

# Update on SB19 -181 Implementation

City of Aurora Oil & Gas Advisory Committee

September 18, 2019



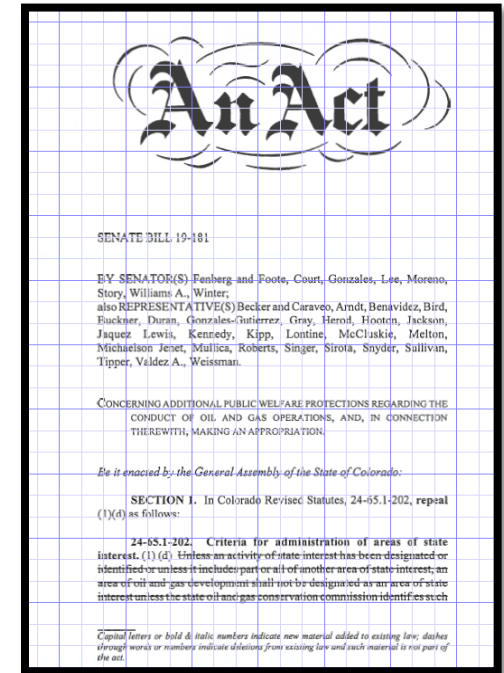
**COLORADO**  
Oil & Gas Conservation  
Commission

Department of Natural Resources

Marc Morton  
Local Government Liaison

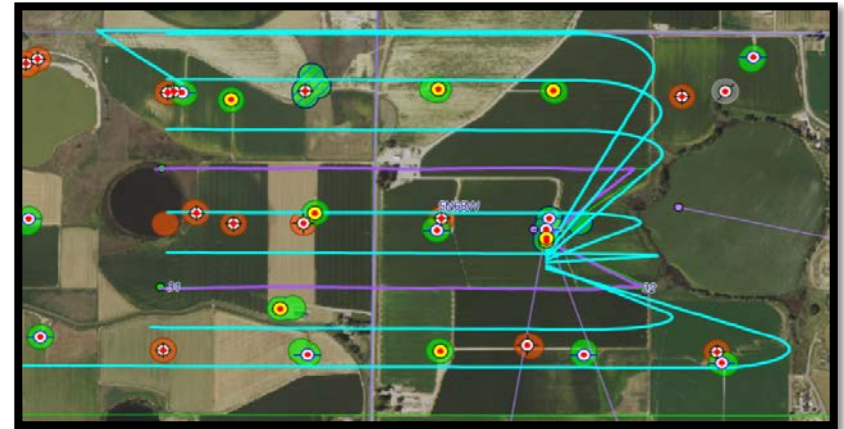
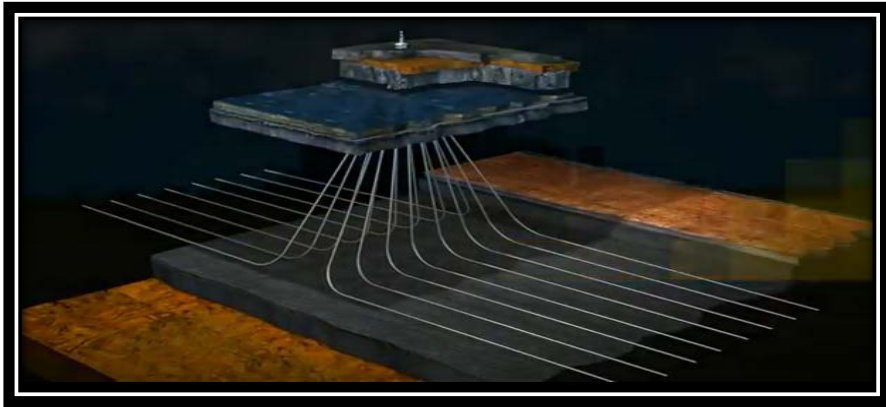
# SB19-181

- New and very complex law that significantly revises oil and gas regulation in Colorado - Effective April 16, 2019
- SB19-181 required Colorado Oil & Gas Conservation Act to be amended - (Appendix V of COGCC Rules)
- COGCC now embarking on 10-12 rulemakings (one completed) over next 1 to 1.5 years; one CDPHE (AQCC) rulemaking to occur and in progress





# Ongoing Trend - Multiple Horizontal Wells from a Single Pad



4 of 5 APDs approved by COGCC in 2018 were for horizontally-drilled wells.

# COGCC's (new) Mission

The mission of the Colorado Oil and Gas Conservation Commission (COGCC) is to regulate the development and production of the natural resources of oil and gas in the state of Colorado in a manner that protects public health, safety, welfare, the environment and wildlife resources.



