



WESTERLY

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A SOUTHERN LAND COMPANY COMMUNITY

OIL AND GAS INFORMATION



Extraction operations for natural resources, including oil and gas, are common in Colorado. Oil and gas activities have been conducted in and around Erie and in the vicinity of other growing communities in the area for many years. While the edge of the Draco Pad will be within 2,000 feet of the southern edge of Westerly, this is not a unique situation for us as a community, the Town of Erie, or Weld County, as populations move into areas that have long experienced oil and gas activity. Fortunately, the state and local regulatory environment is very protective of local communities in these circumstances, and there are many measures in place to assure that Westerly residents are not impacted by these activities. In addition to the strict regulatory requirements, Erie Land Company, LLC has negotiated protective measures with the oil and gas developer.

As you consider making Westerly your home, we want to provide you with information and up-to-date resources about current and planned oil and gas operations in the area and the protective measures in place to assure your well-being.

OIL AND GAS EXTRACTION OPERATIONS

What is horizontal drilling?

Horizontal drilling is a technology that involves drilling a well vertically thousands of feet to reach the target formation and then turning the well bore inside the formation to extend horizontally thousands of feet to expose the well to the oil and gas embedded in the rock. The well is drilled with steel pipe that is cemented to the hole to prevent any possibility of escape of hydrocarbons or fluids from the well bore.

Because of this technology, the actual site of the wells (called the “well pads”) can be located away from neighborhoods and other surface uses to avoid impacts from the activity. Usually, many wells are located on a well pad in order to maximize efficiency of operations and minimize surface disruptions. The operator constructs sound walls around the sites to minimize noise and is required by state regulation to implement many other protective measures to minimize impacts of the drilling process on adjacent areas.

The underground horizontal laterals are separated from the surface by thousands of feet of rock and are imperceptible to the surface above them.

Where can I learn more about horizontal drilling?

<https://www.coga.org/factsheets/hydraulic-fracturing>

What is fracking?

Fracking, or hydraulic fracturing, is a proven drilling technology used to extract oil and natural gas from underground rock formations. The process involves injecting a mixture of water, sand, and a small amount of chemicals into a horizontal well bore at high pressure. This pressure creates fractures in the surrounding rock, allowing oil and gas to flow through the cracks and into the well bore. The fluids include sand or other “proppants” intended to prop open the fractures. The chemicals are used to facilitate the flow of oil and gas. This operation occurs thousands of feet below ground, separated from the surface and groundwater sources by over a mile of impermeable rock. The fractures themselves extend only a couple of hundred feet into the rock beyond the well bore.

The fracking process causes no impact to the surface or to groundwater. It does not cause earthquakes or other seismic activity. It is not perceptible at the surface. The fractures are of limited reach and are far below, separated by thousands of feet of impermeable rock.

Where can I learn more about fracking?

FracFocus, managed by the Ground Water Protection Council (GWPC), is the national hydraulic fracturing chemical registry. Their website offers comprehensive informative resources to help understand the fracking process, including detailed information on locations and ongoing monitoring processes.

Please visit: <https://fracfocus.org/>

What happens after the wells are drilled and fracked?

Surface equipment is installed on top of and adjacent to the wellheads to separate water, oil and gas and flow them into temporary storage tanks or subsurface pipelines for transportation and disposal. The surface area around the wells is reclaimed and the size of the well pad is reduced to the area around the wellheads and surface equipment. Operation of the wells is virtually unnoticeable, especially at sites like the proposed Draco site which does not dispose of production via trucking but rather into subsurface pipelines.

ACTIVE WELLS IN COLORADO AND IN THE TOWN OF ERIE

How does Colorado rank in oil and gas production?

Colorado is the 10th largest producer of oil and gas in the United States.

How many wells are there in the state of Colorado?

As of May 2025, there are 46,974 active wells in the state of Colorado.

