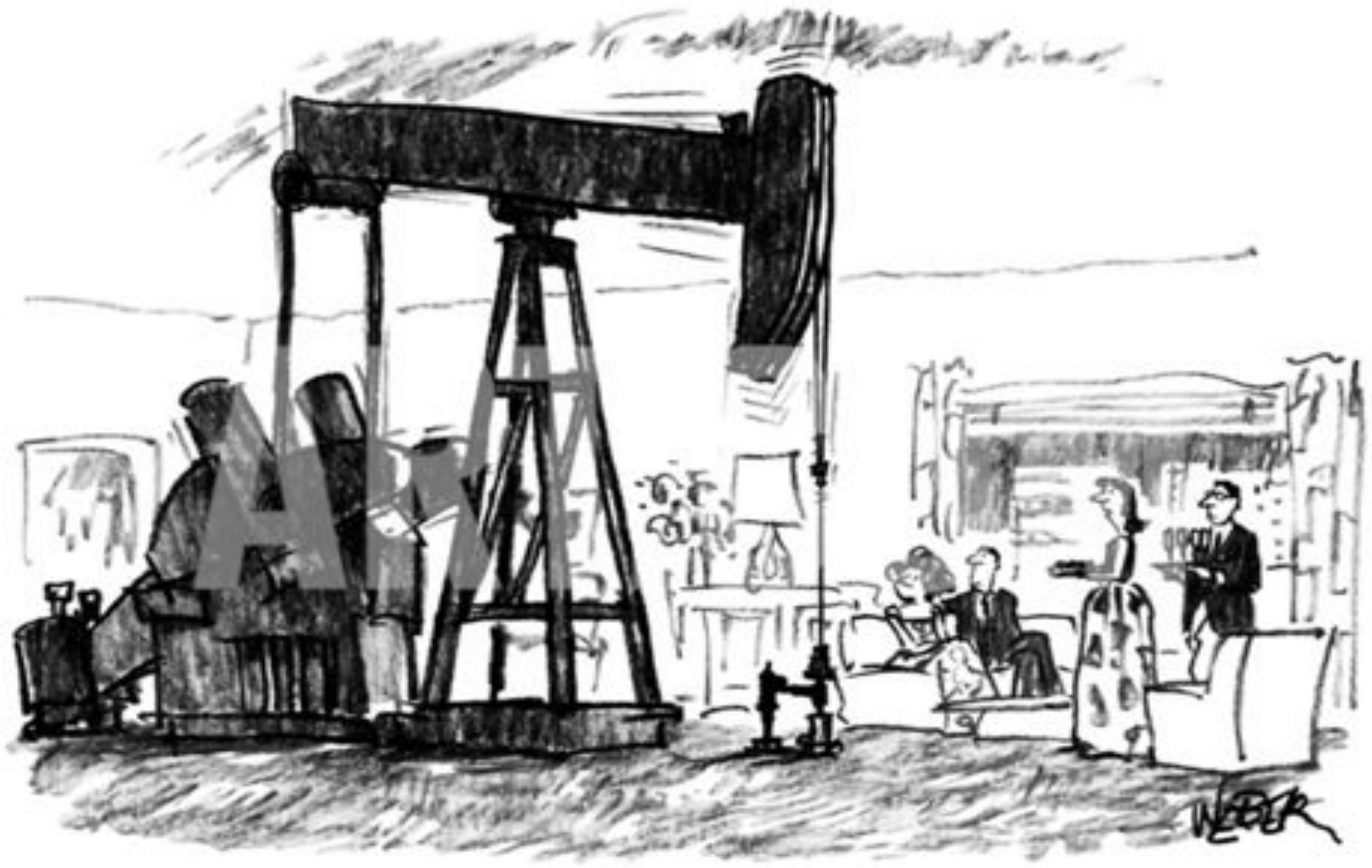


NW Colorado Council of Governments – QQ Quarterly Board Meeting

Governor Hickenlooper's Oil and Gas Task Force

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"We got a great buy on the apartment, but, unfortunately, it didn't include the mineral rights."

