

Department of Natural Resources SMART Act Presentation Colorado Oil & Gas Conservation Commission (COGCC)



Joint Energy Committee
January 13, 2023



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Department of
Natural Resources



Agenda

1. Department Overview
2. Wildly Important Goals
3. Stimulus Update
4. DNR Budget Request Overviews
5. Legislative Agenda
6. Regulatory Agenda
7. Orphan Well Update



DNR Mission & Vision

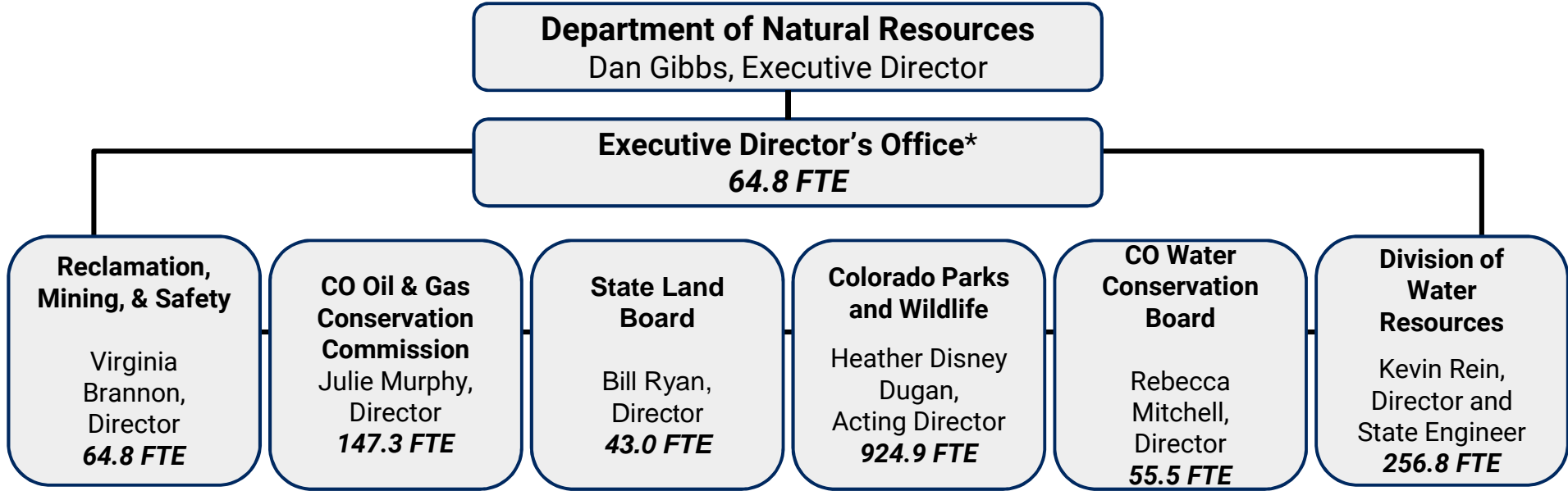
The mission of the Department of Natural Resources is:

To manage and conserve Colorado's natural resources for the benefit and enjoyment of people today and tomorrow.

DNR's vision:

Colorado will be a national leader in promoting the responsible use and conservation of natural resources for this and future generations.

DNR Organizational Chart



**Includes CO Avalanche Information Center and COSWAP*



Wildly Important Goals

1. Sustainable Funding for Parks & Wildlife
2. Balance Outdoor Recreation and Conservation
3. Water Plan Implementation
4. Equity, Diversity, and Inclusion



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Wildly Important Goals

1. Sustainable Funding for Parks & Wildlife

- Increase Park Pass Revenue
- Promote the Keep Colorado Wild Pass
- Increase Donations

Wildly Important Goal:

Develop new, diverse funding sources for Colorado Parks and Wildlife by raising \$27.985 million in parks pass entry fee and private donations revenues by June 30, 2023.



Successful completion of this goal will provide diverse, stable, long-term funding that is equitable and supported by a broad set of stakeholders to adequately support parks, wildlife conservation and recreation in Colorado for years to come.



