



Current Oil & Gas Regulations

City Council Study Session October 2017

Summary

- This presentation is intended to be an informative overview of the city's adopted regulations, history of Oil & Gas regulations in Commerce City, and our current review process.
- The city is anticipating potential applications in the near future for extraction facilities within Commerce City limits.



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History

- Colorado court rulings limit the scope and ability of local jurisdictions to regulate oil & gas extraction.
- Prior to 2009: no municipal oil and gas regulations.
- Prior to 2012: oil and gas extraction required a use-by-permit.
- 2012: Creation of new LDC Oil & Gas regulations.
 - Included an oil & gas working group, various stakeholder participation, study sessions with Planning Commission & City Council
 - Resulted in administrative review process & formation of an extraction agreement.
- 2015: Colorado Oil and Gas Conservation Commission (COGCC) passed a number of changes to their regulations, creating a potential need to update the city's regulations.
- As of October 2017: no Oil & Gas Permits have been processed by the city.

Policy Principles – 2012 Regulations

- Provide reasonable regulation for oil & gas impacts while not creating regulatory overreach that would potentially conflict with state regulations.
- Address health, safety, and general welfare concerns regarding oil and gas development
- Protect residential development from immediate proximity to extraction sites

Current Process

- Current process is an administrative review
 - Appeals, and any minor modifications or variances from city regulations automatically are reviewed by Planning Commission & City Council.
- Current land use regulations
 - Allowed in all zone districts with an Oil & Gas Permit.
 - Will need to meet all use requirements contained within LDC Section 21-5266.
 - Regulations focus on surface impacts more than subsurface impacts.
- All operators required to sign an extraction agreement with the city prior to issuance of a permit.



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Overview – Current LDC Regulations

- Current section details the following:
 - Minimum 2500' public notification radius prior to administrative approval.
 - Nuisance control – Noise, Dust, Odor, Storm Water pollution prevention
 - Visual mitigation plan, emergency evacuation plan requirements
 - Landscaping, lighting, environmental regulations.
 - Financial assurances, impact fees & enforcement.
 - Applicant required to bear costs for necessary 3rd party reviews.

Overview – Extraction Agreement

- Performance standards (to be negotiated with applicant)
 - Hazardous materials
 - Soil sampling
 - Setbacks (1,250 feet, 1 mile from Wildlife Refuge & Barr Lake, 300 feet from water bodies).
 - Water supply
 - Noise & hours of operation
 - Water quality monitoring



COGCC Rulemakings

- From 2012 to 2015, the COGCC passed a series of changes to their regulations, potentially creating inconsistencies with city's regulations.
- The COGCC is currently undergoing stakeholder engagement for flow line regulations in response to the Firestone explosion this year. Tentatively scheduled to go in front of the state in mid-December.
- The City Attorney and Community Development are reviewing current city regulations in light of recent COGCC regulations and legal decisions.





Questions and Discussion

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