

1120 Lincoln Street, Suite 801 Denver, CO 80203

April 19, 2019

SB 19-181 Draft Required Director Objective Criteria

Pursuant to SB 19-181, the Director may "delay the final determination regarding a permit application" if the Director determines, "pursuant to objective criteria ... that the permit requires additional analysis to ensure the protection of public health, safety, welfare or the environment or requires additional local government or state agency consultation." This authority remains in place until the Commission completes rulemaking implementing or amending the following statutory provisions:

- Protection and minimization of adverse impacts to public health, safety and welfare, the environment, and wildlife resources and the environment resulting from oil and gas operations;
- Alternative location analysis process for oil and gas locations or facilities;
- Cumulative impacts of oil and gas development; and
- Flowline and inactive, temporarily abandoned, and shut-in wells.

The legislation does not require the Director to delay all final permit determinations until these rules are promulgated. Rather, the bill allows the Director to delay specific final permit determinations until the Director is satisfied that the permit complies with the intent of SB 19-181. If the Director determines that a permit meets the intent of SB 19-181, the Director may approve the permit prior to completion of the referenced rulemakings.

The Objective Criteria apply to Applications for Permit to Drill (Form 2), an Oil and Gas Location Assessment Permit (Form 2A), a Request to Vent or Flare Permit (Form 4), an Intent to Plug Permit (Form 6), a Centralized E&P Waste Management Facility Permit (Form 28), and applications for Comprehensive Drilling Plans.

If a permit meets one or more Objective Criteria, it will be subject to additional review pursuant to SB 19-181. The Director and staff will determine whether additional measures may be necessary, and if so, staff will contact the applicant to respond to the identified issues. Where appropriate, staff will engage local governments, state agencies or other appropriate stakeholders for additional consultation. It is the intent of the Objective Criteria review process to allow the Director, the applicant and, where applicable



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other stakeholders, the opportunity to engage in a timely and constructive dialogue to ensure permit compliance with SB 19-181.

The following is the initial proposed draft Objective Criteria as determined by the Director and COGCC staff. COGCC will take written public comments regarding these criteria or additional suggested criteria until 5:00 pm (MTN) April 29th. Per SB 19-181, COGCC must finalize and publish the Objective Criteria by May 16th. Written comments may be submitted through the COGCC website here: https://cogcc.state.co.us/comments/view.

Draft Objective Criteria

1) Locations within 1500^{,1} of a Building Unit² or High Occupancy Building, which include Urban Mitigation Area ("UMA") and Large UMA Facility ("LUMAF") locations.

2) Locations within a municipality.

3) Locations within 1500^{'1} of a municipal boundary, platted subdivision, or county boundary.

4) Locations within 2,000^{'1} of a school property line.

- 5) Locations within:
 - a) a Floodplain;

b) an identified public drinking water supply area (i.e. Rule 317B buffer zone, or the Brighton Public Water System); or

c) a sensitive area for water resources.

¹ This distance is measured from the edge of the disturbed Oil and Gas Location, and not the buffer or exception zone. Measuring from the edge of the disturbed Oil and Gas Location is more protective of public health, safety, welfare, the environment, and wildlife resources since it is a greater distance than the buffer or exception zone.

²Definitions of capitalized terms used in this document can be found in the Commission's 100 Series Definitions, <u>http://cogcc.state.co.us/documents/reg/Rules/LATEST/100Series.pdf</u>.

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6) Locations within a Colorado Parks and Wildlife ("CPW") mapped Restricted Surface Occupancy Area ("RSO") or Sensitive Wildlife Habitat ("SWH"), or locations receiving site- or species-specific CPW comments.

7) Locations within 1,000^{'1} of a Designated Outdoor Activity Area.

8) Locations with more than 18 tanks or 5,200 barrels of hydrocarbon or produced liquid storage.

9) Locations where the operator does not have a Surface Use Agreement.

10) Locations where the relevant local government, or state or federal agency requests additional consultation.

11) Locations where the operator requests the Director grant a Rule 502.b Variance for an associated permit application.

12) Locations with an access road in a RSO, SWH, 317B buffer zone, or within 200' feet of a Building Unit on lands not subject to a Surface Use Agreement.

13) A proposed centralized E&P Waste Management Facility.

14) A Request to Vent or Flare (Form 4) from a location within 1,500^{'1} of a Building Unit or High Occupancy Building Unit or within the Denver Metro/North Front Range ozone nonattainment area.

15) An Intent to Plug (Form 6) for:

- a) a location within 1,500^{'1} of a Building Unit or High Occupancy Building Unit;
- b) a well drilled with surface casing set at a depth insufficient to cover all aquifers; or
- c) a well subject to a stray gas investigation.