

# *Colorado Oil & Gas Conservation Commission: Implementing SB19- 181 and COGCC Mission Change*

Glenwood Springs Public Meeting

April 13, 2023



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Oil & Gas Conservation  
Commission

Department of Natural Resources

**John Messner**  
**COGCC Commissioner**

“Colorado is once again a national leader in protecting public health and safety thanks to today’s new oil and gas rules. Thank you to Governor Polis, the Department of Natural Resources and the COGCC for making the vision of putting public health and safety ahead of oil and gas industry profits into concrete policy.”

~ Kelly Nordini, Executive Director of Conservation Colorado

“Colorado now undoubtedly has the toughest oil and natural gas development regulations in the country, which further protect the environment and ensure that the molecules of energy produced here locally are cleaner than most anywhere in the world. All of Colorado can be proud of that.”

~ Dan Haley, President & CEO, Colorado Oil & Gas Association  
COGA Press Release 11/23/2020



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# Overview of SB 19-181

Gov. Polis signed SB 19-181 on April 16, 2019

- Reconstituted the Commissioners (twice)
- New mission for the COGCC
- New local government authority over surface impacts and siting
- Directed COGCC to undertake numerous rulemakings



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# *SB 19-181 Rulemakings: Completed*

500 Series (COGCC hearing process), *July 2019*

Flowlines (pipelines that COGCC regulates), *November 2019*

Wellbore Integrity (groundwater protection), *June 2020*

Mission Change (*change from foster to regulate*), *November 2020*

Financial Assurance (*updating bonding and orphan well requirements*), *February 2022*



