

# **IOGCC 2013 Annual Meeting**

## **Strategies for Collaborative State-Local Regulation**

**Matt Lepore, Director  
Colorado Oil and Gas Conservation Commission  
November 6, 2013**

# OIL AND GAS IN COLORADO: THE BIG PICTURE



- 51,426 active wells as of September 2013
  - 33,000 “plugged and abandoned” wells
- Oil production in 2012 = 49 million barrels – highest level in 57 years
  - 2,192 new wells drilled in 2012
  - Ten of the Nation’s 100 largest natural gas fields and three of its 100 largest oil fields are found in Colorado
- Ranked 9<sup>th</sup> in U.S. oil production and 5<sup>th</sup> in natural gas production in 2012



# Overview: COGCC and Recent Production Trends in Colorado

**COGCC MISSION: FOSTER THE RESPONSIBLE AND BALANCED DEVELOPMENT OF COLORADO'S OIL & GAS RESOURCES**

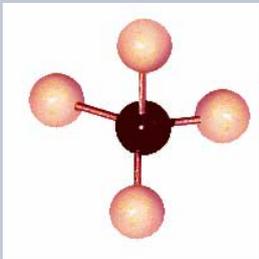
- Ensure production is conducted in a manner that protects public health, safety, and welfare, including the environment & wildlife resources.
- Ensure exploration and production is conducted efficiently.
- Ensure protection of correlative rights.



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# EXPERIENCE AND EXPERTISE

COGCC staff members have an average of 20 years of experience working with oil and gas development



COGCC is a science-driven organization, with investigations conducted by highly trained, experienced and educated personnel.

Half of COGCC employees have graduate degrees in areas of scientific expertise.

