

**Town of Erie  
Ordinance No. 028-2026**

**An Ordinance of the Town Council of the Town of Erie Authorizing the Sale of Minerals to 7N, LLC, Accepting the Conveyance of Real Property from 7N, LLC, and Approving Agreements with 7N, LLC, SM Energy Company, and Extraction Oil and Gas, Inc. Regarding the Exchange of the Mineral Rights for the Real Property**

**Whereas**, 7N, LLC ("7N") owns certain real property located in Weld County, Colorado, described as Parcel Nos. 146731211006, 146730300045 and 146730202007, consisting of approximately 158.471 acres (the "7N Property");

**Whereas**, the Town is interested in acquiring the 7N Property for the welfare of the community and its economic development;

**Whereas**, the Town owns certain mineral rights located in Weld County, Colorado and Boulder County, Colorado (the "Town Mineral Rights");

**Whereas**, the Town and 7N wish to exchange the 7N Property for the Town Mineral Rights;

**Whereas**, 7N and Extraction Oil and Gas, Inc. ("Extraction") are each wholly-owned subsidiaries of SM Energy Company, a Colorado-based exploration and production company;

**Whereas**, Extraction has an Oil and Gas Development Plan approved by the Colorado Energy and Carbon Management Commission ("ECMC") at Order No. 407-3700 for Location ID No. 489708 (the "Draco Pad"), located in unincorporated Weld County, which includes a Drilling and Spacing Unit that extends under the Town;

**Whereas**, as part of the exchange, the Town, Extraction, and 7N have agreed to certain terms to address certain concerns raised by the Town related to the Draco Pad;

**Whereas**, pursuant to Section 15.01 of the Erie Home Rule Charter, the Town Council is authorized to approve the purchase, sale, exchange, or disposal of an interest in property by ordinance;

**Whereas**, Section 11.02 of the Erie Home Rule Charter requires an election before sale of "land designated by the Town as open space";

**Whereas**, while the Town Mineral Rights are interests in real property, they are not "land" and cannot be designated as "open space", and as such, Section 11.02 does not apply to the sale of the Town's Mineral Rights;

**Whereas**, the Town Council finds that the value that the Town will receive in exchange for the sale of the Town Mineral Rights is substantial, and represents a reasonable return;

**Whereas**, the Town Council finds it in the best interest of the public health, safety, and welfare to authorize the sale of the Town Mineral Rights and to accept the conveyance of the 7N Property pursuant to the terms set forth in the attached Contract to Exchange Real Property and Mineral Rights and the attached Agreement Regarding Draco Pad.

**Now Therefore be it Ordained by the Town Council of the Town of Erie, Colorado, as follows:**

**Section 1.** The Town Council hereby approves the Contract to Exchange Real Property and Mineral Rights and the attached Agreement Regarding Draco Pad in substantially the form attached hereto, subject to final approval by the Town Attorney. Pursuant to the terms and conditions of such agreements, the Town Council hereby authorizes the sale of the Town Mineral Rights and the acceptance of the conveyance of the 7N Property.

**Section 2.** The Town Council hereby authorizes the Interim Town Manager to execute all documents necessary for closing of the sale of the Town Mineral Rights to 7N and the conveyance of the 7N Property to the Town.

**Section 3.** Severability. If any article, section, paragraph, sentence, clause, or phrase of this Ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the validity or constitutionality of the remaining portions of this Ordinance. The Town Council hereby declares that it would have passed this Ordinance and each part or parts hereof irrespective of the fact that any one, or part, or parts be declared unconstitutional or invalid.

**Section 4.** Safety. The Town Council finds that the adoption of this Ordinance is necessary for the protection of the public health, safety, and welfare.

**Section 5.** Effective Date. This Ordinance shall take effect 10 days after publication following adoption.

**Introduced, Read, Passed and Ordered Published this 16th day of June,  
2026.**

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Andrew J. Moore, Mayor

**Attest:**

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Debbie Stamp, Town Clerk