# How does COGCC Regulate O&G?

- Laws, Rules, Regulations, & Policies
- Commission Orders (Enforcement and Hearings Processes)
- Permit-specific Conditions of Approval (COAs) and Best Management Practices (BMPs)
- Inspections (Corrective Actions identified, NOAVs potentially issued)
- Complaint investigation and response
- Operator Outreach & Training
- Collaboration, consultation, training and outreach to Local Governments
- Consultation with CDPHE, CPW, EPA, BLM
- Focus on Transparency and Public Involvement

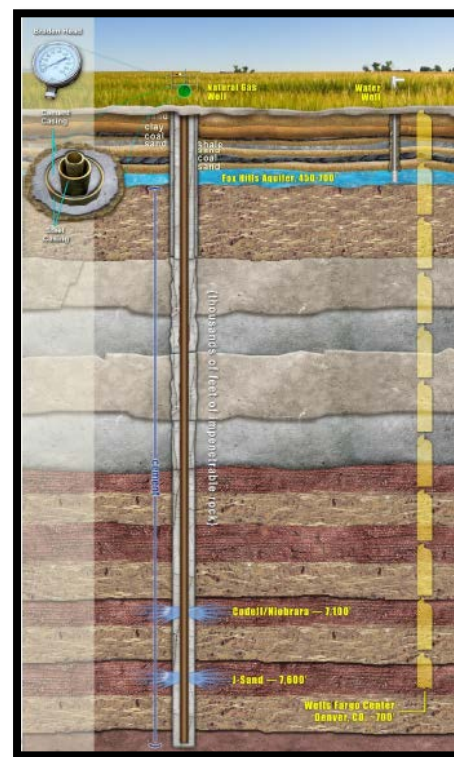




# Two COGCC Permits Still Required to Drill, the Form 2 and Form 2A



Form 2A – Oil and Gas Location Assessment (OGLA)



Form 2 – Application for Permit to Drill (APD)

# Two COGCC Permits required before Drilling is Allowed (Form 2A and Form 2)

## Oil & Gas Location Assessment (OGLA, Form 2A)

Provides assessment of surface location (usually a well pad or tank battery).

- Area of disturbance
- Distance to homes / setback designation / schools
- Environmental review
- Hydrology
  - Groundwater
  - Surface water
- Inter-agency consultation (CPW, CDPHE)
- An example Location ID (issued upon permit approval) is 422460
- Permit valid for 3 years once Location ID issued

## Application for Permit-to-Drill (APD, Form 2)

Provides information specific to one well and its construction.

- Surface & bottom hole location
- Casing & Cementing plans
- Right to construct
- API number issued once permitted
  
- An Example API is:
- 05-069-06436, where 05 = state (Colorado), 123 = county code (069) for Larimer, and 12345 = sequence #
- Permit valid for 2 years once API # issued



# Aurora Pending Form 2As & Form 2s (COGCC Dashboard tool, 9-17-2019)



Dashboard data sets currently available include:

- (1) Pending Permits
- (2) Well Status
- (3) Production
- (4) Well Inspections
- (5) NOAVs
- (6) Active Notifications
- (7) Spills

As of September 17, 2019 there were:

**24** Pending 2As in Aurora (8 in Adams County, 16 in Arapahoe County)

**164** Pending Form 2s in Aurora (56 in Adams County, 108 in Arapahoe County).



# SB19-181 Required Initial Rulemakings Deadline - Summer 2020

- Flowlines
- Mission Change / Protection of PHSWE&W
- Alternative Location Analyses
- Cumulative Impacts

Note: One SB19-181 rulemaking already completed  
(COGCC 500-series rules, to be posted on September 30)

# Other Future Pending Rulemakings or Administrative Actions

- Wellbore Integrity
- Financial Assurance
- Technical Review Board
- Worker Certification
- Application Fees
- Air Quality / Emissions (CDPHE - AQCC)

# SB19-181 Major Elements

- COGCC Mission changed from “fostering to “regulating” while prioritizing public health, safety, and environment concerns.
- Enables local governments the option to have increased oversight of land use related to oil and gas facilities, & potential to adopt or modify their local land use permitting process.
- Restructure State and Local Government relationship.
- Local governments have the option of permitting “siting” related to land use; May opt to “go first” in land use permitting process; or concurrently with COGCC, or after COGCC location permitting process.