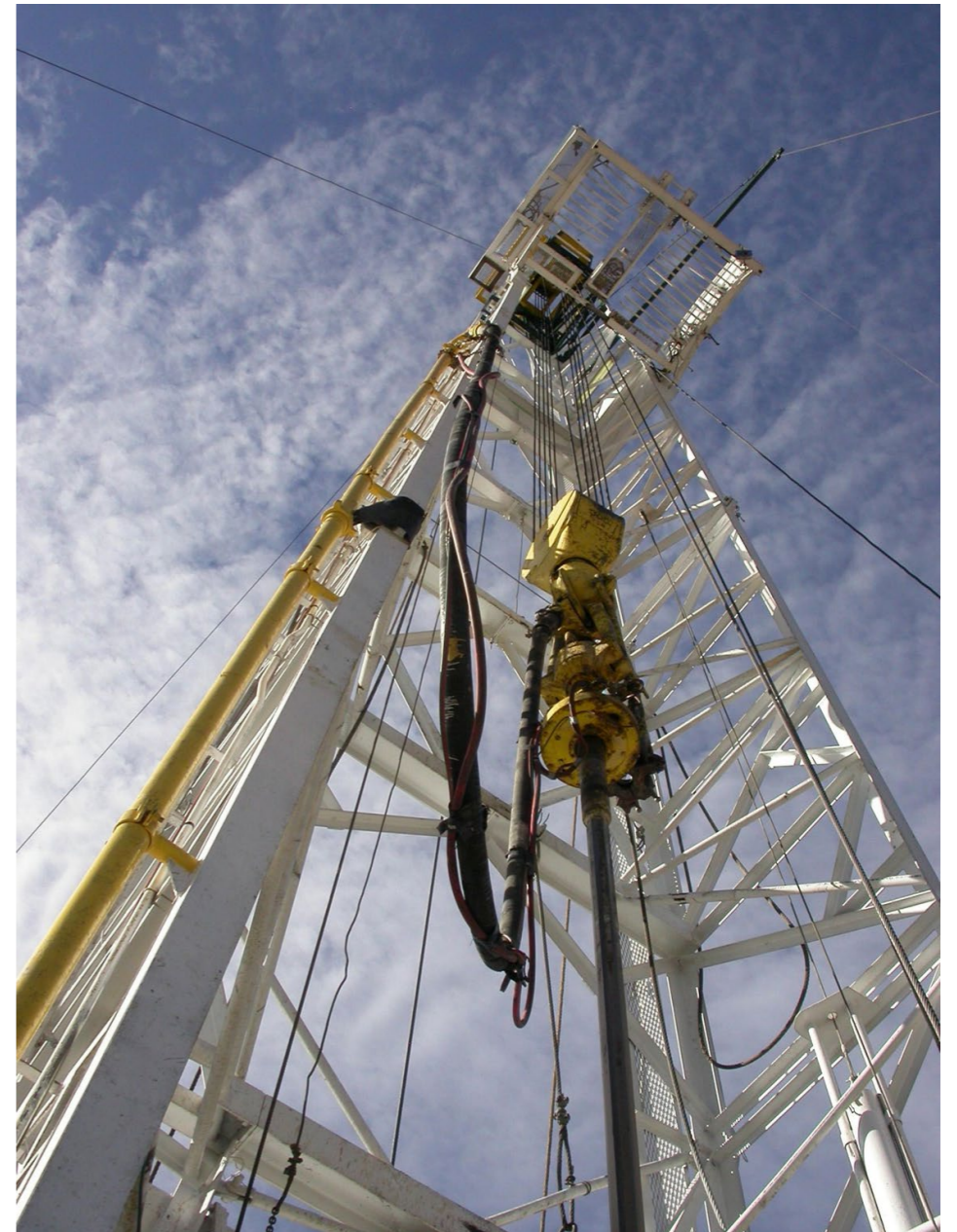
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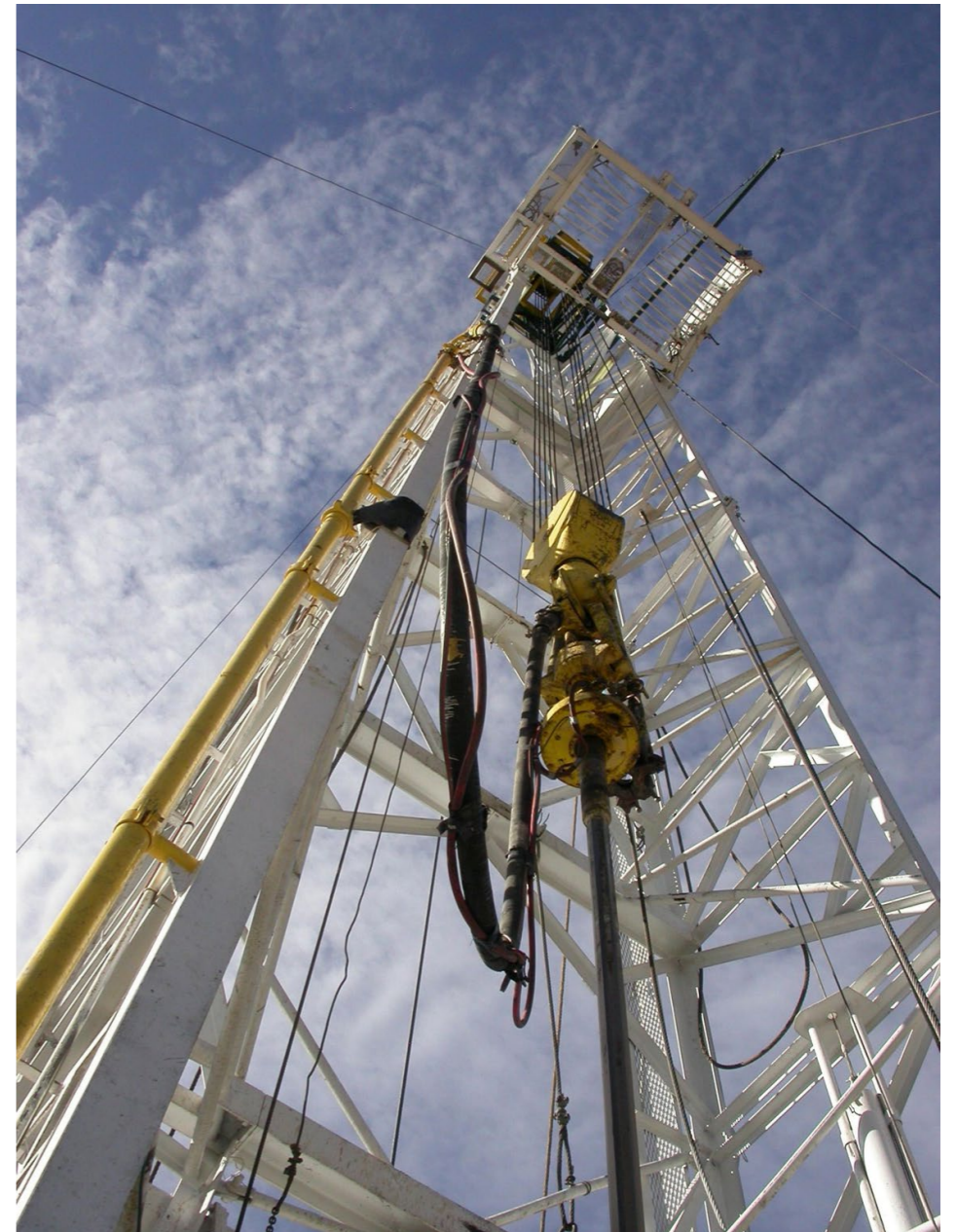
# Flowline Rulemaking

- Strengthen the state's oversight of flowlines and operators returning inactive wells to production or injection within Colorado.
- Create for the first time a map of the actual paths of all flowlines in the state of Colorado, while at the same time balancing transparency with the need for public safety.
- Ensure flowlines are abandoned in a manner that is least impactful, which balances the varying ways in which abandonment - in place or through removal - creates impacts or risks to public health, safety, welfare, the environment, or wildlife resources.