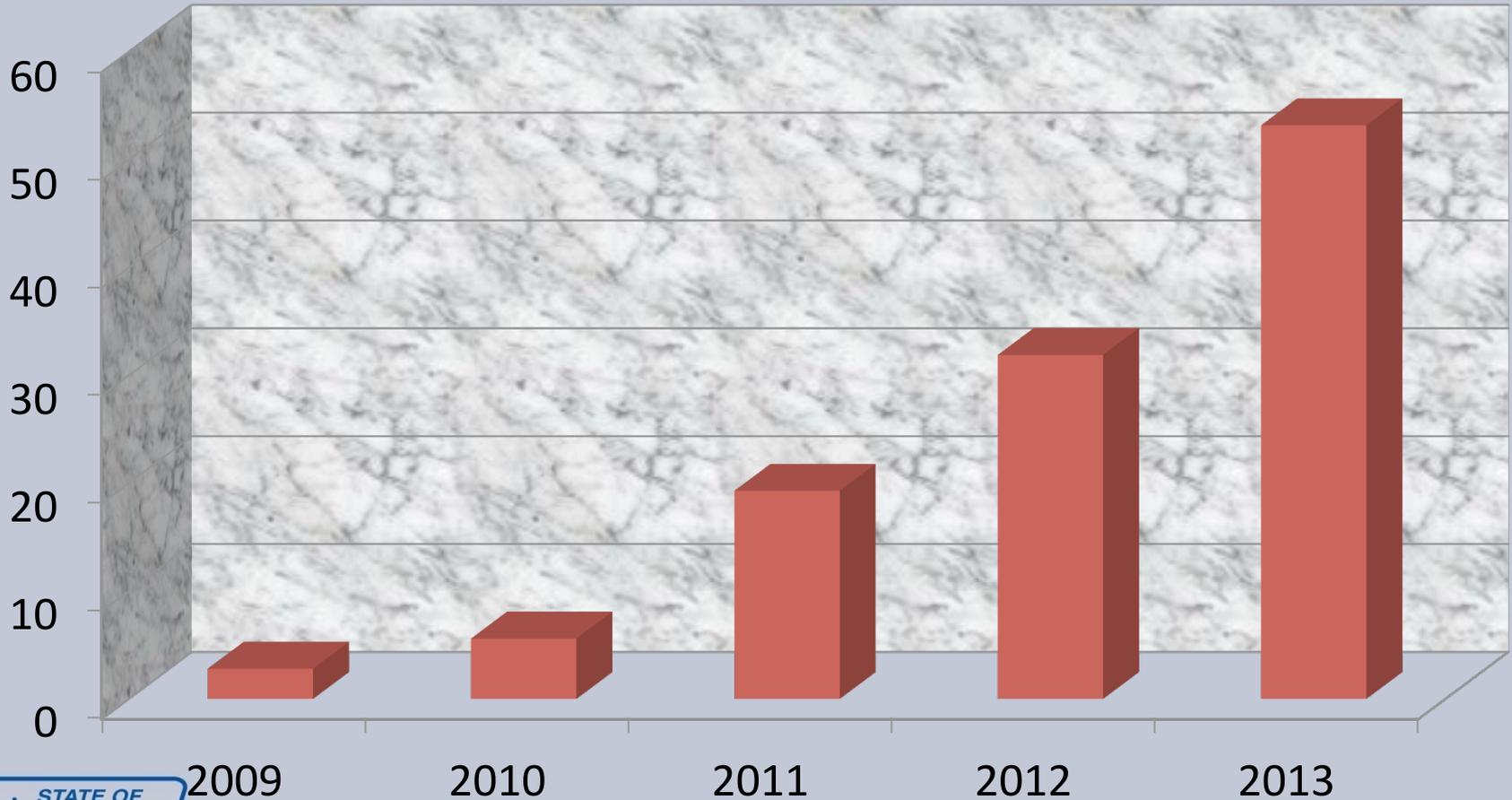


Staff includes 38 specialists involved in inspecting oil and gas sites and enforcement of regulations. The environmental unit alone includes 17 specialists.

