nine Mile development would not have been able to proceed as planned.

**ATTACHMENTS:**

1. Resolution
2. Second Amendment to Operating Agreement
3. Final Invoices