Wildly Important Goals

2. Balance Outdoor Recreation & Wildlife

- Increase grant funding for Regional Partnerships
- Increase movement analysis and reports for big game herd movements
- Increase number of maintenance hours performed by trail crews supported by grants
- Work with Partner Agencies to identify 3 pinch points in wildlife corridors that may be vulnerable to habitat linkages



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Wildly Important Goals

Balance Outdoor Recreation and Conservation

Wildly Important Goal:

Increase the number of regional partnerships adopting our shared vision and guidelines from 10 partnerships to 13 partnerships by June 30, 2023.



Successful completion of this goal will prioritize the conservation of the state's wildlife, landscapes and agricultural lands while enhancing public access or management in areas most suitable for meeting recreation.



Wildly Important Goals

3. Increase Local Capacity to Implement the Colorado Water Plan

- Ensure grant applications from new stakeholders make up at least 15% of total grant applications
- Complete the 2023 Water Plan
- Hire and deploy 4 technical water planning grant experts across the state
- Make 70 touch points on the 2023 Water Plan
- Increase grants for Public Education, Participation Outreach from \$6.5k to \$25k

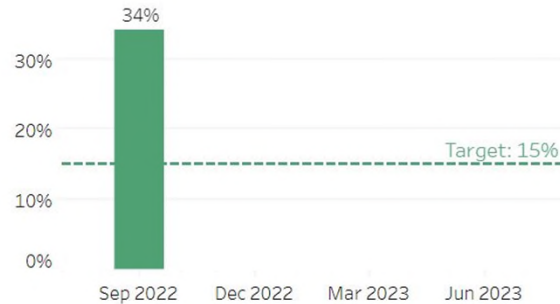


Wildly Important Goals

Water Plan Implementation

Wildly Important Goal:

Begin implementation of the 2023 Colorado Water Plan by ensuring grant applications from new stakeholders make up at least 15% of total grant applications by June 30, 2023.



Successful completion of this goal will increase local capacity to complete meaningful projects, such as watershed restoration, among other objectives of the Colorado Water Plan.



Wildly Important Goals

4. Equity, Diversity and Inclusion

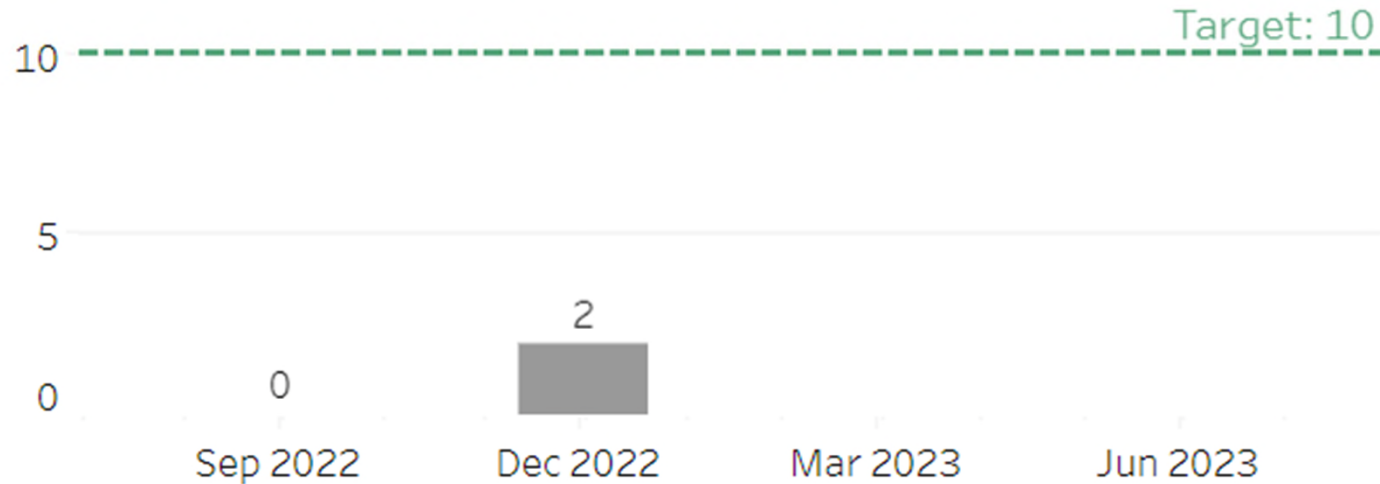
- Engage employees and partner organizations in shared dialogue to adopt norms, values and recommended actions for inclusivity and equity
- Conduct culture survey and create an implementation plan to improve CPW's culture for EDI
- Hold 10 "One DNR" Forums for employees on topics related to inclusive workplace culture, equitable access to the outdoors, and other topics
- Hold four EDI Advisory Group Meetings with Partner Organizations



