



COLORADO
ASSOCIATION OF
HOME BUILDERS

600 Grant Street, Suite 550
Denver, Colorado 80203

p: 303.691.2242
f: 303.639.4954

www.hbacolorado.com

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Matthew Lepore
Director, Colorado Oil & Gas Conservation Commission
1120 Lincoln, Suite 801
Denver, CO 80201

RE: Comments relative to the Setback Review Stakeholder Group

Dear Director Lepore:

As you are aware, representatives of the Colorado Association of Home Builders (CAHB) have been actively participating in the Setback Review Stakeholder Group convened by the Colorado Oil & Gas Conservation Commission. CAHB is a statewide organization representing 2,100 member homebuilders, developers and associated trades, and we respectfully submit the following comments for your consideration.

First and foremost, CAHB reaffirms our statements made during our presentation to the stakeholder group that the health and safety of our homebuyers and the families that live in our communities are of utmost importance. CAHB firmly believes that the current setback requirements, as specified in COGCC Rule 603 and 604, are not only reasonable but also appropriate in protecting health and safety issues, while allowing for the development of the state's natural resources. CAHB also firmly believes that absolutely no scientific data or evidence has been presented by either the Commission or a stakeholder to indicate that the current setback requirements are neither safe nor appropriate. If there are health and safety issues that need to be addressed, there are myriad agencies ranging from local health agencies to the U.S. Environmental Protection Agency (EPA) that have the authority and jurisdiction to address environmental issues and should act to do so.

Absent this lack of data and evidence, we believe any expansion of the current setback requirements would be arbitrary and do little to address perceived public health and safety issues that have been expressed. The 1,000-foot setbacks that have been proposed by representatives of environmental organizations are untenable for developers and homebuilders and would have a devastating economic impact to an industry that has already suffered greatly during one of the worst recessions in U.S. history.

In addition to the issue of expanded setbacks, one of the most recent suggestions from representatives of the environmental community included a proposal that would significantly

expand the definition of who might have standing to intervene or participate in the permit application process at COGCC. CAHB believes that the local government designees (LGDs) are an appropriate representative for the individuals that live and work within impacted area and we staunchly oppose an expansion of who would have standing at the COGCC proceedings.

While we do not support arbitrary expansions of setback requirements or expansion of who might have standing at COGCC proceedings, CAHB believes that it may be appropriate to review the information or procedures surrounding the Form 2 (Application for Permit-to-Drill, Deepen, Re-enter, or Recomplete, and Operate) and Form 2A (Oil and Gas Location Assessment) process. If it is determined that there are improvements that could be made to this process, we believe it is imperative that any proposed revisions to regulations take into consideration the following guiding principles:

- Acknowledge that best management practices (BMPs) must be used to address environmental impacts;
- Current surface use agreements, lease agreements, and subdivision plats as approved by a local government should be honored and not undermined or abrogated by regulations;
- Any regulations that call for increased setbacks or environmental mitigation should be based on scientific data provided by peer-reviewed science; and
- Regulations should have site-specific application, allowing for flexibility based on community needs, operator needs, type of resource being developed, and topography characteristics;

We look forward to the next stakeholder meeting on September 14 and encourage the group to adopt these principles in reviewing what, if any, revisions to the current process may be necessary. As always, please don't hesitate to contact me or CAHB's lobbyists, Jeani Frickey Saito or Steve Durham, if you have any questions or require additional information.

Sincerely,



Amie Mayhew
Chief Executive Officer