

Summary

- This presentation is intended to present staff recommended updates to the LDC based on
 - 1. SB-19-181
 - 2. discussions with operators (including broad concepts and BMPs)
 - 3. community feedback

And to review the process for amending the LDC



Senate Bill 19-181

- The legislation moved speedily through the House and Senate
 - On 3/13, passed the Senate
 - On 3/30, passed the House (with amendments)
 - Amended version expected to be approved by the Senate the week of April 1
 - Anticipate being signed by the Governor and effective when signed
- SB-19-181 made significant changes to state law addressing the Oil & Gas industry, the authority of local government, and the role of the COGCC

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Senate Bill 19-181

- Major highlights of the bill
 - Expressly modifies state pre-emption by explicitly authorizing local government regulation that is more stringent than state standards
 - i.e. State standards become minimum requirements
 - Expressly authorizing local regulation of well pad locations through land use regulations including the siting of oil and gas locations and facilities
 - Reforms the COGCC mission to focus on regulating for the protection of public health, safety, and welfare including the environment and wildlife resource (gone is the direction to "foster")
 - Expressly authorizes local governments to impose fees for cost of monitoring & penalties for violations of local land use regulations
 - Requires Operators to obtain a local permit prior to receiving a state permit
 - Revises forced pooling requirements to require consent from greater than 45% of mineral rights holders

Senate Bill 19-181

- Local government authority expressly expanded to include the regulation of the surface use of oil and gas operations in a reasonable manner:
 - Location and siting of O&G facilities and locations
 - Impacts on government facilities and services
 - Water quality and source, noise, vibration, odor, light dust, emergency preparedness, security, traffic, transportation impacts
 - Financial securities, indemnification and insurance
 - All other nuisance-type effects of O&G development
 - Inspect all O&G facilities
 - Impose fees for both the direct and indirect costs of monitoring and inspections programs to address impacts and enforce local regs
 - Receive technical assistance from the COGCC

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Current Code Overview

- Current process is an administrative review with appeals going directly to state court
- Current land use regulations
 - Allowed in all standard zone districts with an Oil & Gas Permit
 - Must meet all use requirements contained within LDC Section 21-5266
 - Regulations focus on surface impacts
- All operators required to sign an extraction agreement
- Regional Operator Agreement may be executed to establish broad operations standards



Impacts on Commerce City

- Will allow most BMPs (negotiated with Extraction and other operators) to be made law in the municipal code rather than only part of a negotiated extraction agreement or regional operating agreement
 - Violations of the Code may be enforced quicker and easier than contract violations
 - Operators who do not voluntarily negotiate will be required to comply
- Allows for the city to further regulate surface locations through police powers: zoning and impacts
- Gives the city express authority for monitoring and enforcement and the ability to assess fees for violations of local land use regulations

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Potential LDC Changes

BMPs

- Codify the BMPs as standards in the LDC or as mandatory provisions in an extraction agreement
- Replace current sections that are less stringent than negotiated BMPs

Zoning and other regs

- Classify Oil & Gas Operations as an industrial use
- Disallow well pads from certain zone districts, e.g. residential, commercial
- Enhance land use regs to fully account for impacts
 - E.g. setbacks

Potential LDC Changes

Enforcement

- Add fines and other enforcement tools related to operational and BMP infractions
- Restate inspection authority

Process

- Require pre-application meetings
- Require pre-application community or neighborhood meetings



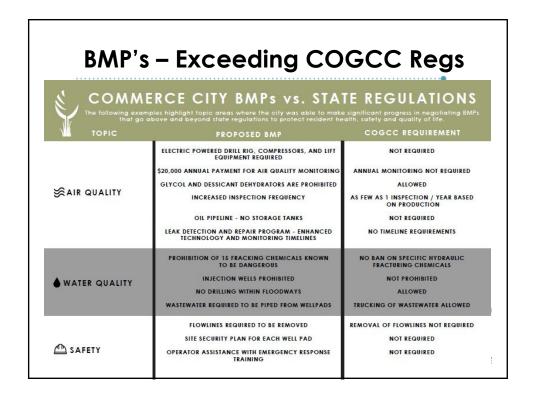
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Next Steps

- Draft new or amended code sections
- Meet with stakeholders and Oil and Gas focus group to receive input
- Schedule study sessions with Planning Commission and City Council
- Schedule public hearings with Planning Commission and City Council
- Coordinate with COGCC
- Consider interim measures pending revisions







BMP's - Exceeding COGCC Regs COMMERCE CITY BMPs vs. STATE REGULATIONS NOISE MITIGATION PLAN REQUIRED IF WITHIN 1/4 MILE OF A HOME NOT REQUIRED IN THIS CIRCUMSTANCE CONTINUOUS NOISE MONITORING IF WITHIN 1/4 MILE OF A HOME NOT REQUIRED MITIGATION QUIET FLEET TECHNOLOGY REQUIRED IF WITHIN 1/4 MILE OF A HOME NOT REQUIRED NOISE MAY NOT EXCEED 55db or 4db OVER BASELINE LEVEL MAXIMUM 80DB(A) ADJACENT TO RESIDENTIAL PIPELINES - NO STORAGE TANKS NOT REQUIRED O VISUAL MITIGATION NO PUMPJACKS ALLOWED ALLOWED STAGED LANDSCAPING REQUIREMENT NO LANDSCAPE REQUIREMENT NOTIFY ADJACENT NEIGHBORS OF DRILLING, INCIDENTS, AND ACCIDENTS NOT REQUIRED COMMUNITY OUTREACH BI-ANNUAL UPDATE TO CITY COUNCIL NOT REQUIRED OPERATOR WILL MAINTAIN A 24/7 COMPLAINT RESPONSE HOTLINE