To stay up to date on well count and activity, visit <https://ecmc.state.co.us/documents/data/downloads/statistics/County/CountyActive.html>

Why are there wells within the Town of Erie?

Most of the wells within the Town are older vertical wells that were drilled in areas that were not part of the town at the time.

Where can I locate a map of Oil and Gas wells within the Town of Erie?

To see current Oil and Gas wells within the Town of Erie, visit <https://www.erieco.gov/1793/Oil-Gas-Maps>.

Where can I find maps of oil and gas sites?

The Town of Erie's website includes a page with links to interactive maps of oil and gas sites and activity within the town's limits. This page also provides additional information and links to sources regarding monitoring of active sites from the state level, health and safety procedures and resources, and more. Please visit <https://www.erieco.gov/1793/Oil-Gas-Maps>

You can find an interactive map of oil and gas activity within Weld County at <https://www.mineralanswers.com/colorado/weld-county>.

WELLS IN THE VICINITY OF WESTERLY

Are there wells within the Westerly Community?

No. While a few older vertical wells were located in the area that now lies within Westerly's boundaries, they were plugged and abandoned by the operators of the wells before development began. No new wells can be located inside the Westerly Community boundaries.

DRACO PAD FACTS

Where will the Draco Pad be located?

The Draco Pad will be located at the Crestone Hub, northwest of County Roads 6 and 7 in unincorporated Weld County. The edge of the initial well pad is approximately 2,000 feet from the southern-most planned home sites in Westerly. None of those home sites will be occupied before the Draco wells are drilled and completed and in production.

How many wells will be located at the Draco Pad?

The Draco Pad will include 26 new wells that, once drilled, will extend from the Crestone Hub westward into Boulder County below the Town of Erie. The well paths or well sticks will travel underneath many communities and areas between the Draco Pad West into Boulder County to US 287.

<https://20214685.fs1.hubspotusercontent-na1.net/hubfs/20214685/Draco%20Pad%2020240507.pdf>

As part of the project, 22 legacy wells within the Town of Erie will be plugged and abandoned.

Why was this site selected?

Per Civitas Resources, the parent company of Extraction Oil & Gas, Inc., the operator of the Draco Pad and the proposed wells, the Draco Pad site was selected based on several factors, including it being located in an area not containing any existing surface development allowing it to minimize potential nuisances and other impacts to receptors and residents, and it being clear of any wildlife or other environmental concerns.

A summary is available in the "Location History" section at <https://www.civitascommunityrelations.com/dracopad>

Why can Extraction drill at the Draco Pad?

The Draco Pad site was approved by the Colorado Energy and Carbon Management Commission (the "ECMC") in a public hearing in March 2025, after Extraction explored an alternative location within Erie and found that it was not viable.

In addition to the state through the ECMC, location of well pads is subject to the approval of the location of wells within their boundaries (following Senate Bill 19-181). The Town of Erie did not have approval authority over the Draco Pad because its location in unincorporated Weld County is outside the boundaries of the Town and was therefore subject to the regulatory authority of Weld County. The

county does have health and safety requirements that it imposed on the operator as a condition to approval.

Applicable regulations at the state and local level allow pads to be located and wells to be drilled if they meet specified requirements to avoid, minimize and mitigate adverse impacts on public health, safety, welfare and the environment, including wildlife resources. The Draco Pad was deemed to meet those requirements. The ECMC noted at its hearing that the protective measures adopted by Extraction for the Draco Pad in many cases exceeded state requirements. These include the use of electric drilling rigs, elimination of storage tanks on site, and use of best practices to minimize odors and other potential nuisance impacts during drilling. Extraction also committed to various best management practices requested by the Town of Erie to minimize impacts on Town residents, including the development of a mutually acceptable traffic plan governing truck operations during drilling.

How long will the drilling and fracking process take?

