

## WHAT DOES SB 181 ACTUALLY SAY AND DO

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There are numerous areas that are addressed in the newly passed SB 181 on April 19, 2019 by the Colorado State Legislature.

These are:

1. The mission statement for the Colorado Oil and Gas Conservation Commission (COGCC) will be to “regulate” not “foster” the oil and gas industry. It also repeals the function of the COGCC to identify an area of oil and gas development for designation by local government or an area of state interest.
2. The Air Quality Control Commission (AQCC), under the Colorado Department of Public Health & Environment, will promulgate emission control regulation to minimize emissions of methane and other hydrocarbons, volatile organic compounds and oxides of nitrogen from oil and natural gas exploration and production facilities. They will also review rules for oil and natural gas well production facilities and compressor stations and potentially adopting more stringent provisions. Rules could regulate air pollution during pre-production activities, drilling, and completion.
3. Would require leak detection and repair inspections occur at all well production facilities, minimally semiannual or another approved method (COGCC). Oil and Gas operators must inspect and maintain all equipment and pipelines on a regular basis. They must also install and operate continuous methane emissions monitors at facilities with large emission potential.
4. Powers of Local Government: To regulate the use of land on the basis of the impact thereof of the use on the community or surrounding areas. Surface impacts in a “reasonable manner” to protect and minimize adverse impacts to “public health, safety, and welfare and the environment”. Defines “minimize adverse impacts”.
5. Also under purview of siting, impacts to public facilities and services, water quality, source, vibration, odor, light, dust, air emissions and air quality, land disturbance, reclamation procedures, cultural resources, emergency preparedness, security and traffic impacts.
6. Provide for financial securities, indemnification, and insurance.
7. Local government has authority to inspect, impose fines for leaks, spills, and emissions, and impose fees on operators to cover reasonably foreseeable cost of permitting and regulation. COGCC will provide technical expertise regarding preliminary or final determinations of oil and gas locations could affect oil and gas resource recovery. Locals may ask for a technical review of their decision. Must be heard within 210 days.

8. The composition of the COGCC board will change. There is still ex-officio from Department of Natural Resources (DNR) and Colorado Department of Public Health and Environment (CDPHE). Other members include: One member from oil and gas, one member from local government; one member with substantial experience environment; one member with experience in wildlife protection; one member with technical expertise relevant to issues dealing with soil conservation or reclamation, one member involved in agricultural production or a royalty owner, and one member with formal training and experience in public health. There will be geographical and political considerations for these members, too.
9. Local governments may request technical reviews. Membership on the board must include individuals with land use planning, and oil and gas exploration and production backgrounds. They will be appointed if there is a dispute. To be considered would be a local government's determination that would require technologies that are not available or are impracticable given the context of the permit application and whether the operator is proposing to use best management practices. They will not address economic effects of the preliminary or final determination. COGCC will be promulgating rules in this area.
10. COGCC may appoint an administrative law judge or hearing officer if it deems necessary and convenient. The commission may establish, charge and collect docket fees for filing of applications, petitions, protests, responses, and other pleadings. They are deposited into the OGCC fund that is established in the bill.
11. COGCC shall adopt rules that adopt alternative location analysis process and specify criteria used to identify oil and gas locations and facilities proposed to be located near populated areas. They will consult with CDPHE on cumulative impacts of oil and gas development.
12. There must be a lien or other security interest and the COGCC will annually review this.
13. COGCC shall promulgate rules to ensure proper wellbore integrity of all wells, including permitting, construction, operation and closure, use current practices and standards that protect water zones and prevent blowouts. Also enhance safety and environmental protections during operations. Require regular integrity assessments, pressure monitoring.
14. COGCC shall review and amend its flow lines and inactive lines, temporarily abandoned and shut-in well where necessary to protect and minimize impacts.
15. "Pooling" – must have 45% of the mineral rights owners agreeing to the proposed development.

Contact for further information: [CHPHE cdphe.aqcc-comments@state.co.us](mailto:CHPHE.cdphe.aqcc-comments@state.co.us) or the [COGCC Website](#): or Colorado Department of Natural Resources.