

BEFORE THE OIL AND GAS CONSERVATION
COMMISSION OF THE STATE OF COLORADO

IN THE MATTER OF CHANGES TO THE RULES) CAUSE NO. 1R
AND REGULATIONS OF THE OIL & GAS)
CONSERVATION COMMISSION OF THE STATE) DOCKET NO. 210600097
OF COLORADO)
)
) TYPE: RULEMAKING

NOTICE AND APPLICATION

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

Pursuant to Rule 529.a, the Oil and Gas Conservation Commission of the State of Colorado (“Commission”), on its own motion, will consider additions and amendments to Commission Rules of Practice and Procedure, 2 C.C.R. 404-1 (“Rules”), 100-Series, 200-Series, 300-Series, 400-Series, 500-Series, 700-Series, 800-Series, and 900-Series as part of its “Financial Assurance” rulemaking.

On April 16, 2019, Governor Polis signed Senate Bill 19-181 into law. Senate Bill 19-181 ensures that oil and gas development and operations in Colorado are regulated in a manner that protects public health, safety, welfare, the environment, and wildlife resources. Senate Bill 19-181’s amendments to the Oil and Gas Conservation Act (“Act”), §§ 34-60-101–131, C.R.S., are effective as of April 16, 2019, the date the Governor signed the bill into law. Senate Bill 19-181 ensures that the Commission regulates oil and gas development and operations in Colorado in a manner that protects public health, safety, welfare, the environment, and wildlife resources.

Senate Bill 19-181 also required the Commission to conduct a rulemaking to update its financial assurance rules. This Financial Assurance Rulemaking fulfills that statutory obligation. Specifically, Senate Bill 19-181 provides that:

The commission shall require every operator to provide assurance that it is financially capable of fulfilling every obligation imposed by this article 60 as specified in rules adopted on or after April 16, 2019. The rule-making must consider: Increasing financial assurance for inactive wells and for wells transferred to a new owner; requiring a financial assurance account, which must remain tied to the well in the event of a transfer of ownership, to be fully funded in the initial years of operation for each new well to cover future costs to plug, reclaim, and remediate the well; and creating a pooled fund to address orphaned wells for which no owner, operator, or responsible party is capable of covering the costs of plugging, reclamation, and remediation.

C.R.S. § 34-60-106(13).

Attached as **Appendix A** is a draft of the proposed rule changes. Attached as

Appendix B is a draft Statement of Basis, Specific Statutory Authority, and Purpose. The Commission has the authority to conduct this rulemaking pursuant to §§ 34-60-102, 34-60-103, 34-60-104.5, 34-60-105, 34-60-106, 34-60-108, 34-60-120, 34-60-121, 34-60-122, 34-60-124, 34-60-127, and 34-60-131, C.R.S.

NOTICE IS HEREBY GIVEN that the Commission has scheduled the above entitled matter for a hearing commencing on:

Date: September 21-22, 2021
September 29-30, 2021
October 1, 2021
October 5-8, 2021
October 11-13, 2021
October 21-22, 2021
October 25-28, 2021

Time: 9:00 am

Place: Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Ste. 801
Denver, CO 80203

Virtual participation via Zoom will also be available
Computer: <https://us02web.zoom.us/j/86332734607>
Webinar ID: **863 3273 4607**
Phone: **(669) 900-6833**

Public Participation.

Stakeholder Meeting. The Commission invites the public to participate in a virtual stakeholder meeting on **Wednesday, June 16, 2020, 9 a.m. – 11 a.m.** The stakeholder meeting will be virtual. Participants can join the stakeholder meeting virtually through Zoom.

Computer:
<https://us02web.zoom.us/j/83289245438?pwd=Q095VmtPZ2pBbm5pL003a2RSc0dmZz09>
Meeting ID: 832 8924 5438
Passcode: 845704
Phone: (253) 215 8782

How to Comment on the Proposed Rules. The Commission encourages the public to participate in the rulemaking by commenting on the proposed rules in advance of or during the rulemaking hearing. A person may participate either as 1) a party to the rulemaking, or 2) by submitting written comments in advance of the hearing or oral comments at the hearing.

