



## A Decade of Change: COGCC Policy, Regulation, Transparency - 2007-2017

*The dramatic increase in oil and gas development over the past decade, first on Colorado's Western Slope and later along the northern Front Range, led to perhaps the most dynamic decade of regulatory change in the 66-year history of the agency. What follows is a summary of the major evolutions in law, regulation and policy affecting the oversight of oil and gas development in Colorado over the last 10 years.*

**2007:** House Bill 1341 reconstructs the COGCC board to achieve broader representation. The law expands the board from seven to nine members while reducing the seats for those with oil and gas industry experience (from five of seven to three of nine). The nine members are to include the executive directors of Colorado's departments of health/environment and natural resources to bring additional perspectives.

**2007:** The same bill elevates protection of the environment and wildlife as a key role for the agency. The legislative declaration replaces the words "encourage and promote" with the charge to foster "responsible, balanced" development of oil and gas. It calls for "prevention" of waste over "prohibition," and that adds that prevention of waste should occur consistent with protection of public health, safety, the environment and wildlife.

**2007:** House Bill 1298 added significant new considerations for wildlife protection; it calls for development balanced with wildlife conservation in recognition of the role hunting and fishing play in Colorado. The bill requires consultation with the Division of Wildlife (now Colorado Parks and Wildlife) in the same way 1341 provides a consultative role for the Department of Public Health and Environment.

**2008:** The COGCC promulgates a sweeping series of new rules tied to directives contained within the bills (1298 and 1341) passed in 2007. Rules include requirements that operators maintain an inventory of chemicals kept onsite for use downhole, restrict operations in areas near drinking water sources, install emission control devices on certain equipment located near homes, schools, and other occupied buildings and put into place additional stormwater management measures.

This was the most extensive rulemaking in COGCC history and amended and adopted hundreds of COGCC rules. The effort is memorialized in extraordinary detail [here](#). The rulemaking amended or adopted rules in 10 out of 11 rule categories, and introduced a new category - the 1200 series - devoted to wildlife protection-related rules. It touched drilling, location analysis, reclamation, financial assurance, waste management and nuisance issues to cite only a sample. New rules addressed topics of high public interest such as Comprehensive Drilling Plans, "Green Completions" to limit flaring, rules restricting locations near water supplies and fisheries as well rules to reduce the environmental impact of storage pits.

**2011:** The Commission requires operator disclosure of chemicals used in the hydraulic fracturing process, making Colorado one of the first states in the country to do so. The rule requires adding the information to a publicly available database called FracFocus and requires

operators to provide the Commission with 48 hours written notice of intention to hydraulically fracture a well in order to assist the COGCC in arranging inspections when appropriate.

**2012:** COGCC moves its voluminous water quality database online, giving the public access to the same water well sampling data accessed by state regulators. With 6,000 samples at the time, the database was already an important source of information and would grow dramatically with future rules and ongoing inputs.

**2013:** Colorado becomes the first state to require baseline and post-drilling groundwater sampling as a way to provide assurances of safety and to identify potential problems in rare cases of groundwater impact. The rules require sampling of up to four water wells within one-half mile of a new oil and gas well prior to drilling and further samples post-drilling, including samples between five and six years after the well is drilled.

**2013:** The Commission passes comprehensive rules to limit the impacts of drilling near homes and schools. The rules combine stringent protective measures, expanded notice and outreach to local communities and heightened distances (called “setbacks”) between new drilling and dwellings to further Colorado’s pacesetter regulatory approach nationally. The rules create new mitigation measures for any drilling within 1,000 feet of homes and extend setbacks to 500 feet for homes and 1,000 feet for “high occupancy” buildings such as schools or hospitals.

**2013:** New spill reporting requirements significantly tighten the volume triggers and timeframe for operators to report spills of oil as well as exploration and production waste. The toughened rules - reducing reporting requirements from 20 barrels to spills of five, and in some cases one barrel - stem from the General Assembly passing House Bill 13-1278.

**2014:** The COGCC transitions to an enhanced “risk-based” inspection strategy that prioritizes inspections during the phases of oil and gas development most likely to experience spills, excess emissions and other compliance issues. The risk-based approach, an outgrowth of Senate Bill 13-202, includes recommendations such as more frequent review of integrity test results and more inspection frequency of hydraulic fracturing operations.