Oil and gas development is a highly-industrialized activity

that can be placed in ANY zoning district***

***According to the COGCC



Hydraulic Fracturing





Dust and emissions from
heavy truck traffic



Compressor Engines



Condensate Tanks



Glycol Dehydrators





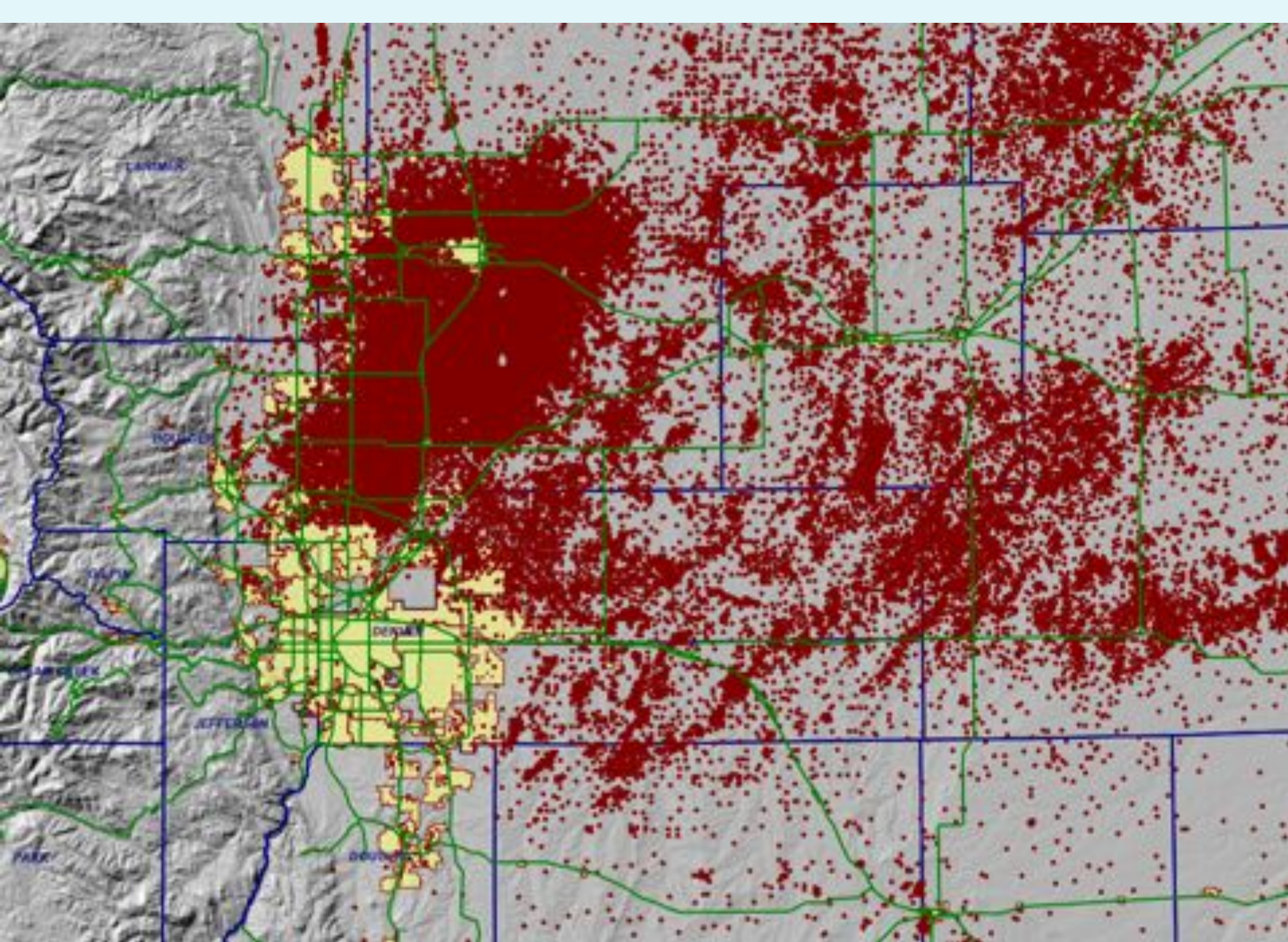
Well blow-out near Windsor, CO in
February, 2013