Equity, Diversity and Inclusion

Wildly Important Goals

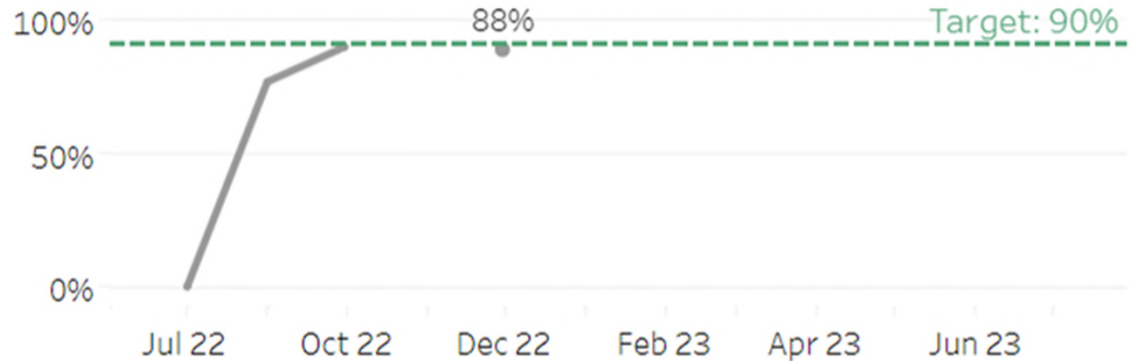
Hold 10 "One DNR" Forums for employees on topics related to inclusive workplace culture, equitable access to the outdoors, and other topics related to DNR's mission by June 30, 2023.



Cabinet Wildly Important Goals

Cabinet WIG - Reduce Greenhouse Gas (GHG) Emissions

DNR: Review at least 90% of notices of intent to abandon a well, or commonly referred to as "well plugging" requests, from oil and gas operators within 21 days of request receipt received between June 30, 2022, and July 1, 2023.



More information

To view monthly updates on Wildly Important Goals and corresponding lead measures, please visit the [Governor's Dashboard](#).

For more information on additional Department of Natural Resources goals, view our FY 2022-23 Performance Plan at: operations.colorado.gov/performance-management/department-performance-plans

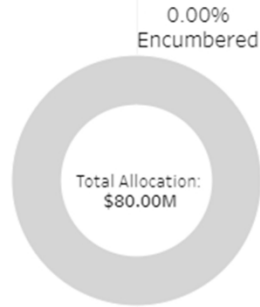
Stimulus Funds

The Department has been appropriated stimulus funds in the following categories:

- **Wildfire Mitigation:** \$19.5M total for the Colorado Strategic Wildfire Action Program (COSWAP). An additional \$16.5M one-time funds for wildfire mitigation at the Colorado State Forest Service (CSFS).
- **Water:** \$85M total for groundwater sustainability efforts, state water plan projects, and technical assistance for federal grants.
- **Watershed Restoration:** \$44M total for post-fire watershed restoration efforts and CWCB's new Wildfire Ready Watersheds initiative.
- **Parks, Wildlife, and Recreation:** \$42.8M total for staff, operating, and capital projects at state parks, implementation of the State Wildlife Action Plan, and backcountry avalanche safety.

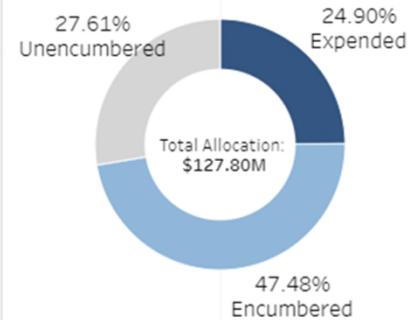
Stimulus Funds Status

ARPA State & Local Fiscal Recovery Funds (SLFRF)



ARPA Direct to Agency Awards (DAA)

