

# COGCC Well and Location Permitting Process and SB 19-181

Larimer County Oil and Gas Task Force

August 15, 2019



**COLORADO**  
Oil & Gas Conservation  
Commission

Department of Natural Resources

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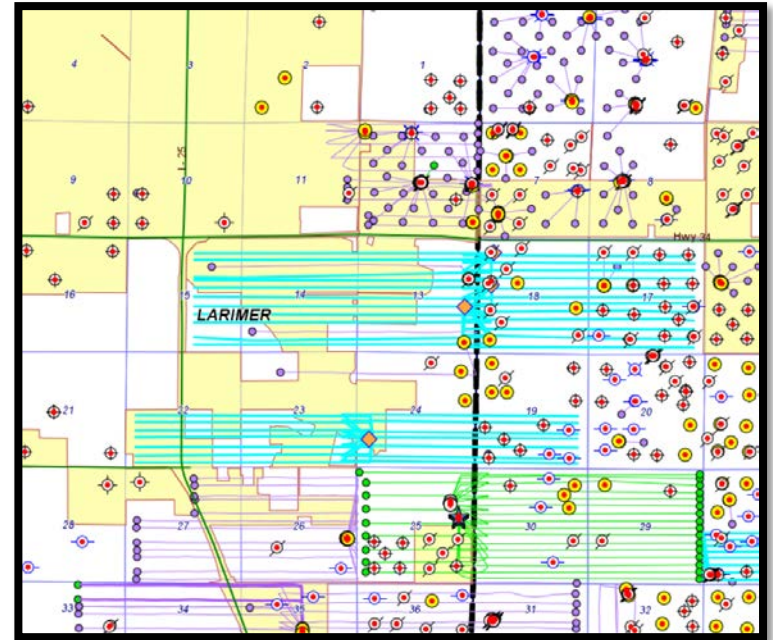
# Topics

- COGCC overview in context of SB 19-181
- COGCC's Well and Location Permitting Process
  - What has changed
  - What we look at
  - Consulting agencies & entities
  - Timeline
- Q&A

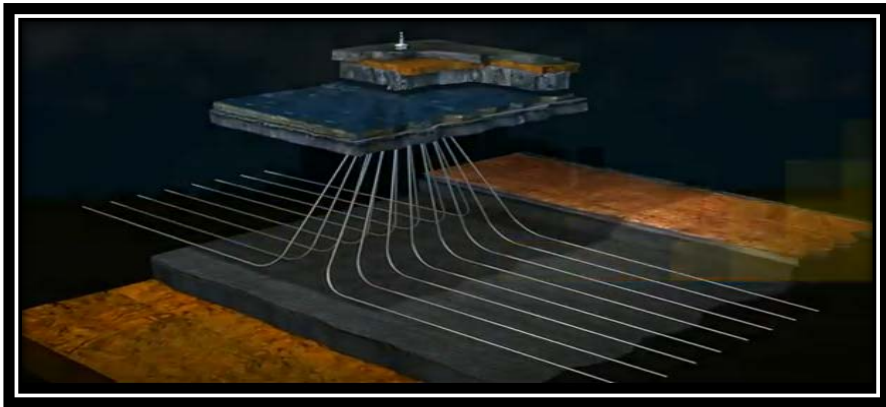


# Why are we Here?

- Larimer County currently has no regulatory process for siting oil and gas facilities.
- County Oil and Gas Task Force (appointed in Spring 2019) is evaluating need to establish a County permitting / siting process for oil and gas facilities.



# Current Trend - Multiple Horizontal Wells from a Single Pad



4 of 5 APDs approved by COGCC in 2018 were for horizontally-drilled wells.

# COGCC Mission

The mission of the Colorado Oil and Gas Conservation Commission (COGCC) is to regulate the development and production of the natural resources of oil and gas in the state of Colorado in a manner that protects public health, safety, welfare, the environment and wildlife resources.