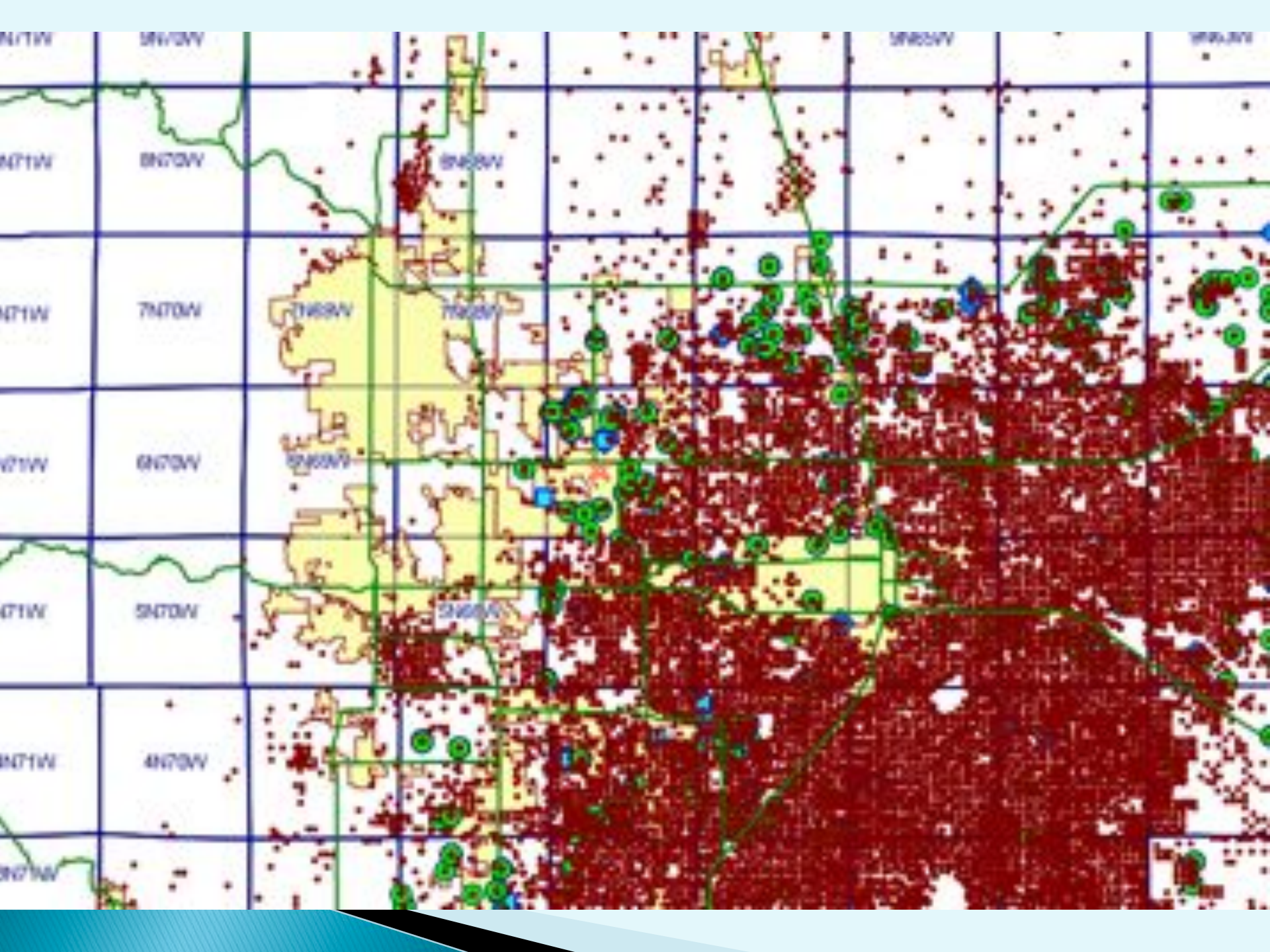
Six tank explosions and fires in the past two months

school told to “shelter
in place”









Synergy Kelly Farms/Northridge



Mineral Resources

Midtown Directional Location 5/31/13





South Greeley Directional

- 67 wells and associated equipment were approved by COGCC
- 600 feet from the Frontier Elementary School
- 350 feet from the playground



Midtown Directional – 37 wells and associated equipment have been approved less than 400 feet from an apartment complex

Windsor



Framework of Regulations

Local government regulations may not be in operational conflict with the COGCC regulations.

