

Timeline & Overview of Changes – Oil and Gas LDC Updates from November 2019 to January 2021

November 4, 2019 Ordinance 2235 was continued by City Council. A number of concerns were raised during the public hearing, and council voted to continue the ordinance indefinitely. The major concerns raised were the following:

- Lapse and Forfeiture of permits
- Permit transferability
- Air quality monitoring requirements
- Measurement of setbacks
- Reverse setbacks
- Gathering line regulations
- Chemical disclosure

January 2020 – May 2020

Staff conducted additional stakeholder meetings with the following groups between January and Mid-May:

- Environmental Regulatory Groups
- TCHD, CDPHE, Denver Environmental Quality Division (Air Quality), COGCC
- COGA, API & Oil and Gas Operators
- North Range Concerned Citizens
- Oil and Gas Focus Group (2 meetings)
- Developers and Homebuilder Stakeholder Group
- LOGIC (League of Oil and Gas Impacted Coloradans)
- Conservation Colorado

February 10, 2020 Study session with Council was held to discuss the progress that had been made on the outstanding issues that arose from the November 4 City Council hearing, and to receive additional feedback regarding the LDC update process. Following that study session, staff began to draft a revised ordinance for public release.

March 10, 2020 A revised draft based on public comments was released for a public comment period originally to end on April 10. Due to COVID-19, the comment period was ultimately extended to May 31. A summary of staff's response to Public Comments, is included in Addendum A to this document.

May 7, 2020 A Town hall meeting was conducted with a city staff panel to gather feedback on the proposed ordinance. A total of 60 community members were in attendance, and 8 members of the public utilized live Spanish translation services. A recording of the meeting can be found [here](#).

June 8, 2020 Study session was held to discuss proposed changes brought forward by staff, in response to comments from the public, the stakeholder processes that had occurred, and COGCC rulemakings that were currently in process at that time. It was determined in the study session that council wanted to have additional time to review the proposed changes and provide written comments, proposed policy changes, or proposed language changes to the publicly released draft.

June 22, 2020 Study session was held to review council's additional proposed recommendations, comments, and general discussion topics, and provide staff direction on each topic raised. All items originally scheduled for discussion were not covered that night.

July 21, 2020 Study session was held to review council's proposed recommendations, comments, and general discussion topics, and provide staff direction on each topic raised.

July 27, 2020 Staff received direction from City Council to incorporate a revised reverse setback value of 1,000'

October 19, 2020 City Council provided additional guidance to City staff on the financial provisions section in Article V.

Summary of Major Changes from November 4, 2019 Draft LDC Updates to December 23, 2020 Draft

- **Process** – Approval process changed from a two tiered approval process, to all Oil and Gas Permits requiring approval by City Council
- **Setbacks** – Additional setback of 1,500' from 10 or more homes, or from a High Occupancy Building Unit (as defined by the COGCC)
- **Reverse Setbacks** – Reverse setback proposal increased from original proposed value (between 300'-500' depending on facility size), to 1,000'
- **Setback Measurement** – clarification added that for both regular setback and *reverse* setbacks, the measurement is conducted from the edge of the *Production Site*, to the property line of a residential property. This definition and measurement method is synonymous with COGCC definition of *Working Pad Surface*
- **Gathering Line Regulations** – Requirement for the removal of gathering lines removed from draft
- **Modifications to Oil and Gas Standards** – Creation of a modifications process, for operators who wish to seek 20% reduction in setback requirements in 21-5266(6) or 21-6280(1) *only*. No other modifications to Oil and Gas Standards permitted. Modifications would be reviewed by Planning Commission, and approved by City Council.
- **Financial Assurances** – Revisions made to 21-5266(15b), which included raising the financial assurance amount to \$90,000 per well, adding an escalating price escalator tied to the consumer price index starting in January 2021, limiting bonding types to surety bonds and letters of credit, ensuring that the bonding amount covers the plugging, abandonment, and reclamation of well sites, and non-compliance with permit requirements, clarify notification to the City in the event of a financial setback, and establish administrative financial assurance provisions.
- **Cumulative Impacts** – In response to Public Comments & COGCC rulemakings, additional language added requiring operators to assess cumulative impacts of air and noise from proposed operations.
- **Definitions** – Significant cleanup and additional context added to existing Oil and Gas terminology. Addition of the terms Cumulative Impacts, Drilling and Spacing Unit, Gas Storage Well, Oil and Gas Location, Public Water Supply Well, Surface Owner, Surface Use Agreement, and Working Pad
- **Chemical Disclosure** – clarification added stating that the City would not be requesting proprietary information regarding chemical disclosure
- **Initial Assessment Process** – Minor clarifying changes to the evaluation criteria in the Initial Assessment Process. Inclusion of the provision for director to waive 2 out of 3 alternative sites in analysis based on extraordinary circumstances where proposing 3 sites within Drilling and Spacing Unit is not possible.
- **Permit Lapse & Forfeiture** – Three year lapse period, or terminus with COGCC 2A permit issuance
- **Permit Transferability** – Specific process and review delineated for permit transfer review and approval, where operator demonstrates ability to comply with all provisions of code, any operator agreements, state, local and federal law, demonstration of adequate insurance, remediation of any on-site noncompliance with applicable regulations, and 90 day duration before operator can transfer a permit after original approval.
- **Fines & Fees** – removal of requirement that operator pays duplicative fine to State & City, clarification of minimum municipal fine amounts to be consistent with Colorado Revised Statutes, and Consumer Price Index escalation.
- **Air Quality Monitoring** – changed the notification period for SUMMA canister deployment from 10 days to one hour, modified requirement for monitoring of specific VOC's & HAP's, to reviewing a specific monitoring plan with a range of potential pollutants to be measured, and continuous monitoring for well sites within 1,000' of a home *may* be required for the lifetime of the well.
- **Neighborhood Meetings** – A minimum of one neighborhood meeting required for all Oil and Gas Permit Applications
- **Plug & Abandonment of Wells** – Modification made to draft, stating *request*, rather than *require* plugging & abandonment of certain wells, due to state pre-emption of regulation of downhole activities

Addendum A – Additional Documents Provided for the Record

- [Public Comment Letter Submissions received during March 10, 2020 – May 29, 2020 Public Comment Period](#)
- [Public Comment Form Submissions received during March 10, 2020 – May 29, 2020 Public Comment Period](#)
- [Staff's responses to Public Comments received with proposed redlines](#)
- [Commerce City Prehearing Statement – COGCC 200-600 Series Rulemaking](#)
- [Commerce City Prehearing Statement – AQCC Series 7 Rulemaking](#)
- [Public Water Suppliers Joint Prehearing Statement – COGCC 300 Series Rulemaking](#)
- [Public Water Suppliers Joint Prehearing Statement – COGCC 400 Series Rulemaking](#)
- [Statement of Basis, Specific Statutory Authority, and Purpose of Mission Change Rulemaking](#)