State Stimulus



<https://coforward.colorado.gov/data>



FY 2022-23 Operating Appropriations by Division

Total Funds = \$501.8M

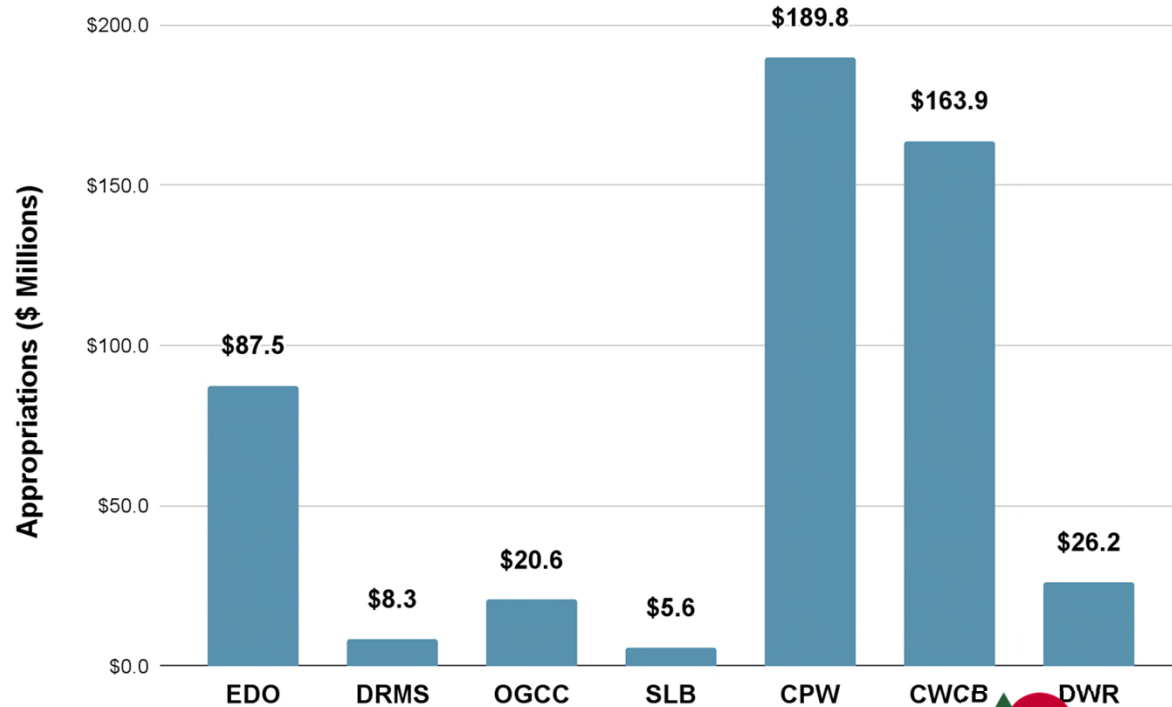
General Fund = \$38.7M

Cash Funds = \$369.2M

Reapprop Funds = \$67.9M

Federal Funds = \$26.0M

FTE = 1,557.1



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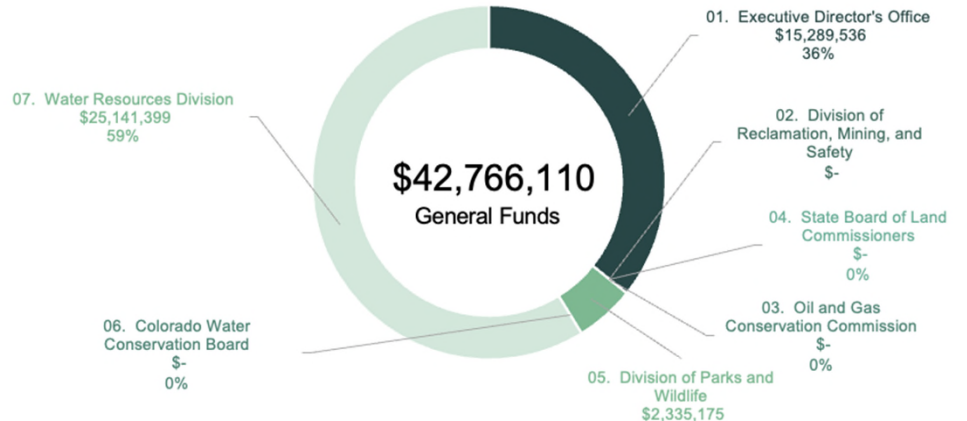
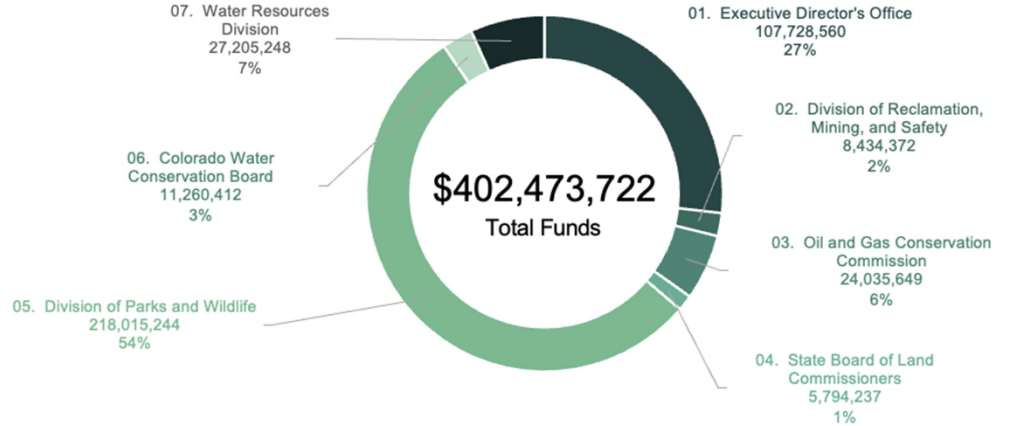
DNR FY 2023-24 Budget Request