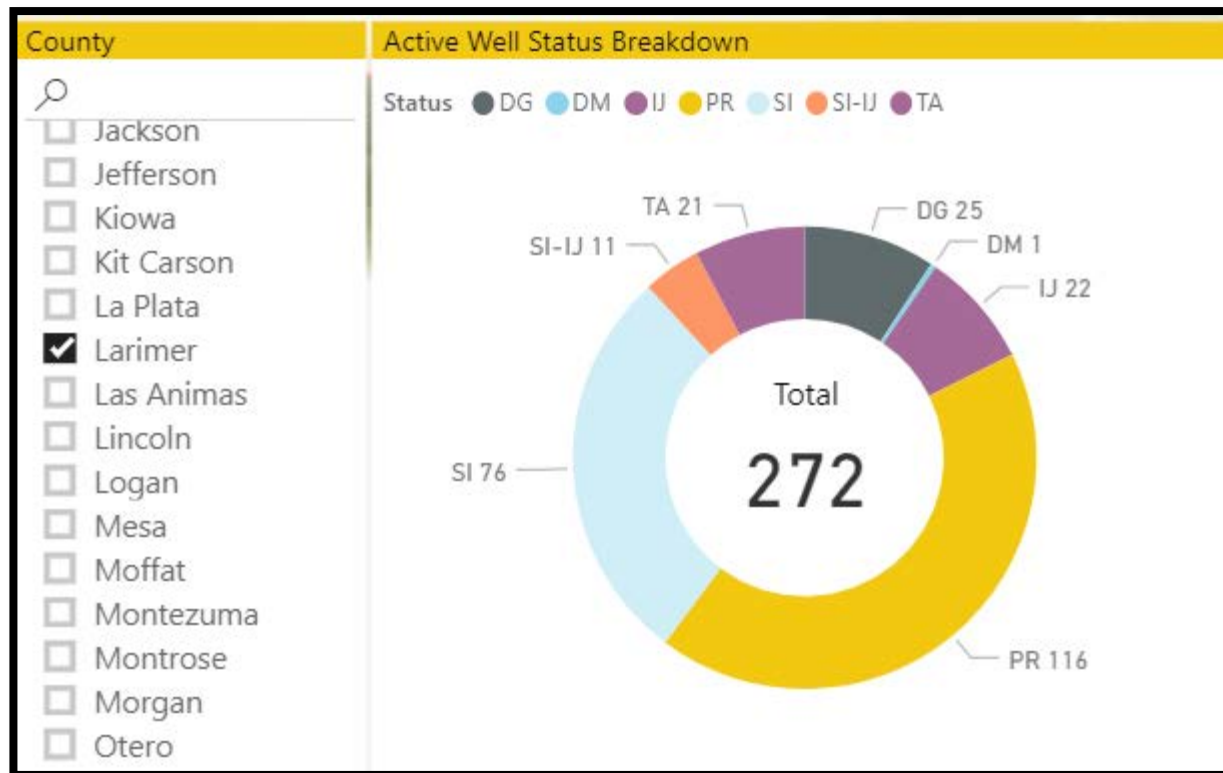


# How does COGCC Regulate Oil and Gas?

- Laws, Rules, Regulations, & Policies
- Commission Orders regarding Enforcement and Hearings Processes
- Permits-specific Conditions of Approval (COAs) and Best Management Practices (BMPs) in conjunction with Director's Objective Criteria
- Inspections (Corrective Actions identified)
- Operator Outreach & Training
- Collaboration with Local Governments
- Consultation with CDPHE, DPW, EPA, BLM
- Focus on Transparency and Public Involvement