Construction of the well pad will tentatively begin in May 2026 and is expected to take two months. This includes sound walls to minimize disturbance to the surrounding areas. Drilling will commence shortly thereafter and may take up to eight months depending on the number of electric drilling rigs utilized. The wells are drilled sequentially, one right after the other, until all wells are drilled. Once drilling is complete, crews will fracture the wells, which is another five-month process, with completion expected by March 2027. Installation of surface equipment is expected by October 2027, with production to begin shortly thereafter.

What assurances are there regarding the duration of the drilling and fracking process?

Westerly negotiated an agreement with Extraction that requires that all wells to be completed, including completion of hydraulic fracturing and the installation of production wellhead equipment, no later than May 13, 2028. After that date, Extraction is prohibited from conducting any drilling and completion operations. By agreement with the Town of Erie, Westerly will forego permitting any occupation of home sites within 2,000 feet of the Draco Well Pad before October 2028, after the pre-production process is complete.

What engagement has Erie Land Company had on behalf of the Westerly Community with Civitas/Extraction Oil & Gas, Inc.?

Erie Land Company was involved with Extraction throughout the permitting process, working to arrive at best management practices and mitigation efforts to avoid potential impacts to the Westerly Community. Through that process we were successful in reaching an agreement with Extraction containing the following important protective measures in addition to those required by the state and local regulators.

1. Strict time limit on completion of the wells: As noted above, Extraction will have until May 13, 2028, to finish its wells and put them on production. This ensures that no Westerly residents within 2,000 feet of the well pad will be impacted by the drilling and fracking operations since none of those homes will be occupied before October 2028.
2. Air Quality Monitoring: Extraction will maintain three air monitors around the Draco Pad, continuously monitoring air quality. In the event of any recorded exceedance of state emission limits, Extraction will report them immediately to the State and the Town and make any necessary equipment repairs immediately to reduce emissions to permitted levels. Air monitors will also be installed outside of the sound walls at the Draco Pad location to monitor emissions during the drilling process.
3. Visual Mitigation - Additional Landscaping, Fencing and Plant Material:

No later than six months after initial production from all wells drilled at the Draco Pad, Extraction will be required to construct berms on the north and west side of the outer perimeter, helping to shield the operation from Westerly sight lines. Extraction will seed the berms with native grasses and maintain them for the life of the project.

Extraction will install eight-foot fencing with privacy slats on top of berms and maintain the fence for the life of the project.

Trees and other landforms will be retained around the project site to assist with the screening of the project.

Extraction will provide funds for enhanced landscaping in the adjacent open space.

4. Road Improvements: Extraction will be responsible for paving the currently unpaved section of County Road 6 connecting to County Road 7, with County Road 5 to be completed no later than the commencement of the project.

What is Westerly's water source for the community, and will it be affected by oil and gas drilling?

There will be no impact of oil and gas operations on Westerly water. The water source for Erie, Colorado is the Colorado Big Thompson Project which originates on the western slope and is delivered via pipeline to the Lynn Morgan Water Treatment Facility. Erie provides use of this water to Westerly.

Even if Westerly or Erie relied on groundwater for municipal purposes, the drilling and fracking process will not impact any groundwater in the area, as discussed above.

To view the water source protection plan for the Town of Erie, please visit the link below.

https://co-erie3.civicplus.com/DocumentCenter/View/7610/SWP_TriFold---1212016?bidId=

ADDITIONAL RESOURCES

Where can I go for more information?

Colorado Energy and Carbon Management Commission

Website: <https://ecmc.state.co.us/#/home>

Phone number: 303-894-2100

Mailing address: 1120 Lincoln Street, Suite 801 | Denver, CO 80203

Coloradans for Responsible Energy Development

<https://www.cred.org/>

Draco Pad

<https://www.civitascommunityrelations.com/dracopad>

Town of Erie

<https://www.erieco.gov/129/Oil-Gas>

Weld County

<https://www.weld.gov/Government/Departments/Oil-and-Gas-Energy>





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