



On April 16, 2019, Gov. Polis signed SB 19-181, which changed the mission of the Colorado Oil and Gas Conservation Commission (COGCC) from “fostering” oil and gas development to “regulating” in a manner that is protective of public health, welfare, safety, the environment and wildlife resources.

The COGCC has been successfully implementing this protective oil and gas regulatory framework and, as a result, has re-imagined the regulatory environment. Colorado is recognized for creating the most protective standards in the country. This includes:

### **Objective Criteria Permitting**

Upon enactment, the COGCC immediately implemented the statute’s objective criteria, a temporary, protective permitting lens for permits processed until the new Mission Change Rules became effective on Jan. 15, 2021.

**A new professional Commission:** Gov. Polis seated a 5 member professional board on July 1, 2020. The Commission now has a member in each of these areas: public health; local government; oil and gas industry; environment and wildlife; and effective decision-making.

**Rulemaking Progress:** The Commission, COGCC Staff, and Colorado’s diverse stakeholders made the following rulemaking improvements since enactment in 2019:

### **Providing enhanced transparency - COGCC hearing process, July 2019**

- Changed COGCC procedures consistent with the new protective mission of the commission and increased transparency and efficiencies in hearings.

### **Increasing environmental protection - Flowlines, November 2019**

- Strengthened the state’s oversight of flowlines i.e, pipelines that COGCC regulates, especially those flowlines servicing wells that return to activity.
- Created - for the first time - a map of the actual paths of all flowlines in the state.
- Ensured flowlines are abandoned in a manner that is least impactful.

### **Protecting Groundwater - Wellbore Integrity, June 2020**

- Created best in nation protective regulations to protect groundwater through enhanced testing and monitoring of wellbore integrity throughout a well’s lifecycle.
- Increased public access and transparency of precautionary measures to protect groundwater near homes and drinking water sources.

### **Overhauling COGCC’s rules “regulate”, not “foster” - Mission Change, November 2020**

COGCC overhauled its entire rule series and structure in response to its new mission, to:

- Require all oil and gas permits to be heard by the Commission. Permitting is now a transparent, accessible process that:
  - Allows all interested parties to participate with an expanded “standing” definition.
  - Requires specific consideration of and enhanced engagement with Disproportionately Impacted Communities, which created COGCC’s first

Environmental Justice regulations. COGCC will work closely with CDPHE to implement outcomes of the [HB 21-1266](#) process.

- Requires operators to submit plans that demonstrate protection in 19 different areas (i.e, noise, water, wildlife, community engagement).
- Addresses air emissions considerations through consultation with CDPHE.
- Protects wildlife and sensitive habitats through consultation with CPW.
- Requires operators to have both a local government permit, where the local government may exercise new rights to regulate, and a state permit.
- Create a Comprehensive Area Plan process that enables the Commission to view the proposal holistically and to quantify and address cumulative impacts through landscape-level master planning.
- Create a Cumulative Impact database from oil and gas operations; and recently creating a Cumulative Impacts Task Force that will continue to improve COGCC's approach to addressing Cumulative Impacts in the permitting process.
- Strengthen operations, reporting, and notification requirements, including adopting statewide prohibition on certain chemical additives in hydraulic fracturing fluid.
- Expand protective setbacks and siting requirements for schools & homes to 2,000 feet, except for certain offramps to the siting requirements, including when the Commission approves more protective best management practices.
- Strengthen protections for groundwater and public water systems.
- Prohibit routine venting & flaring of natural gas.

#### **Reforming financial assurance and orphan well requirements, March 2022**

- Require each operator to demonstrate it has the financial capability to meet all of its obligations under the Act through the development of a first-ever, individual operator-specific financial assurance (FA) plan.
- Require increased FA for transferred and inactive wells, and FA accounts for new wells.
- Create an orphan well fund by assessing per-well operator fees via an [enterprise](#), established by [SB 22-198](#).
- Broaden access for local governments regarding plugging of wells.
- Develop a first in the nation out-of-service plugging program which has incentives for operators to plug wells.

#### **In 2022, the Commission's approval of new wells & locations includes:**

47: Oil & Gas Development Plans (OGDPs)  
3: Comprehensive Area Plans (CAPs)  
78: Form 2A's (location permit)  
1,115: Form 2's (well permit)  
1,142: Existing wells to be plugged & abandoned: 566 via OGDPs + 576 via CAPs (Approximate)  
261: Existing locations to be closed and undergo final reclamation as part of OGDPs  
662: Acres reclaimed through closing of existing locations  
32,168: Vehicle trips prevented annually by facility closure & equipment upgrades  
483: Oil tanks to be removed from existing locations through approval of OGDP  
20: Condensate tanks to be removed from existing locations through approval of OGDPs  
293: Produced water tanks to be removed from existing locations through approval of OGDPs

**The Orphaned Well Program’s progress helps to return sites to communities for their use:**

|                                                                                          | Fiscal Year 2018-19 through<br>Fiscal Year 2021-22    | Current Fiscal Year 2022-23<br>(July 1-Dec.31, 2022)                                                                                                                                       |
|------------------------------------------------------------------------------------------|-------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Orphan wells plugged                                                                     | 196                                                   | 24                                                                                                                                                                                         |
| Orphan sites where plugging, flowline abandonment, remediation, or reclamation performed | 330                                                   | 70                                                                                                                                                                                         |
| Backlog                                                                                  | 263 orphaned wells & 365 orphaned sites, as of 9/2/18 | 487 orphaned wells & 983 associated orphaned sites, as of 1/9/23                                                                                                                           |
| Funding                                                                                  | \$14M spent in 4-year period                          | More than \$23M of \$25M Initial Grant obligated from the U.S. DOI under the Infrastructure Investment & Jobs Act, which will fund most of the program’s activities from 10/1/22 - 9/30/24 |

**COGCC Staff is working to meet the new demands:** Leadership has worked to address the new demands by better aligning resources and Staff to achieve the new mission and overhauling over 70% of existing forms in addition to creating new forms to address financial assurance, cumulative impacts, transfers, and permitting rule changes.

**A word from COGCC’s diverse stakeholders:**

*“Colorado is once again a national leader in protecting public health and safety thanks to today’s new oil and gas rules. Thank you to Governor Polis, the Department of Natural Resources and the COGCC for making the vision of putting public health and safety ahead of oil and gas industry profits into concrete policy.” ~ Kelly Nordini, Executive Director of Conservation Colorado*

*“Colorado now undoubtedly has the toughest oil and natural gas development regulations in the country, which further protect the environment and ensure that the molecules of energy produced here locally are cleaner than most anywhere in the world. All of Colorado can be proud of that,” said Dan Haley, President & CEO, Colorado Oil & Gas Association*

*“I understand why the rules are now in place,” said David Keyte, chair and chief executive of Caerus Oil and Gas LLC, a Denver-based producer with operations in Utah and western Colorado. “The governor and the commission have done a great job.” ~ 11/7/2022 E&E article*

*“As Coloradans living with the impacts from oil and gas in our lives everyday, we thank the COGCC for hearing us and acting to protect us. The mandate of SB 181 is to ensure the COGCC protects the health, safety, and well-being of Coloradans first in oil and gas permitting decisions and we thank the Commissioners for honoring that mandate. Residents of Battlement Mesa expect any future development in Garfield County to be held to these same standards.” ~ Leslie Robinson, Chair, Grand Valley Citizens’ Alliance*

**Read More:** [E&E News EnergyWire’s 3-part stories](#) and the [Colorado Sun SB 19-181 story](#) include comprehensive coverage of the implementation of SB 19-181.

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