FY 2023-24 Budget Snapshot

FY 2023-24 Total Funds: \$402.5M

FY 2023-24 General Fund: \$42.8M

FY 2023-24 FTE: 1,652.9



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FY 2023-24 Budget Request Detail

Requests to Implement Major Legislative Initiatives

- **COGCC Mission Change (S.B. 19-181)**
 - COGCC Mission Change Operational and Regulatory Support
- **Keep Colorado Wild Pass (S.B. 21-249)**
 - Keep Colorado Wild Pass Implementation Support
 - Support for Winter Recreation and Avalanche Safety
 - Resources to Manage and Protect Colorado State Parks
- **Future Generations Act (S.B. 18-143)**
 - Staffing to Support Wildlife Management
 - Parks and Wildlife Business Technology
 - Water and Research Projects to Support Wildlife



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FY 2023-24 Budget Request Detail

Water

- Colorado River Policy and Technical Support Team
- Colorado Water Plan Data and Mapping Specialist
- Water Plan Grant Program Legislative Placeholder



Wildfire Mitigation

- Multi-Department Wildfire Mitigation Investment Package
- Continue Wildfire Mitigation & Workforce Grants for CO Strategic Wildfire Action Program

Legislative Agenda

The Department respectfully requests the General Assembly consider legislation on the following:

- Stream Restoration and Water Administration
- Carbon Capture Underground Storage and Emerging Energy Technologies
- 2023 Water Projects Bill
- 2023 Species Conservation Trust Fund

Budget Request

COGCC SB19-181 Mission Change Operational & Regulatory Support

- DNR R01: \$3.3M Cash Fund increase
 - FY24 request 16% over FY23 budget of \$20.6M for the division
 - Accompanying FY23 supplemental budget request of \$608k
- Request comes after 1.5 years of process improvements and overhauling most of COGCC's rules in response to SB19-181

Budget Request

Workload increase for the Oil and Gas Location Assessment (OGLA) team:

- OGDPs and CAPs increased Permitting Staff workload by 300-400%
- FTE increase request increased by 50-60%

Task	Annual Qty Performed	Staff Time (in Hours)	Total Annual Hours
Form 2As (non-CAP)	100	133	13,300
OGDPs (non-CAP)	80	39	3,120
Other Forms	2,000	0.5	1,000
CAPs	6	1,152	6,912
CAP Form 2As	120	133	15,960
CAP OGDP	24	39	936
Misc Tasks*	-	-	3,600
Total Staff Hours			44,828

*Misc Tasks include: authoring and/or updating operator guidance, testing changes and improvements to the Commission's Webforms digital filing platform, onsite visits, meetings with operators, and meetings with local governments and other governmental entities.