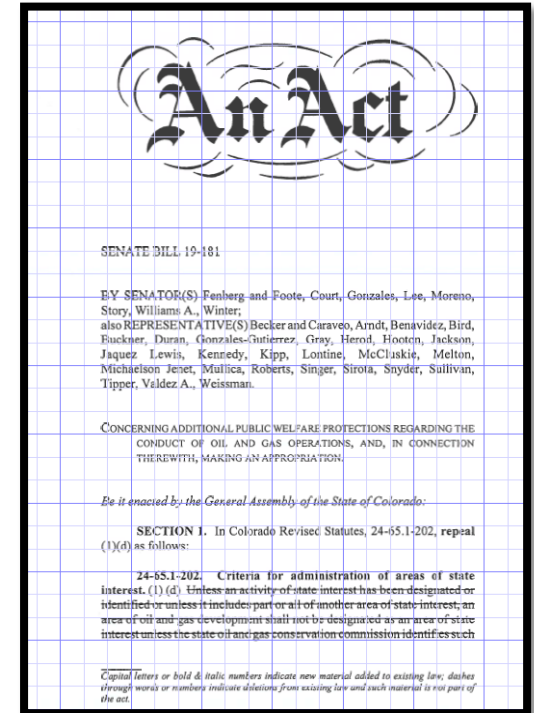
# Larimer County Active Wells (Dashboard tool - August 15, 2019)



# SB 19-181

New overriding (and very complex) law that significantly revises oil and gas regulation in Colorado - Effective April 16, 2019

COGCC now embarking on 10-12 rulemakings (one completed) over next 1 to 1.5 years; one CDPHE (AQCC) rulemaking to occur; interim "objective criteria" in use





# SB 19-181 Required Initial Rulemakings & Timeline

Four Initial Required Rulemakings (by summer of 2020)

- Mission Change / PHSWE&W
- Alternative Location Analyses
- Cumulative Impacts
- Flowlines

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

# Other Future Pending Rulemakings or Administrative Actions

- Wellbore Integrity
- Financial Assurance
- Technical Review Board
- Worker Certification
- Application Fees
- Air Quality / Emissions (CDPHE - AQCC)



# Setback Rules, Key Terms

## Designated Setback Locations

**Exception Zone (500 Ft) from Building Unit (BU)**

**Buffer Zone (1000 Ft) from BU**

- Pre-application notice
- Comment Period notice
- Opportunity for Operator-Public meetings to discuss mitigation measures

## **Designated Outside Activity Area**

- Minimum 350 foot setback established (if approved)
- Local Govt must request DOAA designation via application and Commission hearing