# SB19-181 - More Major Elements

- Commissioner makeup has changed; Less O&G industry representation than before; other members have broad expertise in PHSW&E aspects.
- Commission will change to a full-time “professional” Commission by summer of 2020, following completion of four specific rulemakings.





# SB19-181's Major Elements (continued)

- SB 19-181 applies to “all conduct” pending before the COGCC as of April 16, 2019, including (but not limited to) all pending Form 2 and Form 2A permit applications in process at time of its passage (April 16, 2019)
- Form 2s and 2As - “Director’s Objective Criteria” now in use temporarily, and use of “Mitigation” toolbox
- Various guidance documents now available



# SB19-181's Major Elements (continued)

- Drilling and Spacing Unit Orders must now comply with the protection of public health, safety, welfare, the environment and wildlife resources provision set forth in § 34-60-106(2.5)(a).
- Statutory pooling (aka "Forced Pooling") applications must provide that the applicant "owns, or has secured the consent of the owners of, more than forty-five percent of the mineral interests to be pooled."

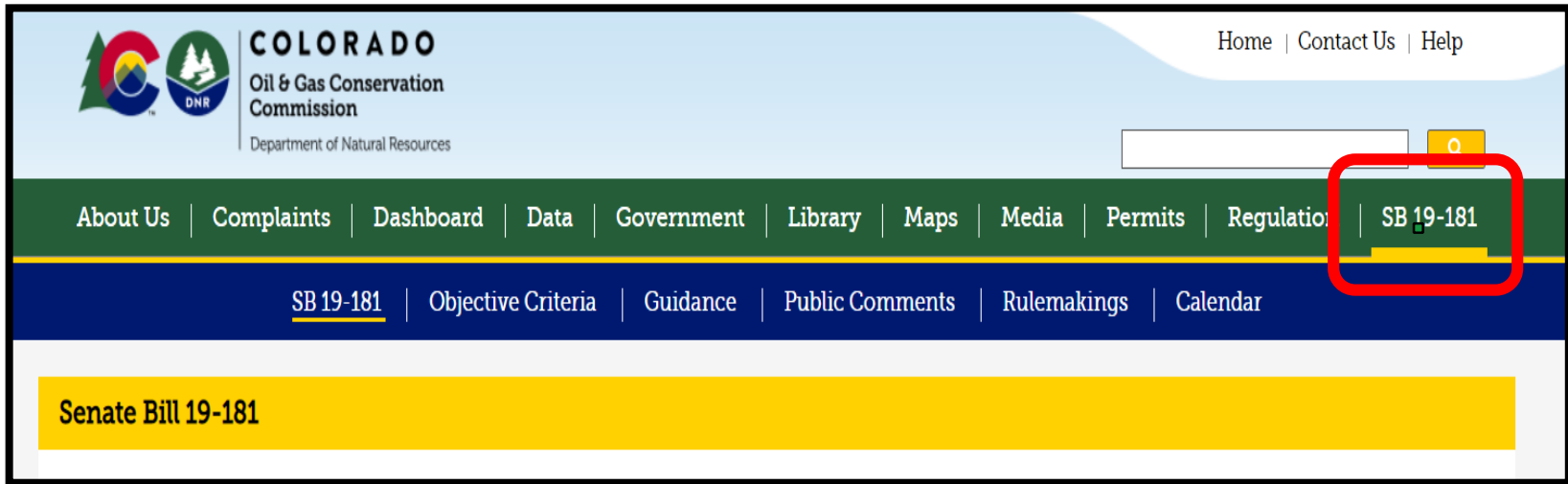


# Impact of SB19-181 on Well and Location Permitting

- Application of Director's Objective Criteria (and Mitigation toolbox) – creates additional layer(s) of review pursuant to new COGCC Mission and SB19-181.
- Local government may request comment period extensions at any time prior to permit approval, but sooner is better.
- Additional COAs may be placed on Permits issued by COGCC.
- Additional BMPs may be required on Permits from Operator.
- Permitting decisions in areas of high population density, near residences, schools, HOBUs, or in close proximity to sensitive environmental features will be deliberately and thoughtfully evaluated to mitigate impacts.



# SB19-181 on COGCC Website



It is extremely important for all to frequently refer to COGCC website as things are changing daily, if not hourly (Hearings Schedule, News & Notices, & SB19-181 in particular).



