



To: CED Staff  
From: Jenni Hall, Director of Community & Economic Development  
Date: May 25, 2022  
Re: Interpretation of Use – Oil and Gas Cryptocurrency / Digital Currency / Electronic  
Currency Mining

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Per Adams County Development Standards and Regulations Section 1-03-01 and 3-05-02, the Director of Community and Economic Development is allowed to interpret the text of the development regulations. Section 3-06 describes the use categories defined by the Adams County Development Standards and Regulations, which are meant to detail the permitted uses within each zone district and overlay zone district. Uses not described in that section are not necessarily excluded, and the Director of Community and Economic Development may determine whether an unidentified use is substantially similar to an identified permitted or conditional use. Further, Section 3-05-01 states that “[n]o use not specifically permitted or conditionally permitted in a district shall be allowed unless the Director of Community and Economic Development determines the use is similar to an expressly permitted use.”

The County’s Oil & Gas Liaison has provided a written description of a new use witnessed by the Oil & Gas Inspectors in the field at 13350 Imboden Road:

- Installation of a large generator and shipping container containing Cryptocurrency / digital currency / electronic currency mining operations.
- Natural gas being produced from the wellhead is being used to power the generator that runs the computers.

### **Discussion & Interpretation**

Per Section 4-02-01, a change in use of property occurs whenever the essential character or nature of the activity conducted on a property changes. All changes in use require zoning review and building permit approval. Section 3-06 describes the use categories, which detail the permitted, conditional, and prohibited uses in each zone district. None of the use categories are similar to the described use of a trailer full of computers powered directly by a producing well.

Section 3-05-01 states that “[n]o use not specifically permitted or conditionally permitted in a district shall be allowed unless the Director of Community and Economic Development determines the use is similar to an expressly permitted use.” In this instance, the use is not substantially similar to any of the uses in the use chart. Further, the Director has determined that the described use is prohibited.

Understanding that Cryptocurrency / digital currency / electronic currency mining is a developing technology and growing in popularity, this department will endeavor to develop regulations to allow it in certain zone districts with proper permitting and performance standards to mitigate any potential off-site impacts.