STATE OF COLORADO

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Dedicated to protecting and improving the health and environment of the people of Colorado

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Colorado Department of Public Health and Environment

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Thom Kerr, Permitting Manager COGCC 1120 Lincoln Street, Suite 801 Denver, Colorado 80203

Mr. Kerr,

For many months, the Colorado Oil and Gas Conservation Commission (COGCC) staff has been helping to facilitate stakeholder meetings to assess the current statewide setback requirements from oil and gas operations. The stakeholder group has reached a point where specific recommendations are being accepted to address statewide setbacks from oil and gas operations. This letter discusses the Colorado Department of Public Health and Environment's (CDPHE) recommendations to address two main issues that have come up during the meetings. The two issues are comprised of

- Best Management Practices, and
- Air Quality Monitoring and Public Health Studies

Best Management Practices

Various stakeholders including Greeley and LaPlata Counties, the Home Builders Association, the Colorado Cattlemen's Association and the Colorado Farm Bureau, have described how an increase in the current setback requirements could detrimentally impact their operations. While these groups do not support a change to statewide setback requirements, they do seem to support the use of Best Management Practices (BMPs) to minimize impacts from oil and gas operations.

Many times during the permitting process, the COGCC has worked with operators locating facilities within a high density area or designated outside activity area, to apply BMPs to minimize adverse impacts from oil and gas operations and address local concerns. Unfortunately, the general public may not always be aware of the steps are being taken to reduce the impacts from oil and gas development. To provide more transparency and consistency, CDPHE recommends a change to the rules that apply to high density and designated outside activity areas. In particular, the CDPHE recommends that the COGCC consider adding new language to the end of Rule 603.e (2), along the following lines:

"(2) In all high density area locations and designated outside activity areas the Operator shall utilize BMPs to mitigate air emissions, odors, dust, noise and light pollution. These BMP's shall be developed by the Operator with input from the COGCC and the Local Governmental designee in consultation with CDPHE. These BMPs shall become part of the permit and enforceable by the COGCC."

If such a change were adopted, it would also be appropriate to define the term BMP's in the COGCC 100-series definitions. CDPHE notes the following definition exists on the BLM website:

• Best management practices (BMPs) are state-of-the-art mitigation measures applied to oil and natural gas drilling and production to help ensure that energy development is conducted in an environmentally responsible manner. BMPs protect wildlife, air quality, and landscapes as we work to develop vitally needed domestic energy sources.

CDPHE believes this definition might serve as a starting point for discussions. CDPHE, however, recommends that the definition of BMPs include a reference to measures that minimize adverse impacts, generally, and not just those that would protect wildlife, air quality and landscapes.

Air Quality Monitoring and Public Health Studies

This issue was brought up during the 2008 COGCC Rulemaking hearings. The Statement of Basis and Purpose from those hearings expressed a need "to develop additional information regarding the relationship between oil and gas development and public health, particularly where such industrial development occurs in close proximity to residential developments." This view is also shared by the Air Quality Control Commission, as demonstrated at its May 2012 meeting when the Commission expressed support for expanding air quality studies on the Western Slope to include the Front Range region.

Currently, there is a study being developed in the Piceance Basin that will provide air quality monitoring data from several well pads during drilling, fracking and flowback activities. The monitoring will occur at various distances from the wellhead during all four seasons. The Colorado Department of Public Health and Environment believes a similar study is also appropriate in the Denver Julesberg (DJ) Basin. There is considerable drilling occurring in this area near residential developments, and many citizens and communities have raised concerns about the potential public health impacts. The CDPHE believes a recommendation from the Setback Stakeholders Group should include an air quality monitoring study to collect the critical data in the DJ Basin, and methods for funding the study.

Together, addressing the two foregoing issues would provide site specific BMPs to minimize impacts from oil and gas development in high density areas and designated outside areas, while allowing for the collection of air quality monitoring data that may be useful to help determine if setback distances from oil and gas operations should be modified.

Sincerely,

Kent Kuster Oil and Gas Liaison CDPHE