



LGD Newsletter, Spring 2014

Message from the COGCC Local Government Liaisons (LGLs)

Participating in the LGD Program Provides...

- Single point of contact
- Access to the COGCC well and location permitting process
- Standing in other COGCC matters
- 20 years of communication between local governments and COGCC
- Network of 146 LGDs statewide

COGCC has completed over 30 rulemakings since 2000 and initiated a number of policies to clarify other rules. Often driven by changes in technology or legislative mandates, public and industry input are an important part of these processes. In this issue of the LGD Newsletter we highlight the recently updated Spill Reporting Rules, and the recently adopted Enforcement and Penalty Policy. Continued rule and policy changes reflect the implementation of a significant culture change at COGCC that is aimed at fostering increased public trust and environmental protection.

The CDPHE Air Quality Control Commission also recently adopted groundbreaking regulations to further reduce potential air quality impacts associated with oil and gas development. These regulations will be phased in over time to reduce fugitive emissions from at compressor stations and well production facilities. More information is available by clicking [here](#).

In 2013 the state legislature provided funding for additional COGCC inspection, environmental and enforcement staff. Click [here](#) to see staff contact information and Maps of Staff Areas of Responsibility.

Prior issues of the newsletter are available on our website at cogcc.state.co.us under the “Local Gov” tab. More details of our activities are found on the [Staff Reports](#) page of the COGCC website. Thanks very much, and we hope to hear from you!

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A New Feature - “Local Government Story”

In the “Local Government Story” section we feature examples of successful collaboration from around the state. Our first article is a story about a cooperative approach that resulted in funding a needed road improvement project in an area of oil and gas activity. If you have a story to share for a future newsletter, or need some help in getting an initiative or idea started, please let us know.

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Coal Creek: A Tale of One County, Four Towns, and Two Operators

Oil was first reported in Colorado Territory near Florence in 1862. Commercial production began in 1881. Florence Field lost first place in total production early in the 1900s, but oil continues to flow from the Pierre Shale, and new operators continue to use new technologies to find and develop resources in Fremont County.

Between 1882 and 1888 the towns of Coal Creek, Williamsburg, and Rockvale grew to support the new coal mines of the narrow valleys of Chandler, Oak and Coal creeks south of Florence. Coal mining declined significantly in the mid-1900s, but these small incorporated towns remain, dependent on Florence and other nearby towns for groceries, gasoline and schools.

Fast forward to August 21, 2012, just after Marc Morton and Nancy Prince started as LGLs. Coal Creek Mayor (and LGD) Connie Higgs had submitted a complaint to COGCC that oil and gas water trucks working on a new well were damaging local roads. At the suggestion of COGCC Field Inspection Supervisor Mike Leonard, representatives of the operator, Coal Creek, and Fremont County met with the LGLs to discuss strategies for limiting additional damage, temporary maintenance and long-term repair.

The operator, who was new to Colorado, agreed to look into other water sources and haul routes, and required their contractors to observe local road and traffic regulations. Fremont County provided equipment and labor, and the town governments funded purchase of materials for pothole repair deemed essential before winter.

Nancy Prince continued to coordinate with

the operators and the local governments. Gary Zak (Mayor, Town of Williamsburg), Delbert Lennie (Mayor, Town of Rockvale), and Mike Patterson (Town of Florence City Manager) and Tony Adamic (Director, Fremont County Department of Transportation), joined Mayor Higgs in exploring options with Department of Local Affairs (DOLA) to fund long-term solutions.

DOLA Mineral Impact grants are derived from severance taxes and federal mineral lease funds. Grants are distributed based on need and on the availability of matching funding. Mayor Higgs and Mr. Adamic wrote the grant application proposal. Austin Exploration and Javernick Oil provided engineering design support and labor.

The proposal included 7.4 miles of roads and drainage improvements, designed to meet truck-traffic standards. DOLA awarded a grant of \$550,000 in January. Officials broke ground March 17 at the intersection of CR 100 and Cap Rock Road to begin the five-year Regional Road Project to repair those roads adversely affected by the work being done by oil companies.

Hats off to Mayor Higgs and Tony Adamic for writing the successful proposal. Kudos also to the other LGDs and the local operators for this successful cooperative project in an area rich in Colorado oil and gas history.



**Arkansas
Valley near
Florence
1890-1910**

Updated COGCC Enforcement and Penalty Policy

Executive Order D 2013-004 directed the COGCC to review its enforcement program, penalty structure, and imposition of fines associated with operator violations. The review and associated planned process improvements are summarized in a report dated December 10, 2013 titled [Enforcement and Penalty Policy Review Under Executive Order No. D 2013-004](#).