If a person chooses to become a party, that person will have the opportunity to

submit a prehearing statement, response statement, prefiled written testimony, and address the Commission during the course of the hearing.

If a person elects not to become a party to the rulemaking, they may instead submit written comments in advance of the hearing pursuant to the procedures described below. In addition, any person may participate in the process and offer oral comments specific to the Financial Assurance rulemaking during the public comment period at the hearing. The Commission may place a time limit on public comments during the hearing depending on the number of people who wish to comment.

The Commission will make available the opportunity for persons to sign up to make oral comments during the hearing. Instructions for oral public comments will be provided and announced on the COGCC website. Sign up for oral comments will be due by **Thursday, September 16, 2021, at 7 p.m.**

Written Comments. Any Person wishing to submit a written comment for this matter must register with the COGCC's eFiling system online at <https://oitco.hylandcloud.com/DNRCOGExternalAccess/Account/Login.aspx>, and select "Request Access to Site." Additional guidance regarding the registration and use of the eFiling system is available online in the Commission's "eFiling Users Guidance Book" at https://cogcc.state.co.us/documents/reg/Hearings/External_Efiling_System_Users_Guide_book_20201109.pdf. Please direct questions regarding registration and use of the eFiling system to Commission Legal Assistant Angelica Amaro at angelica.amaro@state.co.us, and Hearings Assistant Margaret Humecki at margaret.humecki@state.co.us.

After registering with the eFiling system, users will follow these steps to file a Public Comment.

1. Select Docket No. 210600097 in the eFiling System.
2. On the right hand side of the page, select "**File a Public Comment for This Application.**"
3. Under "**File Path**" select "**Choose File**" and upload your Public Comment.
4. Finally, to the bottom right select "**Import**" to upload your Public Comment.

Written comments are due by **Friday, September 10, 2021, at 7 p.m.**

Party Status and Prehearing Conference.

Persons or organizations wanting to participate in this rulemaking as a party are required to file a [written request for party status](#) with the Commission on or before **Wednesday, June 23, 2021, 5:00 p.m.** The Commission will compile a list of all parties with contact information and make it available on the Commission's website. Late requests for party status will not be accepted absent good cause for the delay.

Prehearing Conference. Parties are invited to participate in a prehearing conference on **Friday, June 25, 2020, from 11:00 a.m. to 12:00 p.m.** Parties can join the prehearing conference virtually through Zoom.

Virtually via Zoom
Computer: <https://us02web.zoom.us/j/82387575097>
Meeting ID: 823 8757 5097
Phone: (669) 900-6833

The Commission may modify or amend the rules described or proposed herein, and make conforming modifications to other rules, as it determines reasonably necessary through the course of the stakeholder process, comment period, and rulemaking hearing.

Copies of the proposed Rules and other information about the Financial Assurance Rulemaking are available on the Commission's webpage <https://cogcc.state.co.us/#/home> or upon request at the Commission offices, 1120 Lincoln Street, Suite 801, Denver, CO 80203.

Consolidation

Parties are highly encouraged to consolidate and file combined prehearing statements, and responses. The Commission recognizes that Parties may share similar viewpoints and positions. Having several Parties join together to deliver a combined, consistent position is impactful and aids the Commission throughout the hearing process. Recognizing the possible large number of persons interested in this Rulemaking, the Commission and the hearing process will be most effective if Parties combine their arguments and positions.

Conclusion

Any questions concerning this application or any other aspect of this matter may be addressed to the Hearing Officer, Jeff Fugate, at jeff.fugate@coag.gov and Angelica Amaro, at angelica.amaro@state.co.us.

Additional information regarding this matter can be found on the Commission's "Hearings eFiling System Document Search" webpage, located at <https://oitco.hylandcloud.com/DNRCOGPublicAccess/index.html>. Select "Search for Docket Related Documents" from the pull-down menu, use "Docket Number 210600097" and select "Search."

Please contact Margaret Humecki at margaret.humecki@state.co.us prior to the hearing if any party requires special accommodations as a result of a disability. Special accommodations will be provided in accordance with the Americans with Disabilities Act.

OIL AND GAS CONSERVATION COMMISSION OF
THE STATE OF COLORADO

By: 

Mimi C. Larsen, Secretary

Dated: June 15, 2021