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FOR RELEASE

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COGCC FINALIZES NATIONALLY PACESETTING RULES TO LIMIT DRILLING IMPACTS

The Colorado Oil and Gas Conservation Commission today gave final approval to the strongest rules in the country for limiting the impact of drilling near residences and other occupied buildings. Today's final approval by a vote of 8 to 1 follows the Commission's preliminary vote to approve on January 9. The new rules will take effect August 1.

These comprehensive new rules combine stringent protective measures, expanded notice and outreach to local communities and heightened distances (called "setbacks") between drilling and dwellings to further distinguish Colorado as a pacesetter nationally for model regulation of oil and gas development.

Colorado's new rules for setbacks and associated measures will strengthen protections for public health, safety, welfare and the environment. The rules also set a new standard for the Rocky Mountain West as they exceed in every aspect requirements in our neighboring states of Kansas, Wyoming, Utah, New Mexico, Nebraska and Arizona.

Earlier this year, the Commission also approved rules that are among the strongest in the country for monitoring and protection of groundwater. Only two other states have mandatory groundwater programs in place and no other state in the country requires operators to take post-drilling water samples.

"I am proud of this Commission for acting in a responsible fashion on a challenging issue that is of high significance to the people of Colorado," said Department of Natural Resources executive director Mike King. "We have fulfilled our obligation to address the toughest matters and work toward the best interests of the citizens. This Commission has shepherded through a rule that once again makes Colorado an example for other states to follow."

“We’ve heard from so many Coloradans with important perspectives on a highly charged and complicated issue, as difficult an issue as this Commission has ever addressed,” said Matt Lepore, director of the Colorado Oil and Gas Conservation Commission. “We’ve tried to reach a balance that fairly considers and applies all the concerns expressed. We believe it best addresses this tough public policy challenge by protecting the public welfare, respecting a variety of property rights and economic issues and allowing necessary development of our energy resources.”

The new rules include a suite of important new provisions. They include:

- Operators proposing to drill within 1,000 feet of an occupied structure would be required to meet new and enhanced measures to limit the disruptions a nearby drill site can create. Those measures include closed loop drilling that eliminate pits, liner standards to protect against spills, capture of gases to reduce odors and emissions, as well as strict controls on the nuisance impacts of noise, dust and lighting.
- Existing setback standards of 150 feet in rural areas and 350 feet in urban areas are extended to a uniform 500 feet statewide.
- Operators cannot drill within 1,000 feet of buildings housing larger numbers of people, such as schools, nursing homes and hospitals, without a hearing before the Commission.
- Operators must engage in expanded notice and outreach efforts with nearby residents and conduct additional engagement with local governments about proposed operations. As part of this, operators proposing drilling within 1,000 feet must meet with anyone within that area who asks.

Development of the new standards follow a stakeholder process that began a year ago, in February of 2012, with a series of meetings and presentations designed to work through the many complicated elements associated with determining setback criteria. Extensive comment and direction came from local governments, farmers and ranchers, the environmental community, homeowners, the energy industry, elected officials, homebuilders, mineral owners, environmental health specialists and business leaders. Commission staff spent much of last year engaging these stakeholders in order to develop rules that protect the public health and environment while providing the flexibility needed for energy production and the thousands of jobs it creates.

The Colorado Department of Natural Resources and the Colorado Department of Public Health and Environment have also announced the launch this summer of a significant study of emissions tied to oil and gas development. The project will provide information about how oil and gas emissions behave, how they travel and their characteristics in areas along the northern Front Range. A second phase would assess possible health effects using information collected in the first phase.

Last year, Colorado developed a national model for the disclosure of chemicals used in

hydraulic fracturing fluids, forged stronger, more collaborative relationships between state and local regulators, increased oversight staffing amid challenging budget constraints, opened the Oil and Gas Conservation Commission's water quality database to public access on the Internet and further strengthened rules to reduce emissions.

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