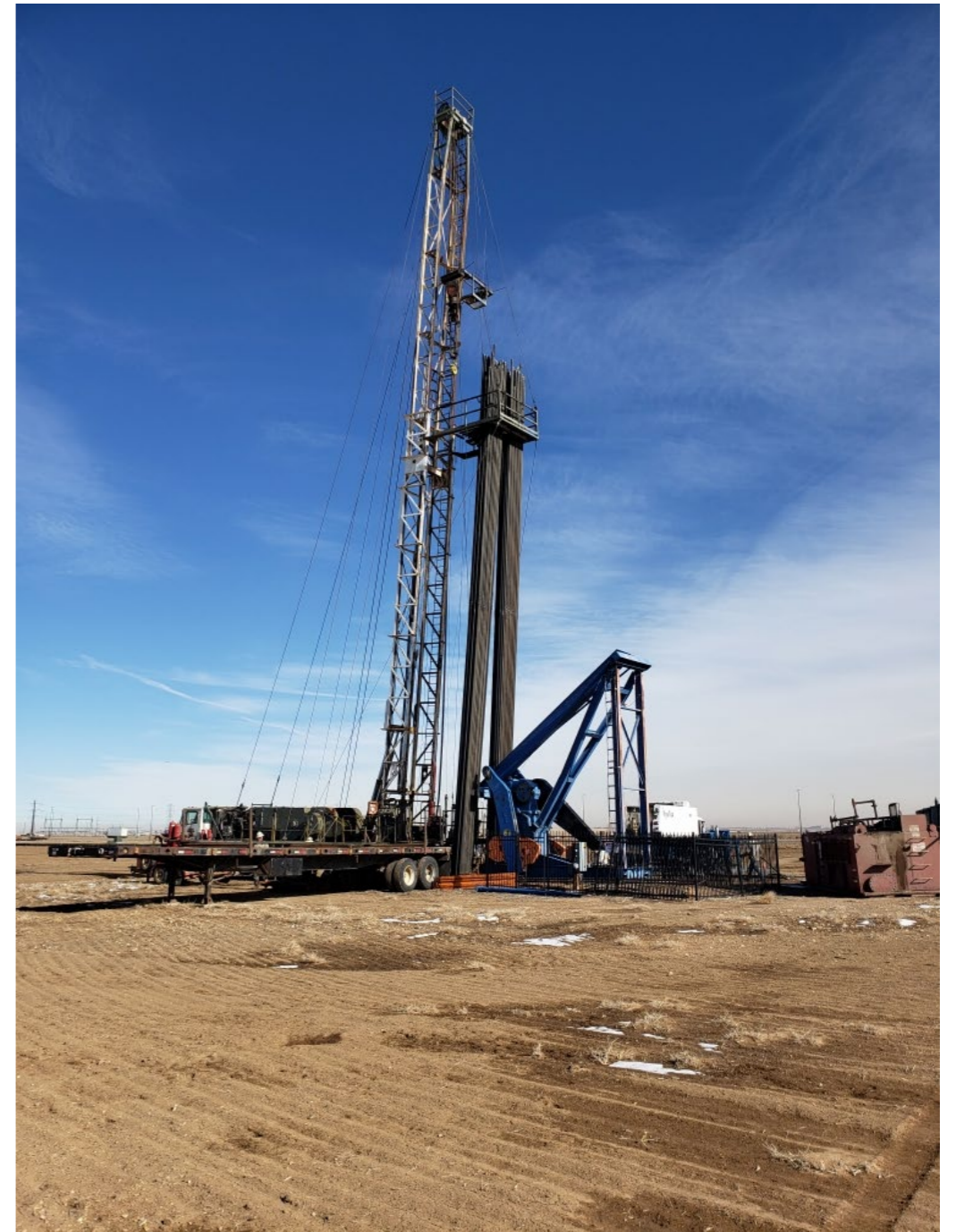
# Wellbore Integrity Rulemaking

- Health checks, using regular testing and maintenance, throughout the well's lifecycle.
- Isolate all fluids associated with the well from escaping to protect groundwater.
- Increase public access and transparency of precautionary measures to protect groundwater near homes and drinking water sources.



