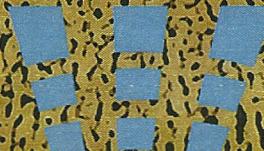


OPEN FOR BUSINESS

South Metro Denver Chamber
Oil & Gas Charter



PROSPER

SOUTH METRO
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SOUTH METRO DENVER CHAMBER OIL & GAS CHARTER



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**SOUTH METRO
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1 Principle: Prosperity - A thriving oil and gas sector is a key to the future economic prosperity of the State of Colorado.

2 Principle: Expand Development - During the last decade, Colorado has shown a vigorous commitment to expanding the availability of wind, solar, and other renewable forms of energy. Policymakers at all levels should show an equal commitment to traditional forms of energy and to the benefits of the State's vast oil and gas resources.

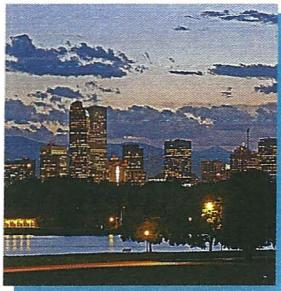
3 Principle: Increase Energy Independence - It is in the national interest for communities that possess oil and gas resources to ensure their proper development. More energy production in Colorado – in whatever form – means America is less dependent on foreign sources of energy.

4 Principle: Local Benefit - The State of Colorado and local Colorado governments will receive a strong financial benefit from a thriving oil and gas sector – specifically, in the form of increased severance taxes, state energy grants, and ad valorem local taxes that can fund schools, roads, public safety and other vital public services.

5 Principle: Improved Industry Practices - Oil and gas development has occurred safely and responsibly across the State of Colorado for generations. New advances in oil and gas production, including new well completion advances, directional and horizontal drilling techniques, and hydraulic fracturing innovations, have not only expanded the availability of oil and gas resources in Colorado but also have minimized the environmental impact of drilling on surface resources and significantly increased the safety of oil and gas production "down hole."

6 Principle: Strong State Regulation - In 2009, the State of Colorado adopted new oil and gas drilling regulations that have been described as among the most environmentally rigorous in the nation. These regulations were further strengthened by recent State regulations governing hydraulic fracturing practice and procedures.

7 Principle: Local Control - Cities and counties may seek additional protections from the State's oil and gas regulatory body as part of the "local government designee process." Cities and counties thus have meaningful input to the State oil and gas regulation process.



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8 Principle: **Avoid Conflict between State and Local Authorities** - The State of Colorado is currently in litigation with a few local governments as to the extent of local control. This conflict sends inconsistent signals to energy investors and developers. The resulting uncertainty jeopardizes the jobs, energy production, and revenue opportunity that come from a thriving oil and gas sector. We advocate a more pragmatic and collaborative environment in which cities and counties affirmatively partner with State regulators through the "local government designee process" to create a more sensible and consistent regulatory environment.

9 Principle: **Cities and Counties Can Help** - Business and community leaders in the South Metropolitan Denver area urge Colorado cities and counties to initiate and enact ordinances which (a) affirm a goal of managing oil and gas development under the State's oil and gas regulations in ways that promotes collaboration and cooperation with the State and avoids litigation, conflict, and duplicative local regulation; (b) commit to meaningfully participate in the "local government designee process", ensuring a strong local voice in all subsequent oil and gas decisions affecting the jurisdiction in a manner that comports with state law; (c) establish local regulations only in those areas where both the State and the applicable local government agree regulation is legal, meaningful and appropriate; and (d) adopt a policy consistent with the following statement:

"Responsible oil and gas development is important to the health and economic vibrancy of our region – we are open for the business of the responsible and environmentally-conscious development of oil and gas resources."

10 Principle: **Call to Action** - Business and community leaders in the South Metropolitan Denver area believe that the regional adoption of a cooperative regulatory strategy will promote a strong and stable regulatory environment that can be leveraged to create additional jobs and investment in this region. Once this framework has been adopted by a critical mass of regional municipalities, economic and political leaders should travel to energy industry investment "capitals" to tout Colorado not only as a place where energy leaders can drill in a clear and consistent regulatory environment, but also as a place where energy companies can establish corporate headquarters and regional offices.



Board of Directors
South Metro Denver Chamber
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