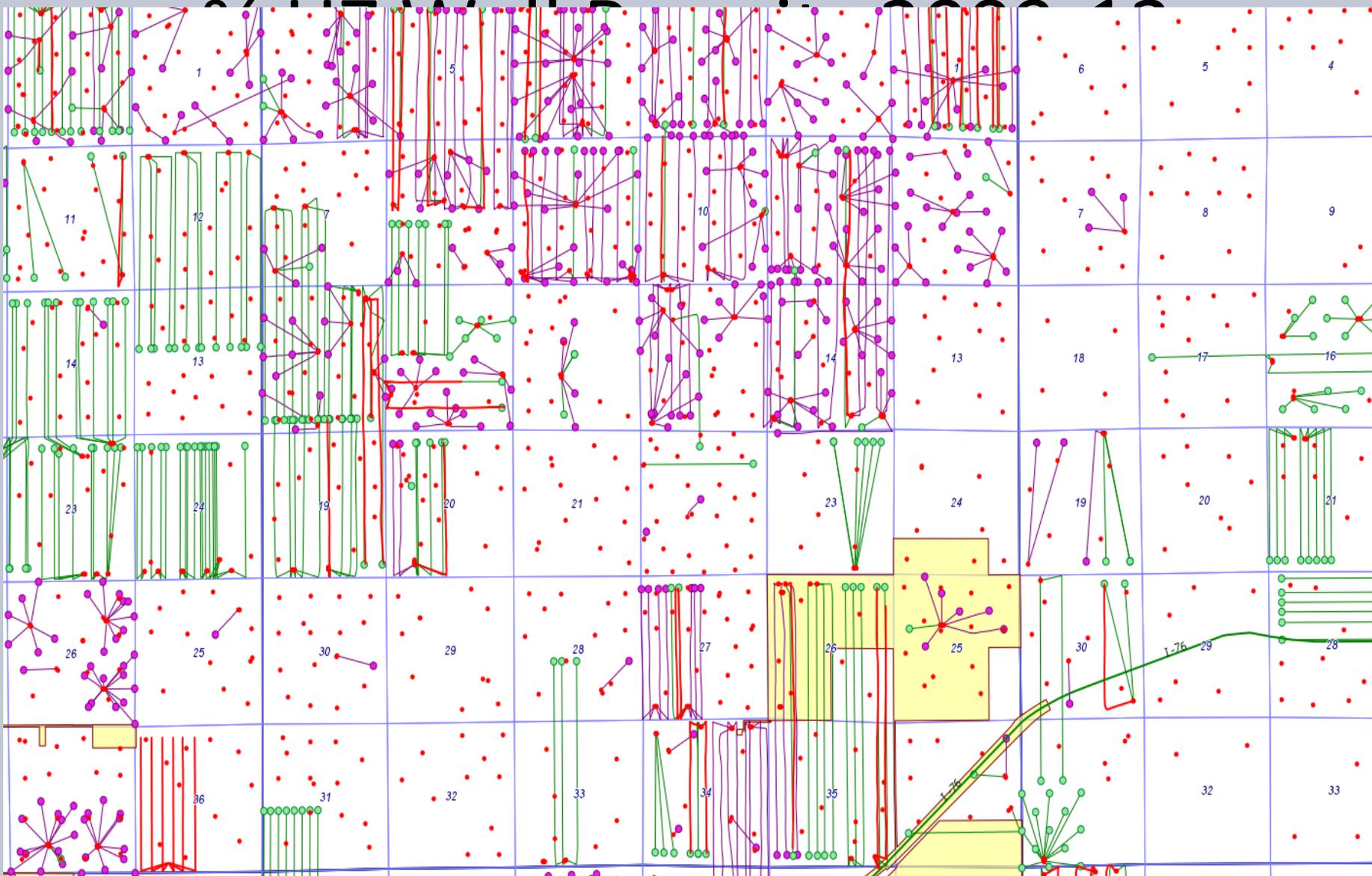


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# % HZ Well Permits 2009-13

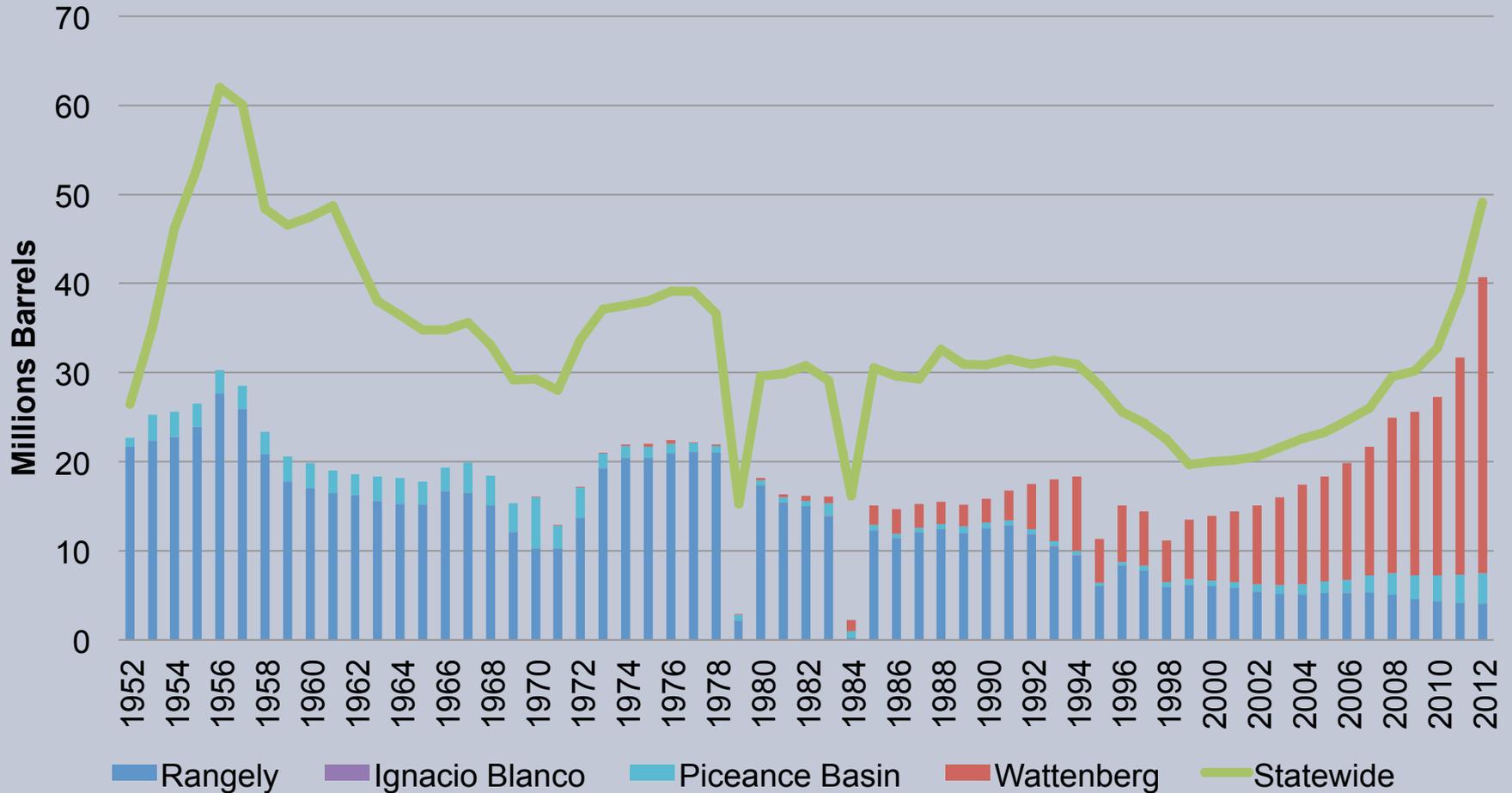


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# Oil Production



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# CO Oil Production 2000-2012

Year	Oil Production in Barrels	Year over Year Increase