# *Mission Change Rulemaking*

- Key issues addressed
- Significant changes & outcomes from this rulemaking include:
  - Public Participation
  - Increased Protections for Public Health, Safety, Welfare, Wildlife & Environmental Resources



# *Mission Change Rulemaking for the 200-600, 800, 900 & 1200 Rules:*

- 200 Series: General Provisions
- 300 Series: Permitting Process
- 400 Series: Operations & Reporting
- 500 Series: Rules of Practice & Procedures
- 600 Series: Safety & Facility Operations Regulations
- 800 Series: Underground injection for Disposal & Enhanced Recovery Projects Provisions
- 900 Series: Environmental Impact Prevention
- 1200 Series: Protection of Wildlife Resources





# *200 Series- General Rules*

- Transfer of Permits
- Due Process
- Streamline and modernize processes for handling confidential information



# 300 Series- Permitting Rules

- Define the relationship between local & state governments
- Consideration of disproportionately impacted communities
- Cumulative Impacts
- Alternative Location Analysis
- Comprehensive Area Plans



# 400 Series- Operations & Reporting

- Expand rules to protect public water systems
- Adopt statewide prohibition on certain chemical additives in hydraulic fracturing fluid
- Notifications
- Noise & Nuisance



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# 500 Series- Rules of Practice & Procedure

- Expand public access to Commissioners
- Expanded the definition of “Standing”
- Expand public access and information



# 600 Series- Safety & Facility Operations Regulations

- Expand protective setbacks and siting requirements for schools & homes to 2,000 feet, except for when protective measures are in place and the Commission approves.
- ❖ Rule 602.b includes 4 “off-ramps”:
  1. The well location is already within an approved comprehensive drilling plan or comprehensive area plan.
  2. Specific equipment that has the greatest noise and emissions, including wells, tanks, separation equipment, or compressors are located more than 2,000 ft. from buildings.
  3. The commission finds after a hearing that companies have taken “substantially equivalent” protections for public health and safety.
  4. A property owner or tenants sign a special waiver agreeing to have a well pad built closer than 2,000 ft.



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# *800 Series- Underground injection for Disposal & Enhanced Recovery Projects Provisions*

- Strengthen protections for groundwater
- Adopt Colorado's first-ever substantive regulatory requirements
- Incentivize underground injection of waste fluids as a best practice for management



# 900 Series- Environmental Impact Prevention

- Prohibiting routine venting & flaring of natural gas
- Evaluate the cumulative impacts of oil & gas development through Commission's "CIDER" database



# 1200 Series- Environmental Impact Prevention

- Require avoidance of Colorado's most critical habitats
- Compensatory mitigation requirements
- Protect aquatic habitats
- Minimize disturbance in big game winter range & migration corridors





# *Financial Assurance Rulemaking*

- Ensuring each operator has the financial capability to meet all of their obligations under the Act through the development of a first-ever individual operator-specific financial assurance plans
- Increasing financial assurance for transferred and inactive wells
- Requiring financial assurance accounts for new wells funded in the initial years of operations
- Creating an orphan well fund;
- Applying Colorado's new rules to Federal wells for the first time;
- Broadening access for local governments regarding plugging of wells; and
- Developing a first in the nation out-of-service plugging program.



# *Industry Cooperation and Innovation*

- Industry and operators have been a strong partner throughout the rulemakings and implementation of the regulations
- The innovation, technological advances and embracing of the regulations by industry have resulted in the approval of hundreds of new wells and locations that are protective of public health, safety, welfare, the environment and wildlife resources
- Many operators are pursuing Comprehensive Area Plans which allow for the largest scale oil and gas development planning and evaluation and addressing of cumulative impacts.
- Most operators are embracing the regulatory processes, striving to improve their operations to meet or exceed expectations
- Producing the cleanest energy molecules in the world is a value add to the operations they are conducting, creates a market that instills consumer confidence and allows them to continue to operate in a successful manner in the State of Colorado



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# 2022 Commission Activity includes:

- 47: Oil & Gas Development Plans (OGDPs)
- 3: Comprehensive Area Plans (CAPs)
- 78: Form 2A's (location permit)
- 1,115: Form 2's (well permit)
- 1,142: Existing wells to be plugged & abandoned: 566 via OGDPs + 576 via CAPs (Approximate)

Also:

- 261: Existing locations to be closed and undergo final reclamation as part of OGDPs
- 662: Acres reclaimed through closing of existing locations
- 32,168: Vehicle trips prevented annually by facility closure & equipment upgrades
- 483: Oil tanks to be removed from existing locations through approval of OGDP
- 20: Condensate tanks to be removed from existing locations through approval of OGDPs



*Together we are showing that it is possible to have a successful oil and gas industry in the State of Colorado while being protective of public health, safety, welfare the environment and wildlife resources.*

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