**2014:** Colorado’s Air Quality Control Commission approves the first rules in the country that require oil and gas developers to reduce methane emissions. They include major reductions in “fugitive” emissions via leak detection and repair, equipment retrofits, more frequent and sophisticated inspections and controls for storage tanks. Colorado becomes the first state in the country to require such steps directly targeting methane and does with support for the rules from both industry and environmental advocates.

**2015:** The Commission approves a significantly tougher penalty structure for operators violating COGCC rules. The rule changes, designed to further deter violations and encourage prompt compliance, include increasing maximum daily penalty amounts from \$1,000 to \$15,000 for each violation as well as eliminating a \$10,000 overall penalty cap for each violation. They also clarify the Commission’s ability to assess a penalty for each day that evidence demonstrates a violation occurred.

**2015:** COGCC implements a streamlined process for the public to submit complaints. The new online portal makes the agency’s methods for receiving, processing, addressing, closing and communicating complaints more effective and transparent. It includes guidance for making a complaint, what a complainant can expect and the rights of the complainant.

**2015:** The Commission approves a suite of new rules for operators with facilities located within floodplains. The new rules follow - and implement recommendations from - the agency's publication of a "Lessons Learned" report in 2014 tied to the devastating Front Range floods of late summer 2013. The rules call for hardened berms, equipment anchoring, pit removal and remote shut-off capability for wells.

**2015-2016:** Enormous COGCC datasets go online as sortable, downloadable databases accessible to the public and the media. Releasing the data in bulk download format is part of ongoing COGCC efforts to increase transparency and respond to continuing interest in the wealth of data developed and maintained by the agency. Datasets include wellbore testing, complaints, inspections, mechanical integrity testing, violations and spills. This comes in addition to placing the water well database online in 2012 as well as ongoing improvements to other tools that provide the interested parties access to data on individual wells, mapping and imaged documents.

**2016:** The COGCC approves new rules to increase the participation of local governments in planning and siting large oil and gas operations. The new rules follow the creation of, and several months of deliberation by, the Governor's Task Force - including in a series of 11 public meetings across Colorado. The new rules further bridge the regulatory roles between state regulators and local jurisdictions and accelerate efforts by operators to work in closer fashion with local governments on locating large operations near residential areas.

**2016:** The COGCC introduces a new online tool that allows the public to get a quick and wide-ranging snapshot of oil and gas-related activity statewide or by county. The "Daily Activity Dashboard" linked from the COGCC homepage is a visual and interactive tool providing a more efficient route to information on pending permits, well status, production, well inspections, violation notices, notifications from operators and spills. A visual, interactive tool, the dashboard allows anyone to generate custom statistical charts, graphs, tables, and simple maps in near real-time. The tool marks another step in COGCC's efforts to improve transparency and public access.

**2017:** COGCC constructs and publicizes an enormous flowline database in months following a tragic home explosion in Firestone. The database includes information on more than 100,000 flowlines located within 1,000 feet of occupied buildings, including start and end points for all line segments and testing information. The data collection is part of a notice to operators that also requires all risers associated with abandoned flowlines to be identified, marked and cut below grade within 60 days of the NTO. The rapid mobilization is designed to ensure no abandoned lines are inadvertently connected to active oil and gas wells and to confirm that all flowlines have connection with oil and gas infrastructure.

**2018:** The COGCC approves comprehensive new regulations addressing oversight of flowlines and related infrastructure. The flowline rules take dozens of steps to strengthen requirements for design, installation, maintenance, integrity-testing, tracking and abandoning flowlines. The rules and amendments are part of the agency's sweeping response to the Firestone tragedy and include requirements to geo-locate new lines, eliminate any risers associated with abandoned lines - a direct action to address what occurred in Firestone - and bring operators fully in to the Utility Notification Center of Colorado's "one-call" 811 program.

**Additional work:** COGCC has taken a number of steps to amplify its impact over the past decade that go beyond crafting specific rules. Those include funding water and air quality studies and monitoring, facilitating development of agreements between local governments and operators to reduce the impacts of specific projects, developing policies to limit the effect of hydraulic fracturing on older, existing wells, adding staff to work specifically with local governments as well as - in partnership with state lawmakers - doubling the agency's overall staffing, including tripling the number of field inspectors (from 9 to 30). Throughout this period, it is worth noting, Colorado remained among the top 10 states nationally for both oil and natural gas production.