2000	20,013,181	2%
2001	20,180,285	1%
2002	20,573,326	2%
2003	21,596,362	5%
2004	22,571,057	5%
2005	23,225,677	3%
2006	24,560,380	6%
2007	26,055,849	6%
2008	29,556,032	13%
2009	30,223,251	2%
2010	32,748,379	8%
2011	39,200,611	20%
2012	49,126,759	25%



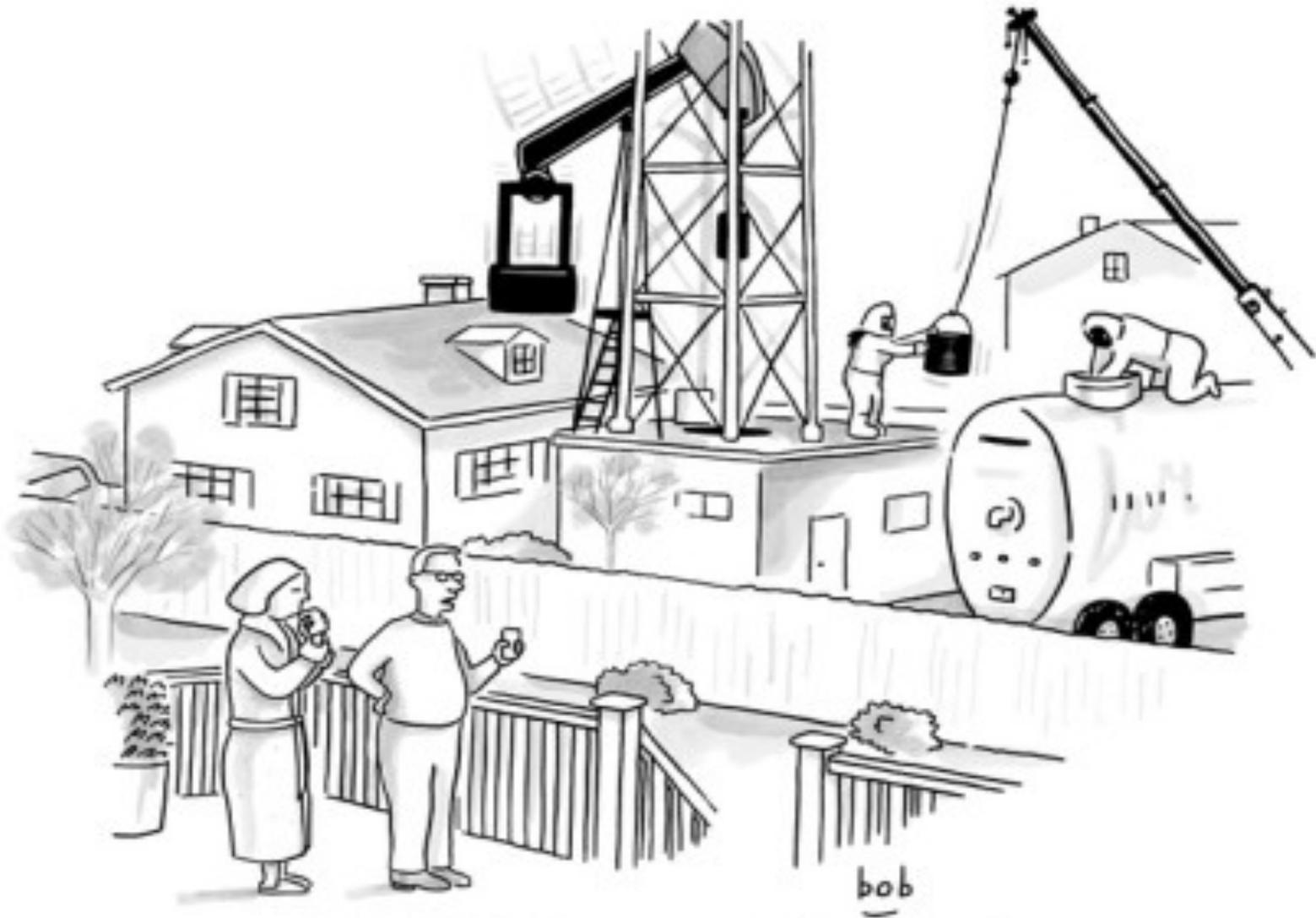
## II. Collaborative State-Local Regulation