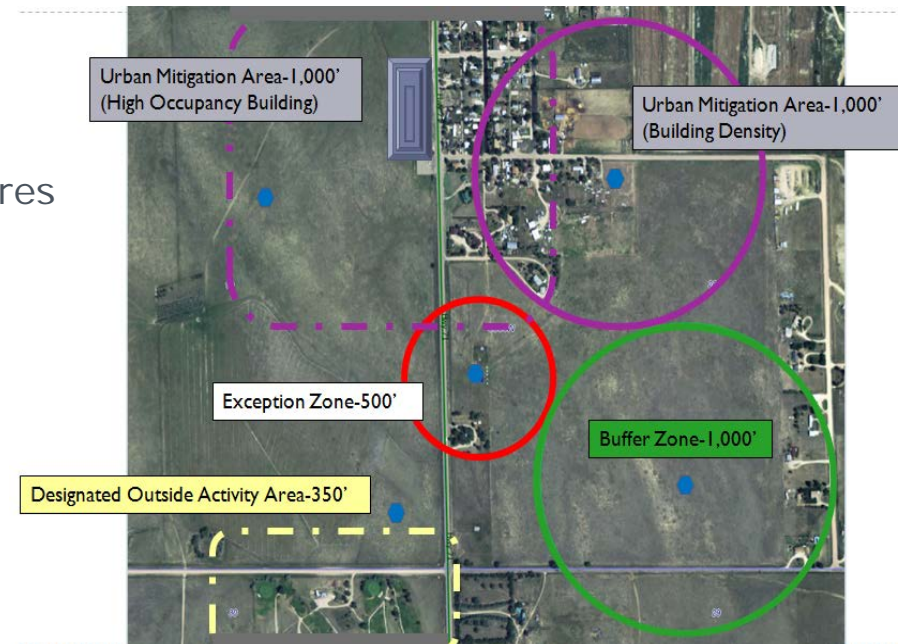
## Other Terms

**High Occupancy Building Unit (HOBUE)**

- 1,000 ft setback – Hearing required

## Urban Mitigation Area

- Based on # of BUs within 1000 feet of EOD or proximity to HOBUE
- Operator must obtain waivers from ALL BU owners within 500 feet, or operator must seek a variance (from Director).



# (GTF) Large UMA Facility (LUMAF) is now a defined term in COGCC Rules

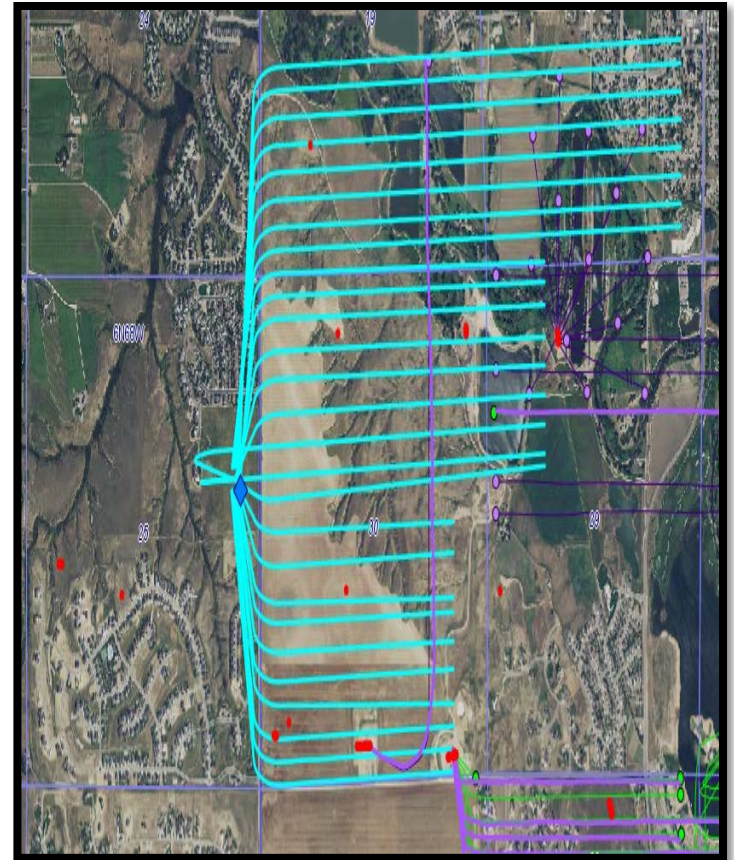
## 100-series definition:

Any Oil and Gas Location to be located in an Urban Mitigation Area and on which:

- Operator proposes to drill 8 or more new wells;

OR

- Cumulative new and existing on-site storage for produced hydrocarbons exceeds 4,000 barrels



# SB 19-181 Major Elements

- COGCC Mission changed from “fostering to “regulating” while prioritizing public health, safety, and environment concerns.
- Enables local governments the option to have increased oversight of land use related to oil and gas facilities.
- Local governments have the option of permitting “siting” related to land use; May opt to “go first” in land use permitting process; or concurrently with COGCC, or after COGCC location permitting process.



# SB 19-181 Major Elements

- Commission makeup (members) has changed; Less O&G industry representation than before; other members have broad expertise in PHSW&E aspects.
- Commission will change to a full-time “professional” Commission by summer of 2020, and following completion of four specific rulemakings.