Regulatory Agenda

COGCC Rulemaking Update, Required from SB19-181

- Pending Rulemakings: Permit Fees, and Worker Safety

Rulemaking Implementation:

- First Financial Assurance plan approved and Financial Assurance plans submitted that address over 75% Colorado's wells with a remaining deadline for submittal
- Continued work on IT system updates to improve efficiency and data collection, including the Cumulative Impacts Data Evaluation Repository (CIDER) database
- Completed the Biological Resources working group
- Produced Water Consortium on-going meetings
- Established a Cumulative Impacts working group



Regulatory Agenda

Some Upcoming Rulemakings:

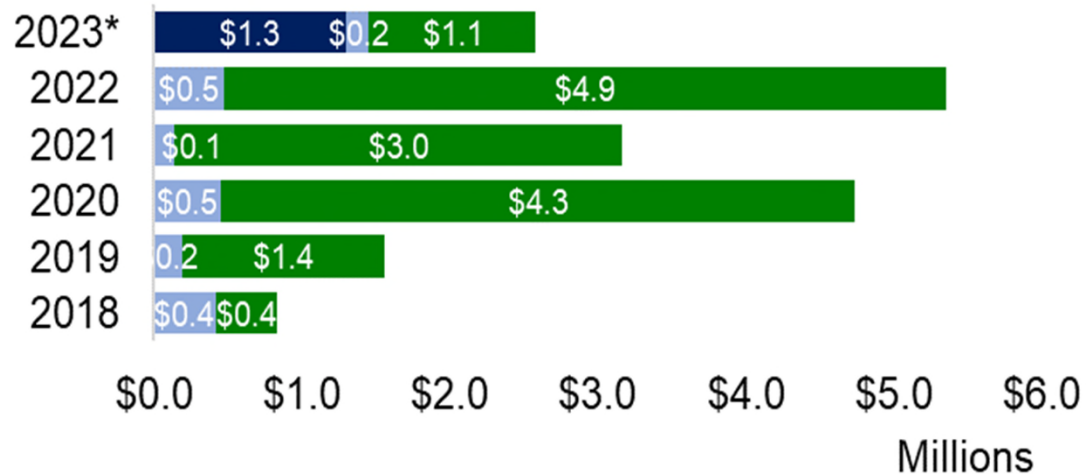
CPW - Big Game clean up, Passes and Permitting, Regulatory changes required for reintroduction of gray wolves

DWR - Water Well Construction, Statewide Nontributary Rules,

More information available in the 2023 DNR Regulatory Agenda Report

Orphaned Well Program Update

Orphaned Well Program Total Expenditures



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■ IIJA Grant ■ Bond Claims ■ Appropriation

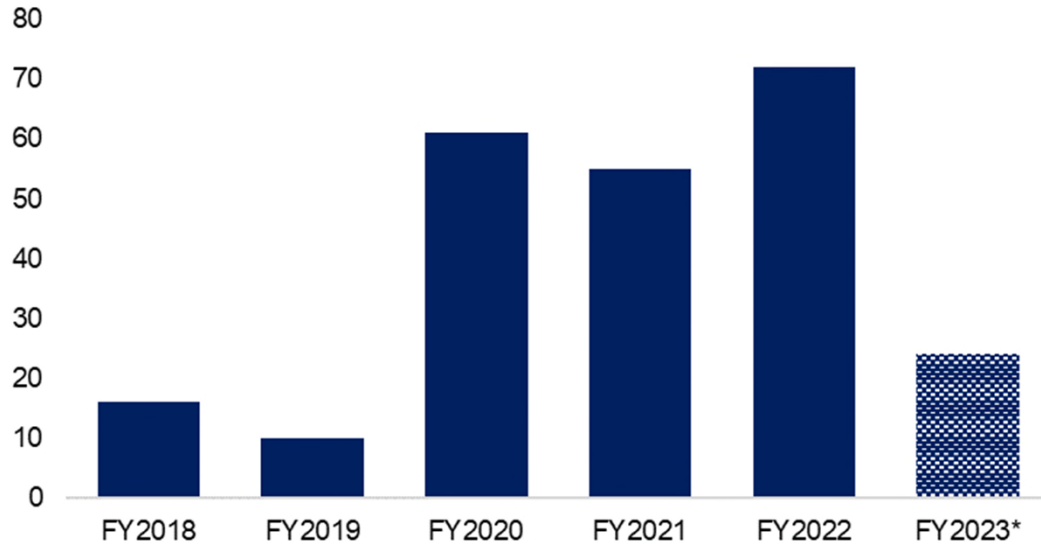


Orphaned Well Program Update

FY23

- Over \$23M of \$25M in IIJA funds encumbered through December
- Wells plugged will rise as funds spent down