“New oil and gas developments bring change to the environmental and socio-economic landscape, particularly in those areas where gas development is a new activity.”

Modern Shale Gas Development in the U.S.: A Primer. Groundwater Protection Council for U.S. DOE



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*"When did the Fergusons start hydrofracking?"*

# Collaborative State-Local Regulation

- 1) Local Governmental Designee Program
- 2) Operator-Local Gov. Agreement
- 3) Two-track local permit process
- 4) Dedicated local inspector provided through inter-governmental agreement



# Collaborative State-Local Regulation

## 1) Local Governmental Designee Program

- Primary point of contact between COGCC and local government
- LGDs have specific rights / responsibilities
- 144 local governments or special districts participating: 56 out of 64 counties; 80 municipalities; 8 special districts



# Collaborative State-Local Regulation

## 2) Operator-Local Government Agreement

- Contractual; outside of local ordinance
- BMPs can be incorporated into state drilling permit and are enforceable by COGCC



# Collaborative State-Local Regulation

## 3) Two-track local permit process

- “Standard” conditions require public hearing
- “Enhanced” conditions allow administrative approval



# Collaborative State-Local Regulation

- 4) Delegate inspection authority through IGA
  - Specific statutory provision allows COGCC to delegate its inspection to local government
  - Enforcement cannot be delegated



### III. A small number of local jurisdictions have imposed moratoria on oil and gas development

- Longmont

- July 2012: City ordinance prohibits drilling in residential or planned residential zones;
- November 2012: citizen's ballot initiative bans frac'ing city-wide



### III. A small number of local jurisdictions have imposed moratoria on oil and gas development

- **Boulder County**

- February 2012: Imposed 6 month moratorium, later extended to 12 months, to develop new oil and gas regulations;
- New regulations adopted in December 2012 – moratorium extended to June 2013;
  - sought to harmonize local and state regulations
  - dual track permitting process
  - June 2013: moratorium extended for additional 18 months



### III. A small number of local jurisdictions have imposed moratoria on oil and gas development

- November 5, 2013: Citizen initiatives / referendum in 4 municipalities to impose moratoria on or ban hydraulic fracturing:
  - Ft. Collins: 5 year moratorium. Passed 55%-45%
  - City of Boulder: 5 year moratorium. Passed 77%-23%
  - Lafayette: Ban. Passed 58%-42%
  - Broomfield: 5 year moratorium. Dead heat; recount



## IV. Concluding Thoughts

- ❖ Citizen's strategically targeting local governments to address concerns around hydraulic fracturing, or to impose moratoria or outright bans.
- ❖ The vast majority of local governments in CO have found ways to harmonize their rules with the state, and to meet citizen concerns through operator agreements or other avenues.
- ❖ Statewide ballot initiative in 2014?



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