# SB 19-181's Major Elements (continued)

- SB 19-181 applies to “all conduct” pending before the COGCC as of April 16, 2019, including (but not limited to) all pending Form 2 and Form 2A permit applications in process at time of it's passage (April 16, 2019)
- Form 2s and 2As - “Director's Objective Criteria” now in use, and use of “Mitigation” toolbox

# SB 19-181's Major Elements (continued)

- Drilling and Spacing Unit Orders must now comply with the protection of public health, safety, welfare, the environment and wildlife resources provision set forth in § 34-60-106(2.5)(a).
- Statutory pooling (aka "Forced Pooling") applications must provide that the applicant "owns, or has secured the consent of the owners of, more than forty-five percent of the mineral interests to be pooled."





# Lifecycle of a Well

## Pre-development Phase

Concept or “play” development, corporate decision, and financing.

Leasing (obtaining surface and mineral rights), Spacing, Pooling

Operator registration and financial assurance

Seismic and other exploration

Permitting \* (1-10 years, Federal lands take much longer due to NEPA)

- Aquifer protection / distance to BUs / sensitive receptor evaluation
- Safety aspects
- Recent COGCC rule changes (UMA, LUMAF, Setback Zones, More coming!)

## Development Phase

Site preparation (a few days)

Drilling the well(s) (weeks to months) /drill cuttings management

Hydraulic fracturing/flowback (days to a few weeks, to months if a multi-well pad)

Interim Reclamation

## Production Phase

Operation of the well and production facilities (decades). Periodic maintenance.

## Closure Phase

Plugging well

Final Reclamation

Release of bonds





# Two COGCC Permits required before Drilling is Allowed (Form 2A and Form 2)

## Oil & Gas Location Assessment (OGLA, Form 2A)

Provides assessment of surface location (usually a well pad or tank battery).

- Area of disturbance
- Distance to homes / setback designation / schools
- Environmental review
- Hydrology
  - Groundwater
  - Surface water
- Inter-agency consultation (CPW, CDPHE)
- An example Location ID (issued upon permit approval) is 422460
- Permit valid for 3 years

## Application for Permit-to-Drill (APD, Form 2)

Provides information specific to one well and its construction.

- Surface & bottom hole location
- Casing & Cementing plans
- Right to construct
- API number issued once permitted
- Permit valid for 2 years

An Example API is:

05-069-06436, where

05 = state (Colorado)

123 = county code (069) for Larimer

12345 = sequence #

# Form 2A Permitting Timeline Overview - Three General Scenarios (pre - SB19-181)

Permit Process Step

1 - Statewide

2 - Buffer/Exception Zones

3 - Large UMA Facility

Pre-application Notice (2A) or NOI

No PAN required - Operator

Pre-application Notice sent to proximal Building Unit Owners

Notice of Intent (NOI) sent to Local Government 90 days before 2A submittal allowed; (Govt es)

????

How these processes and scenarios will play out during upcoming SB19-181 Rulemakings is yet to be determined. Stay Tuned!

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COGCC Director decision. LGD Notified of permit decision

Permit will not be approved before end of the Public Comment Period. **If approved, Oil & Gas Location Assessment (OGLA, Form 2A) - is valid for 3 years.** Local Government may protest permit decision - Must notify COGCC within 10 days of permit approval.

# Impact of SB 19-181 on Well and Location Permitting

- Application of Director's Objective Criteria (and Mitigation toolbox - creates additional layer(s) of review pursuant to new COGCC Mission and SB19-181.
- Local government may request comment period extensions at any time prior to permit approval, but sooner is better.
- Additional COAs may be imposed on Permits by COGCC.
- Additional BMPs may be proposed on Permits by Operator.
- Permitting decisions in areas of high population density, near residences, HOBUs, or in close proximity to sensitive environmental features will be deliberately and thoughtfully evaluated to mitigate impacts.



