

**PUBLIC COMMENT BY NEIL RAY, BOARD MEMBER AND IMMEDIATE PAST PRESIDENT
NATIONAL ASSOCIATION OF ROYALTY OWNERS - COLORADO CHAPTER**

**BEFORE THE STATE VETERANS, & MILITARY AFFAIRS COMMITTEE
FEBRUARY 24, 2016**

HOUSE BILL 16-1181 CONCERNING A
REQUIREMENT THAT A LOCAL GOVERNMENT
THAT BANS HYDRAULIC FRACTURING
COMPENSATE OIL AND GAS MINERAL
INTEREST OWNERS AFFECTED BY THE BAN.

Madam Chairman, and Members of the Committee

NARO Colorado is the only organization in the State that represents the interests of mineral and royalty owners who want their minerals developed.

NARO members were in the audience at all of the task force meetings, and many of them listened to the streamed audio. None of us heard strong support of our private property rights. What we heard was chilling.

We heard a Boulder County Commissioner plead to shield her and fellow Commissioners from any lawsuit for their decision to impose a long term moratorium.

We heard testimony from special interest groups calling for total bans.

Other special interest groups called for cessation of permitting until studies prove fracking safe. They cite the precautionary principle. They hope no one reasons through the failure of this principle. You cannot study something you ban. You certainly will never prove it safe.

The land for suburban developments were purchased from farmers and ranchers who reserved their valuable minerals for future development. This amounts to a discount on a 1/4 acre lot of tens or even hundreds of thousands of dollars to the homeowner.

If drilling took away the homeowners' right to build on his property compensation would be in order.

Much of the local control discussion goes to banning operations because they just "don't fit" with certain surface uses. If a surface estate owner was told they couldn't build their home on land they owned because it "didn't fit" with plans for future oil and gas development the surface owner would be outraged.

Yet, with reasonable regulation in place, mineral owners/operators address this dichotomy with mitigation efforts, by moving locations, building sound walls, adding berms, buffers and mufflers. Although it reduces the mineral estate's value, they don't ask the neighbors to bear this cost.

In turn, it seems the neighbor's preferred solution is to call on the local planning authority to just tell the mineral owners "no." That cost, of course, is entirely on the back of the mineral estate owner. How is that equitable or balanced?

Since 1954 Mineral and Royalty owners have depended on the State through the oil and gas act and the regulatory Commission to protect our property rights. However, within City and County jurisdictions, mineral and royalty owners are a minority. County Commissioners, City Trustees and Councils are elected. They are beholden to their constituents who vote for them. In many instances mineral owners are absentee owners with no vote or political representation. They might be heirs living in a different jurisdiction, a family trust, or a charity. The mineral owner whose property is in a jurisdiction where bans, moratoriums, and overly restrictive planning and zoning would deprive them of the development of their property needs the State to protect their private property right. That is why this bill is necessary.

Your authority, and the rules and regulations promulgated are what protect our minority from the tyranny of the majority. That is what John Adams, Alexander Hamilton, James Madison, John Jay, Alexis De Tocqueville, and many others have written about.

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