Process improvements are aimed at increasing agency transparency, uniformity and consistency, while deterring violations and promoting operator compliance. These improvements are intended to foster the public's trust that oil and gas operations in Colorado are conducted in a manner that protects public health, welfare, and the environment to the highest degree.

The process improvements are necessary since COGCC's past enforcement procedures for processing Notice of Alleged Violation (NOAV) were often inconsistent across COGCC.

The new policy and internal process changes take effect May 1. A clear and predictable in-

ternal enforcement process has been developed that outlines staff procedures from NOAV initiation through resolution. A Penalty Matrix will provide the basis for penalties taking into account the seriousness of a violation, and the degree of threatened or actual adverse impact.

A publicly available Enforcement Guidance document and tracking tool are being developed to provide more transparency on the policy in general and status of specific enforcement matters. COGCC will submit an annual report to the Governor's office which will document all violations, penalties imposed, and the rationale for calculation of the final penalty assessments.

COGCC employees received mandatory training in the new policy. Enforcement policy training was also offered to operators and LGDs in March 2014. Over 260 individuals attended these sessions, representing over 100 oil and gas companies.

Revisions to COGCC Spill/Release Reporting Rules

COGCC series 300 and 900 rules were revised by Commission rulemaking in February 2014 in response to legislation (HB-13-1278) to lower the minimum operator requirements for reporting releases of exploration and production waste, and tighten the notification requirements.

An initial verbal or written report is required within 24 hours of discovery for any spill of E & P waste or produced fluids over 5 barrels (210 gallons). If the release is outside of a berm or secondary containment, then the reporting limit is 1 barrel (42 gallons). Any release must be reported that impacts, or threatens to impact waters of the state, residence, occupied structure, livestock or public byway.

The Local Government and the Surface Owner must also be notified within 24 hours. Other state and federal notification may be required depending on details of the release. To facilitate prompt reporting and transparency COGCC staff are also revised the Spill/Release Report form ([Form 19](#)); and transitioned the form to the electronic, internet-based data and reporting process ([eForms](#)).

2014 LGD Training Schedule

LGD Training Sessions

- **Tuesday, June 17*** - Garfield County Library - Rifle Branch, 207 East Avenue, Rifle, CO
- **Tuesday, August 5** - Denver (location to be determined)
- **Tuesday, October 28*** - Durango Public Library, 1900 E 3rd Ave, Durango, CO

* Training to be held in conjunction with COGCC Commission Hearing.

Who should take the training? LGD training is recommended every two years for LGDs, associated staff, and others interested in the regulation of oil and gas in Colorado. If you are an LGD and did not take available training in 2013, we recommend you get pre-registered to reserve your space. If you aren't able to make one of these scheduled dates, call us to find out about specialized training for your group.

What will be covered? COGCC overview and update on rules and policies; life cycle of a well; well and location permitting; LGD rights, powers, and responsibilities; and website and database navigation.

To pre-register for training, please send an email to dnr_cogcc.hearings_mgr@state.co.us. Be sure to include "LGD Pre-Registration Request" in the subject line, and names, affiliation, email addresses and phone contact information for all participants.

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Did You Know???

Did you know there are various opportunities for any member of the public to comment in a public forum about oil and gas beyond COGCC Commission Hearings? Regional meetings such as the [Garfield County Energy Advisory Board](#), and COGCC-led Northwest Oil and Gas Forum and the southwest area Gas and Oil Regulatory Team (GORT) are well established examples. Local oil and gas committee meetings held by LGDs are also a good source of information for local citizens. Contact us for information on these meetings or help initiating an outreach effort in your area.

Did you know an LGD may request that an additional staff member be included as "cc" on COGCC's email notification list? The person with "cc" status will not receive eForm credentials. Many LGDs find this a handy way to accommodate busy schedules.

Did you know that the eForms login [link](#) can be found at the bottom of the homepage cogcc.state.co.us, and various materials (including eForm Training Manuals and LGD eForm information) to assist in navigating the COGCC website are available under the [HELP link](#)?

Did you know that the State of Colorado recently unveiled a new Colorado Peaks logo and slogan "It's our nature"? The familiar pumpjack and mountain logo that represented COGCC will be replaced with the new state and Department of Natural Resources logo this spring.



COLORADO

Oil & Gas Conservation
Commission

Department of Natural Resources