

# SB 19-181 Rulemaking Update

August 1, 2019



**COLORADO**  
Oil & Gas Conservation  
Commission

Department of Natural Resources

# Hearing Schedule & Proposed Location

- August 21-22 Glenwood Springs
- September 25-26 Boulder County
- October 30-31 Denver
- November 20-21 Weld County
- December 16-17 Denver
- January 29-30 Denver
- February 26-27 TBD
- March 25-26 TBD
- April 22-23 TBD
- May 27-28 TBD
- June 24-25 TBD



# Rulemaking Timeline

Rulemaking	Flowlines	Mission Change	Cumulative Impacts	Alternative Location Analysis
<b>August</b>	-Staff presentation to Commission -Stakeholder outreach	Stakeholder outreach		
<b>September</b>	-Stakeholder outreach -Notice and draft rules	-Staff presentation to Commission -Stakeholder outreach	Open Informational Docket	
<b>October</b>		-Staff presentation to Commission -Stakeholder outreach	Stakeholder outreach	
<b>November</b>	<b>Rulemaking hearing (November 20-21)</b>	Stakeholder outreach	Stakeholder outreach	
<b>December</b>		-Stakeholder outreach -Notice and draft rules	Stakeholder outreach	
<b>January</b>		Stakeholder outreach	Stakeholder outreach	Stakeholder outreach
<b>February</b>		<b>Rulemaking hearing (February 26-27)</b>	-Stakeholder outreach -Notice and draft rules	-Staff presentation to Commission -Stakeholder outreach
<b>March</b>			<b>Rulemaking hearing (March 25-26)</b>	Stakeholder outreach
<b>April</b>				<b>Rulemaking hearing (April 22-23)</b>

# Flowlines, Inactive, Temporarily Abandoned and Shut-in Wells

“The commission shall review and amend its flowline and inactive, temporarily abandoned, and shut-in well rules to the extent necessary to ensure that the rules protect and minimize adverse impacts to public health, safety, and welfare and the environment, including by:

(a) allowing public disclosure of flowline information and evaluating and determining when a deactivated flowline must be inspected before being reactivated; and

(b) evaluating and determining when inactive, temporarily abandoned, and shut-in wells must be inspected before being put into production or used for injection.”

§ 34-60-106(19), C.R.S.



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# Flowlines, Inactive, Temporarily Abandoned and Shut-in Wells

- Staff analysis
- Identification of Stakeholders
- Developing Stakeholder process



# Mission Change

“the Commission shall regulate oil and gas operations in a reasonable manner to protect and minimize adverse impacts to public health, safety, and welfare, the environment, and wildlife resources and shall protect against adverse environmental impacts on any air, water, soil, or biological resource resulting from oil and gas operations”

§ 34-60-106(2.5)(a), C.R.S



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# Mission Change

Goal: Revise COGCC rules to ensure that they reflect SB 19-181's mandate

Scope: Revise COGCC rules to move from fostering to regulating in manner that is protective of Public Health, Safety, Welfare, Environment and Wildlife

- Cost effectiveness and technical feasibility/reasonable and necessary
- Neutral regulatory framework
- Standing



# Cumulative Impacts

“In consultation with the department of public health and environment, evaluate and address the potential cumulative impacts of oil and gas development.”

§ 34-60-106(11)(c)(II), C.R.S.



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# Cumulative Impacts

- Meetings with CDPHE
- Identification of Stakeholders
- Developing Stakeholder process

# Alternative Location Analysis

“Adopt an alternative location analysis process and specify criteria used to identify oil and gas locations and facilities proposed to be located near populated areas that will be subject to the alternative location analysis process.”

§ 34-60-106(11)(c)(I), C.R.S.



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# Alternative Location Analysis

Goal: Revise COGCC rules to implement the process and criteria for locations near populated areas that are subject to an alternative location analysis

Scope: Establish a framework for when an alternative location analysis is required, who must or may conduct the analysis, and how the results of the analysis are used

- How to adjust the operations protocol to have more stakeholders brought into the planning process?
- When can it be meaningfully performed?
- Coordinate analysis with the local process
- Identification of receptors near proposed locations



# Wellbore Integrity

“The commission shall promulgate rules to ensure proper wellbore integrity of all oil and gas production wells. In promulgating the rules, the Commission shall consider incorporating recommendations from the State Oil and Gas Regulatory Exchange and shall include provisions to:

- (a) address the permitting, construction, operation, and closure of production wells;
- (b) require that wells are constructed using current practices and standards that protect water zones and prevent blowouts;
- (c) enhance safety and environmental protections during operations such as drilling and hydraulic fracturing;
- (d) require regular integrity assessments for all oil and gas production wells, such as surface pressure monitoring during production; and
- (e) address the use of nondestructive testing of weld joints.”

§ 34-60-106(18), C.R.S.

# Wellbore Integrity

- Staff analysis
- Meetings with Environmental Defense Fund
- Meetings with Operators
- Meetings with other Stakeholders

# Questions?



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# Financial Assurance

The Financial Assurance Rulemaking “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.”

§ 34-60-106(13), C.R.S.



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# Worker Certification

Worker Certification rules for workers in the following fields:

- (a) compliance officers with regard to the federal "Occupational Safety and Health Act of 1970", 29 U.S.C. Sec. 651 et seq., including specifically working in confined spaces;
- (b) compliance officers with regard to codes published by the American Petroleum Institute and American Society of Mechanical Engineers, or their successor organizations;
- (c) the handling of hazardous materials;
- (d) welders working on oil and gas process lines, including:
  - (i) knowledge of the flowline rules promulgated pursuant to subsection (19) of this section;
  - (ii) a minimum of seven thousand hours of documented on-the-job training, which requirement can be met by an employee working under the supervision of a person with the requisite seven thousand hours of training; and
  - (iii) passage of the International Code Council Exam F31, National Standard Journeyman Mechanical, or an analogous successor exam, for any person working on pressurized process lines in upstream and midstream operations.

§ 34-60-106(20), C.R.S.



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