# Operator's Process

- Operator (applicant) preparation:
  - Minerals leasing
  - Surface negotiations
  - Surveys
  - Local government considerations
  - Pre-application notices & BU Meetings
  - LUMAF consultations
  - Onsite meetings
  - Draft Form 2A & attachments
  - Local Government Consultation
  - Submit Form 2A to COGCC via eForms
  - Ongoing consultation until decision



# COGCC Location Permitting Process and Impact Mitigation

- Proposed Oil and Gas Location (OGLA) permit assessed for potential impacts to public health, safety, welfare and the environment, including wildlife resources.
- Staff assesses potential impacts and evaluates those that can be **avoided**, by changing location, design, or operational practices; **minimized** through engineering or administrative controls; assess how unavoidable impacts must be **mitigated**.
- Staff evaluates Operator-Proposed Best Management Practices (BMPs) for their efficacy; develop reasonable and necessary Conditions of Approval (COAs) where rules, orders, and BMPs may not provide sufficient coverage.



# COGCC's Steps in Process

- Completeness Review
- Buffer Zone Completeness (if necessary)
- Technical review (OGLA, Permitting)
- Ongoing operator consultation
- Consultations (CPW, CDPHE, LGD/Local Government)
- Public comment review
- Objective Criteria review
- Final Decision (Approval or Rejection)





# COGCC's Process Includes

- COGCC Tools:
  - eForm
  - COGCC Rules
  - Application materials
  - COGCC GIS Online
  - Site visit or site inspection
  - Consultative partners (CPW, CDPHE, local governments/LGDs/public)
  - Staff resources



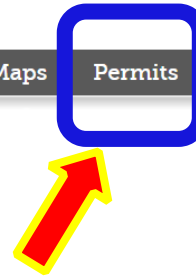
# Public Participation - Commenting on Form 2 and 2As

- The public has 20 days (minimum) to comment on any permit application (Form 2 or 2A). Comments must be submitted during the finite public comment period, or if a comment period is reopened (at Director's Discretion).
- Public can use Permits, Dashboard (for more advanced users), or Maps links to identify "Pending" Form 2A or Form 2 permit applications.
- Public can use Permits link (or Dashboard link) to quickly see which permit applications are open for public comment.
- COGCC accepts and reviews all comments – but won't respond to all comments.
- LGD and public comments may result in COAs that go above and beyond COGCC rules.
- Effective comments are site or resource specific and address specific issues.



# Permits – Access to pending and recently issued Form 2s, Form 2As

[About Us](#) | [Complaints](#) | [Dashboard](#) | [Data](#) | [Government](#) | [Library](#) | [Maps](#) | [Permits](#) | [Regulation](#)



Click on “[Permits](#)” on home page menu –

Allows the public to:

- Find pending (or recently approved) Form 2As and 2s; filterable by County.
- Review permit application, attachments, link to location on map, and operator info
- Submit comments (if comment period open or reopend) or review existing comments.

### Permits Search

Accessible below are lists of Pending, Approved, and Removed permits submitted to the COGCC. Select a county from the drop-down menu, and click “Go” to view the records for that area.

#### All Pending Applications

Pending Drilling and Location permits; included are links to eForms for Public Comments, submitted documents and map location for each application.

Location Assessment Permits (Form 02A):   Make comments related to the surface location and facilities.

Permits to Drill (Form 02):   Make comments related to the downhole and geologic considerations

#### Approved Permits within the Last 12 Months

Included are links to the Scout Card and documents for the approved permits.

Permits to Drill (Form 02):

Location Assessment Permits (Form 02A):

# “eForms” Notifications to LGDs

- Notice of “posting” of OGLA Permit Application Form 2A [305.b (1)]
- Notice of “posting” of APD (Form 2) [305.b (2)]
- Notice of Decision on Form 2
- Notice of Decision on Form 2A
- 48-hour “Notice of Spud” / Notification of Intent to Drill (Rule 316.C.a)
- 48-hour Notification of Intent to Conduct Hydraulic Fracturing (Rule 316.C.a)
- Notice of Flowline abandonment



*Questions?*

Visit us on the web at  
[cogcc.state.co.us](http://cogcc.state.co.us)



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