



CCI's Oil and Gas Meeting Monday, June 24th

Jeff Robbins, Director of the CO Oil and Gas Conservation Commission, started the meeting by explaining that the COGCC will shift from fostering development of oil and gas to protecting the public's health and safety. This is pursuant to SB19-181. Any pending permit will now be evaluated in these new terms.

All the rule making required under SB19-181 must be complete by July 2020. The current COGCC Board will serve through rule-making and then be replaced by a permanent full-time Board of 5 members who will be paid; DNR and CDPHE would be non-voting members as well.

SB 181 gives local governments the discretionary authority to manage surface impacts of development if they choose. Robbins said he was rethinking an individual IGA process with individual local governments. That approach may be too cumbersome for the State. He is thinking, instead, of creating 3 buckets; 1.) those that want to leave regulation to the State, 2.) those that want to do limited regulations and 3.) those that want to regulate as much as possible. The State would develop guidance documents and objective criteria to help local governments decide what to do.

Following Robbins' comments, meeting participants suggested issues and topics the COGCC should prioritize as they work through their rule making responsibilities. This included:

- 1.) Address the coercive tactics used against non-consenting mineral owners
- 2.) Increasing financial assurances
- 3.) Emphasis on the COGCC enforcing and monitoring their own rules and regulations.
- 4.) Clear up confusion - among constituents and producers - about what ultimately ended up in SB19-181 through outreach and education.
- 5.) Include in each adopted COGCC regulation a statement explaining how the regulation relates back to the health, safety and welfare goals.

Counties also offered strategies they are using to move forward in light of the new law. Those include:

- 1.) Using a narrative approach to regulations rather than a prescriptive approach. A narrative approach allows the industry to develop creative solutions to comply with local regulations rather than a one size fits all approach.
- 2.) Designating all of the unincorporated parts of the county as being under county 1041 powers
- 3.) Transitioning existing county MOU processes into county regulations now that there are no longer concerns around state preemption

- 4.) Locally adopted conditions for approval are enforced by the state to the standards approved by the local government.
- 5.) Could the mine land reclamation act serve as a model for the COGCC as they work through their regulations?

Outstanding concerns:

- 1.) Impact of new regulations to the property tax base of counties
- 2.) Does SB 181 create a floor? If so, can the COGCC tailor regulations to apply differently to each of the oil and gas basins in the state? If it does create a floor, then waivers, modifications, and exemptions could be a tool to provide flexibility. If the COGCC is not setting a floor, then waivers, modifications and exemptions are not the right terms nor or they applicable.
- 3.) Some expressed concerns about a 1,500 feet set back requirement. Robbins explained that this is not an adopted standard, it's still 500 feet. He has considered a 1,500 feet set back for some permit requests near homes.
- 4.) Financial impact on communities that are service centers for oil and gas activities.
- 5.) Navigating the state, federal and local land use regulatory arena.
- 6.) There is a provision in the 1041 powers (CRS 24-65.1-108) that states that once a local government approves their permit, the state has 60 days to approve their permit. How will the COGCC meet their 60 day requirement?
- 7.) What is the role of the technical review committee if the local government has approved a permit? Will the technical review apply to our local land use authority?
- 8.) What are some of the resources COGCC will offer to locals?
- 9.) If a local government has approved a site for drilling, what role will the COGCC's alternate location rules play? And should they apply to already approved activities?