



Legislation Text

File #: Pres 19-433, **Version:** 1

Oil and Gas Land Development Code Updates

Summary and Background Information:

In 2012, Commerce City adopted its current set of Oil and Gas regulations, which require any potential operators to obtain an Oil and Gas Permit, and execute an Extraction Agreement. Since the adoption of these rules, the landscape of oil and gas regulation at the state level has increased significantly. Since 2012, the Colorado Oil and Gas Conservation Commission (COGCC) has conducted a number of rulemaking procedures, which have modified requirements such as school setbacks, flowline regulations, spill reporting, and many other items. Most significantly, on April 16th, 2019, Governor Polis signed Senate Bill 19-181 into law, which expressly gave local governments more authority to regulate the surface impacts of resource extraction. The bill expressly modifies state pre-emption by authorizing local government regulation that is more stringent than state standards.

On September 9, a City Council Study session was held to receive direction on how to proceed forward with updating the city's regulations in response to Senate Bill 19-181, and the recently signed operator agreement with Extraction Oil and Gas, LLC. The stated objectives of the code update were presented as follows:

- Utilize SB-181 authority to regulate location and siting of facilities
- Incorporate other powers granted to local governments through SB-181
- Define approval criteria for alternative location analysis
- Evaluate current process and approval process
- Incorporate feedback received during the Oil and Gas Focus Group
- Evaluate additional feedback provided from the public, industry, and regulatory agencies
- Evaluate financial assurances and fees
- Codification of Best Management Practices (BMP's)
- Incorporate meaningful health, safety, and general welfare protections

Staff also received input from Council on the following items:

- Pursue a more aggressive LDC update timeline with a targeted adoption date of November 18th, 2019
- That the new regulations should build off the BMP's and ROA recently signed with Extraction

The new regulations should generally be equivalent to (or in some circumstances exceed or not exceed) Adams County's newly adopted regulations.

Since the September 9 Study Session, the following meetings have been conducted:

- 9/23: Stakeholder meeting with regulatory groups
- 9/24: Stakeholder meeting with industry group
- 9/25: Separate meeting with Adams County staff on code update process

- 10/1: Study session with Planning Commission
- 10/2: Public Open House - Bison Ridge
- 10/3: Public Open House - Eagle Pointe

The purpose of the October 14 Study Session is to provide an update to City Council on the feedback received during the six events listed above, and to gain additional feedback on the following larger draft regulation concepts:

- Two-tiered approval approach
- Setback distances
- Proposed zone districts - specifically allowance in Commercial
- Evaluate current process and approval process
- Adoption of additional fines and fees
- Increased notification requirements

Following this Study Session, staff will incorporate Council feedback into the current working draft documents, then publish a draft ordinance for public review, as soon as October 15th. Because this is a study session, no vote from Council is needed at this time

Staff Responsible (Department Head): Roger Tinklenberg, Interim Community Development Director

Staff Member Presenting: Domenic Martinelli, City Planner | Interim Local Government Designee (LGD)

Staff Recommendation: Feedback on Oil and Gas LDC Updates