Operational conflict means: “materially impede or destroy the state interest” in oil and gas development.

Voss v. Lundvall Bros., Inc., 830 P.2d 1061, 1066 (Colo. 1992).

Other states allow local governments to regulate oil and gas locations

- ▶ New York
- ▶ Pennsylvania, New Mexico, Ohio and Oklahoma allow local zoning
- ▶ Even **Wyoming and Texas** allow cities more control over oil and gas locations

Setbacks in Dallas, Texas

1,500 feet
from a home



Bans and Moratoria

- ▶ Longmont
- ▶ Broomfield
- ▶ Ft. Collins
- ▶ Boulder County
- ▶ Lafayette

Two Initiatives on the Ballot

- 1) 2,000 ft setback from homes
- 2) Allow local control

MULTI- MILLION DOLLAR CAMPAIGN WAS GETTING UGLY

Roses are Red, Violets are Blue,
When Colorado Loses Jobs, Will
Jared Polis say "I'm Sorry" to You?



Withdrawn for the following:

1. Industry-initiatives withdrawn
2. Enforce existing setback regulations
3. Oil and Gas Task-Force
4. State withdrew lawsuit against Longmont

Governor's Oil and Gas Task Force

www.dnr.state.co.us/ogtaskforce

State Regulations

- ▶ Governor's Task Force on Local and State Regulation of Oil and Gas Development
 - Oct 9–10.....Durango
 - Nov 20–21.....Longmont
 - Dec 10.....Rifle
 - Jan 15–16.....Greeley
 - Feb 2–3.....Denver
 - Feb 24.....Denver


TWO MAJOR ISSUES

- ▶ **The large-scale multi-well facilities and their proximity to homes**
- ▶ **Local Government Authority**

Task Force Recommendations

- 1) Require new rulemaking to address siting and additional mitigation requirements for “large scale multi-well facilities”
- 2) Require operators to meet with LGDs prior to selecting a location for a “large-scale multi-well facilities” within “Urban Mitigation Zones”. If a mutually-agreeable location cannot be found, then the parties may enter into 45 days of mediation. If there is still no resolution, then the permit can be requested and it can go to a COGCC hearing.

Task Force Recommendations

- 3) By January 1, operators within a municipality must submit a “good faith estimate” of the number of wells the operator intends to drill within the next five years.
 - 4) Municipalities have the ability to provide the oil and gas industry a comprehensive plan map that depicts areas where it believes oil and gas development may be appropriate. Mediation may occur if there are disputes between local governments and operators.
 - 5) Funding to conduct a human health risk assessment that would draw from research currently being conducted by Colorado State University.
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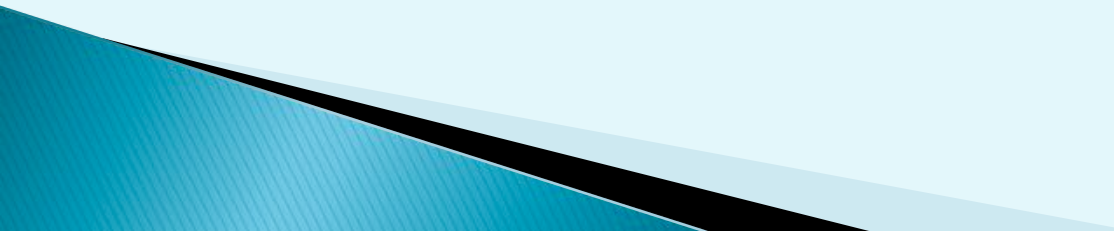
#1 Setbacks light

- ▶ Presumed 1,000 foot setback
 - Increased mitigations within 1,000 feet
 - Demonstrate need within 1,000 feet
 - Some right to due process for neighbors within 1,000 feet.

#2 Local Authority light

- ▶ Have ability to engage in (semi) zoning of the oil and gas industry
 - Can produce maps that should direct future oil and gas development
 - Maps will have to be negotiated (possibly mediated)
- ▶ Questions
 - How Can produce maps that should direct future oil and gas development
 - Have ability to engage in (semi) zoning of the oil and gas industry

Next Steps

- ▶ COGCC Scoping process to begin in April
 - ▶ Formal Rulemaking to start in July
 - ▶ The formal hearing process is to take place in the fall.
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Thank-you!

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