

Mitigating Oil and Gas Impacts on Urban and Rural Landscapes

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Colorado is a Major Oil and Gas Producer

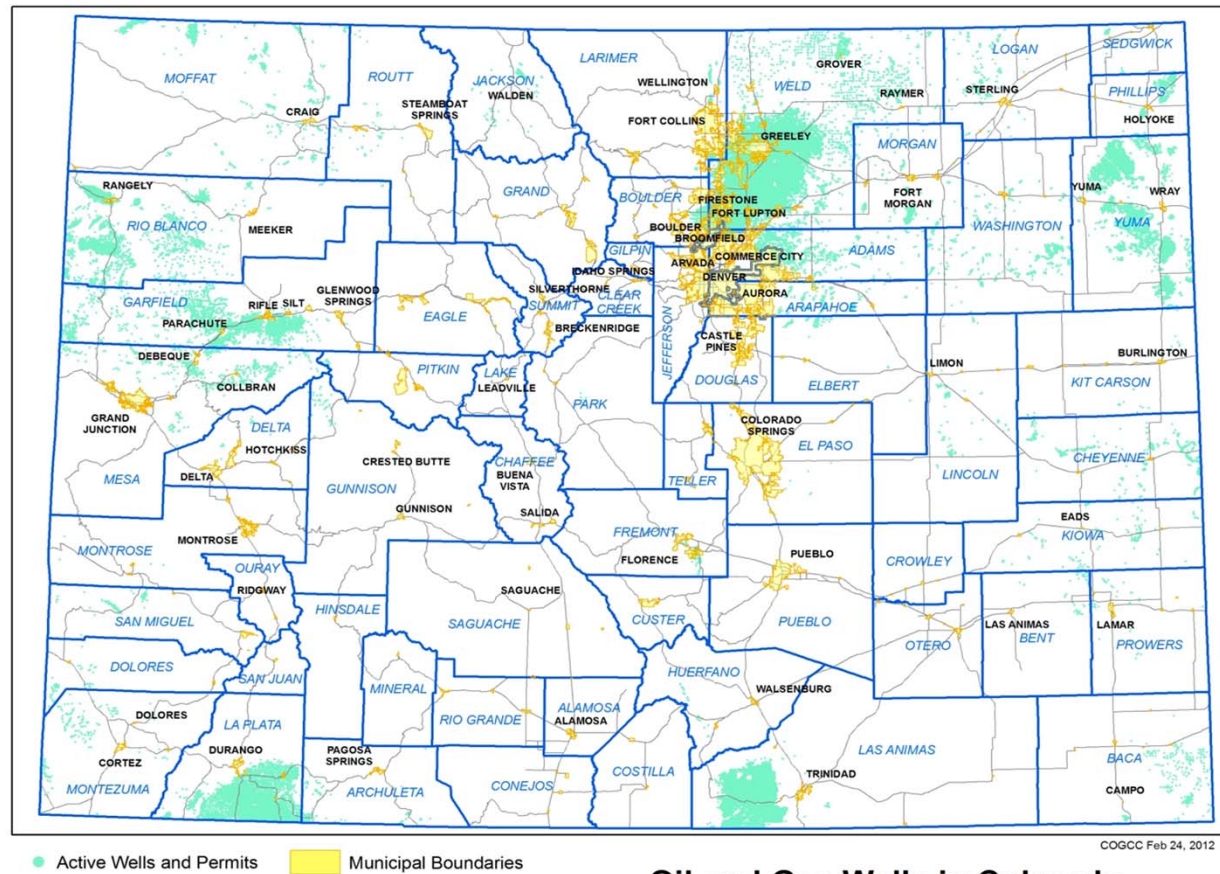
- 47,000 active wells
- 3,000~ new wells each year
- 2010 production:
 - 1.65 trillion cubic feet natural gas (5th in U.S.)
 - 32 million barrels oil (10th in U.S.)