Wells Plugged



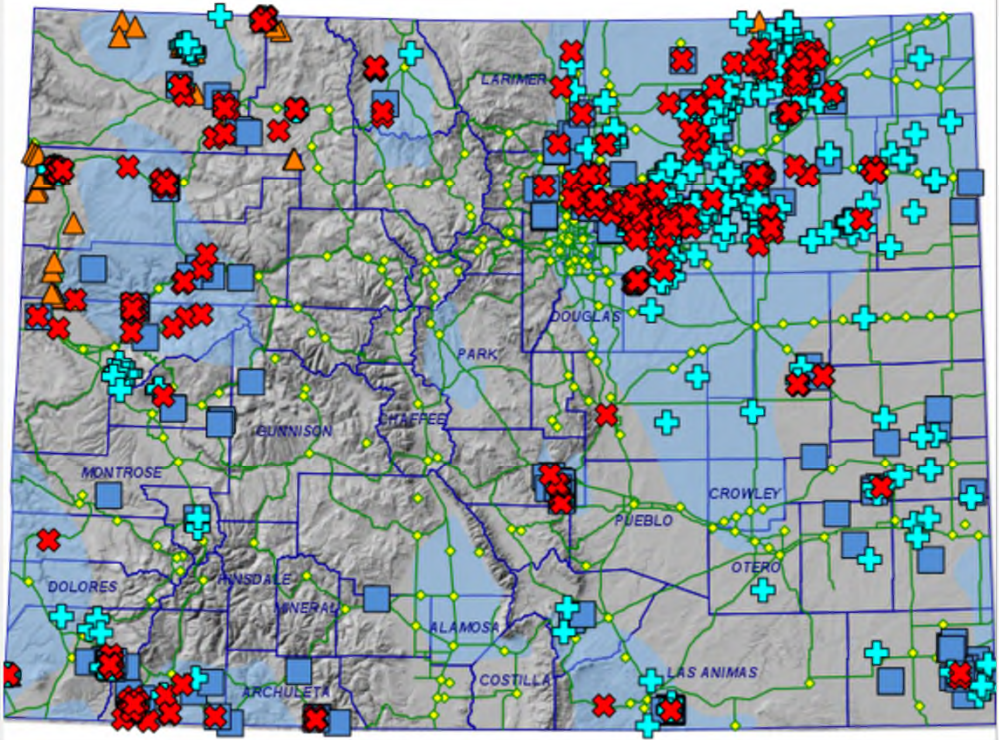
*YTD through December





Layers

- Wells
- Locations
- Permits
 - Pending Well (Form 2) Permit
 - Approved Well (Form 2) Permit
 - Pending Location (Form 2A) Permit
 - Approved Location (Form 2A) Permit
- Directional Wellbores
- Flowlines (APPROVED)
- COGCC
 - Staff Contacts (Mouseover For Flyout)
 - Environmental
 - Oil & Gas Fields
 - Orders
 - Projects Rulison & Rio Blanco
 - Rules
 - Seismic Permits
 - Orphaned Well Program
 - In Progress
 - Planned
 - Completed
 - Federal
- Roads & Railroads (CDOT)
 - Highways
- Water Resources (DWR & CDPHE)
- Floodplains (FEMA)
- Environmental Sites
- Air Quality (CDPHE)



MAPGUIDE HELP

- [Disclaimer](#)
- [Map Layer Info](#)
- [Map User Guide](#)
- [Other Browsers](#)
- [FAQ's](#)
- [Flowlines](#)

This screen space is used for various map functions, such as redlining and measuring distances, and will change depending on the function being used.

Need help? Map not working?

Orphaned Well Program Update

Future Federal Funding

3 grant programs resulting in up to 5 funding opportunities:

- Initial Grant - \$25 million
- Formula Grant - \$54 million (estimated for Colorado)
- Performance Grants
 - Regulatory Improvement Grants – up to \$20 million
 - Grant for Improvements to Programs Designed to Reduce Future Orphaned Well Burdens – up to \$20 million



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ts – up to \$30 million





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