# NOW OPEN! Online Portals for Public Comment

The Public may submit (and review) comments on the four required rulemakings:

- Flowlines
- Mission Change / Protecting PHSWE&W
- Cumulative Impacts
- Alternative Site Analysis

**Senate Bill 19-181**

**Public Comments Portal**

# Upcoming Hearing Schedule\*

September 25 - Thornton [AGENDA](#)

September 26 - Public Listening Session  
(location TBD) see COGCC website

October 17 - Joint COGCC/AQCC  
Commission Meeting

November 20&21 - Flowline  
Rulemaking Hearing

\* = subject to change

## News & Notices

### Commission Rulemaking Public Comment Listening Session

Published: 09/13/2019

On Thursday September 26, 2019 from 4:00 to 7:30 PM, COGCC is hosting a rulemaking public comment listening session in a location to-be decided.

COGCC staff will be available to answer questions. The session will be available via Zoom video conferencing for those not able to attend in person. Click [HERE](#) or the announcement title above to view the Zoom information for the Listening Session.

# Flowline Rulemaking Timeline

## Flowline Rulemaking

The Oil and Gas Conservation Commission of the State of Colorado ("Commission") is considering amendments to the Commission Rules of Practice and Procedure, 2 C.C.R. 404-1 ("Rules"). On April 16, 2019, Governor Polis signed SB19-181, which SB19-181 directs the Commission to engage in rulemaking to, among other things, "allow the public disclosure of flowline information and evaluat[e] and determin[e] when a deactivated flowline must be inspected before being reactivated." §34-60-106(19)(b), C.R.S. Staff's summary of the proposed rules can be found [HERE](#). This rulemaking will change the rules and regulations of the Commission regarding the oversight of flowlines within Colorado.

[Public Comments Portal](#)

### Stakeholder Meetings Notice

The Colorado Oil and Gas Conservation Commission is holding the first of several meetings to engage stakeholders on revisions to the Commission's Flowline regulations, addressing the requirement set forth in SB 19-181 to ensure that the rules protect and minimize adverse impacts to public health, safety, welfare and the environment. The meeting is scheduled for Thursday, September 5, 2019, from 2:30 pm to 4:00 pm at the COGCC's offices, 1120 Lincoln Street, Suite 801, Denver. This stakeholder meeting was originally scheduled for August, and has been moved to September 5th.

Please note that this is not the Commission's only SB 19-181 rulemaking. In 2019 and 2020, the Commission will conduct rulemakings that address Mission Change, Alternative Location Analysis, and Cumulative Impacts as required by SB 19-181.

## Key Dates

**September 25** - Staff's Flowline Presentation (Thornton)

**October 8** - Notice of Rulemaking Hearing to be filed with the Sec. of State

**October 9** - Flowline Stakeholder Meeting

**Other Upcoming Dates & Deadlines (TBD)** - various work sessions; Submit Notice, Draft Rules, and Statement of Basis & Purpose; Filing for Party Status, Pre-Hearing Statements; Responses to Pre-Hearing Statements; Staff's final Draft Proposed Rules, and **Flowline Rulemaking Hearing (now scheduled for Nov 20&21)**

# Other Rulemakings (to be completed by July 2020)

- Mission Change / Public Health, Safety, Welfare, and the Environment /Wildlife
- Cumulative Impacts
- Alternative Siting



# Resource - Director's August 21, 2019 Presentation on Rulemaking

About Us | Complaints | Dashboard | Data | Government | Library | Maps | Media | Permits | Regulation | SB 19-181

[SB 19-181](#) | Objective Criteria | Guidance | Public Comments | Rulemakings | Calendar

## Senate Bill 19-181

On April 3, 2019, the Senate passed SB 19-181. The Governor signed SB 19-181 into law on April 16, 2019. SB 19-181 ensures that oil and gas development and operations in Colorado are regulated in a manner that protects public health, safety, welfare, the environment and wildlife resources. SB 19-181's amendments to the Oil and Gas Conservation Act ("Act") are effective as of April 16, 2019, the date the Governor signed the bill into law.

- [Senate Bill 19-181 \(April 16, 2019\)](#)
- [Oil and Gas Conservation Act as Amended by SB 19-181 \(June 18, 2019\)](#)
- [What's Next for Colorado's New Oil and Gas Law \(April 16, 2019\)](#)
- [Director Robbins SB 19-181 Presentation \(May 21, 2019\)](#)
- [Local Government Survey Results \(May, 2019\)](#)
- [SB 19-181 Rulemaking Update \(August 1, 2019\)](#)
- [Insights into COGCC Rulemaking from 30,000' - \(Intended to be a Conversation\) \(August 21, 2019\)](#)

Questions?

Visit us on the web at  
[cogcc.state.co.us](http://cogcc.state.co.us)



**COLORADO**  
Oil & Gas Conservation  
Commission

Department of Natural Resources

Marc Morton  
Local Government Liaison