And a Major Oil and Gas Consumer

- Oil
 - 5.1 million motor vehicles registered
 - 46 billion vehicle miles traveled
- Natural Gas
 - Heats 75% of homes
 - Produces 25% of electricity

Production Occurs in 40 Counties and Dozens of Municipalities



Oil and Gas Wells in Colorado



Local Government Designees

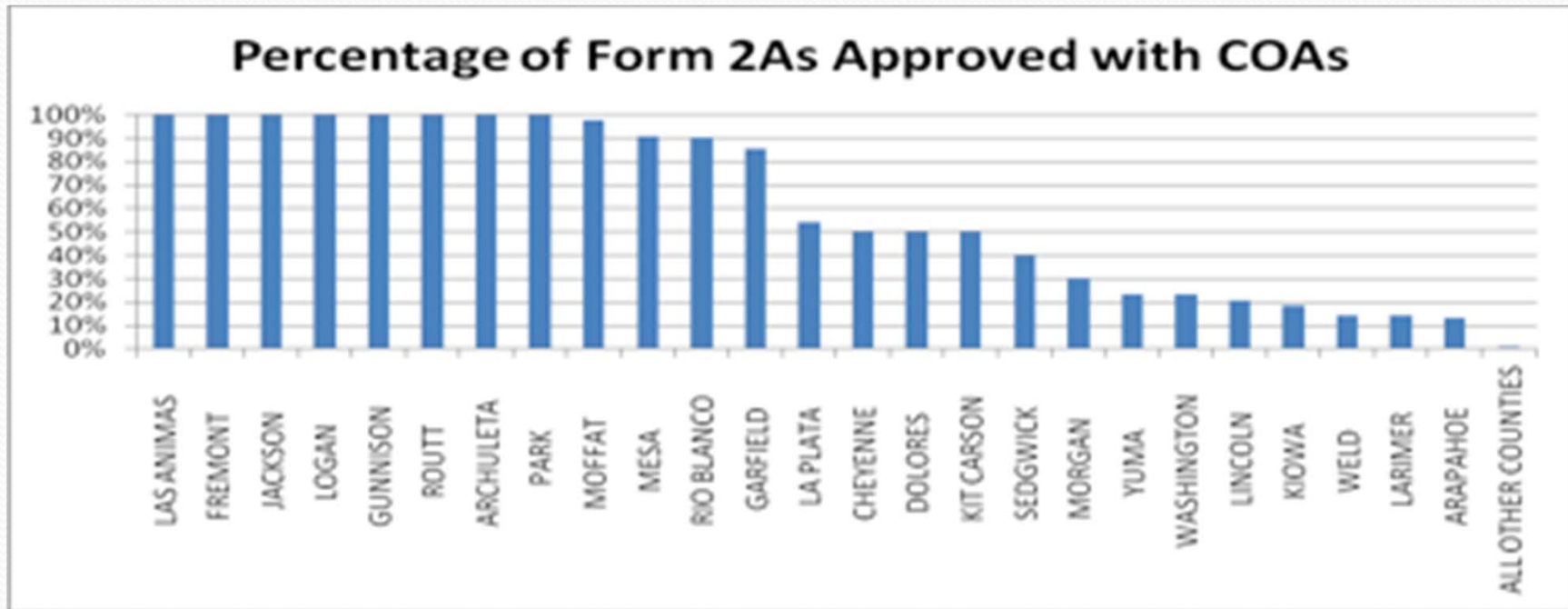
- Notice of Permit Applications
- Opportunity to Consult with the COGCC and Operator
- Opportunity to Comment
- Notice of Permit Decision
- Right to a Commission Hearing
- Special COGCC Liasons



Location Assessment Review

- Undertaken by COGCC environmental professionals
- Site-specific review of potential surface impacts
- Informed by local government input and public comment
- Work with operators to refine proposal
- Add special conditions of approval where appropriate

Conditions of Approval: Frequency





Conditions of Approval: Examples

- Advance notice to neighbors
- Local government coordination regarding road use
- Baseline groundwater sampling
- Special waste management requirements
- Special odor mitigation
- Special noise mitigation
- Special lighting mitigation
- Special emergency response plan



Planning Tools: Examples

- Geographic area plans
- Comprehensive drilling plans
- Wildlife mitigation plans



Planning Tools: Benefits

- Greater efficiency
- Increased predictability
- Better address cumulative effects
- Facilitate more win-win solutions



Other Possible Tools

- Memoranda of agreement
- Delegation of inspection authority
- Surface use agreements
- Local impact mitigation plans



Emerging Issues

- Horizontal drilling
- Pitless drilling
- Baseline groundwater sampling
- Executive Order B 2012-002
- COGCC stakeholder process on setbacks