

Boulder County
Land Use Department







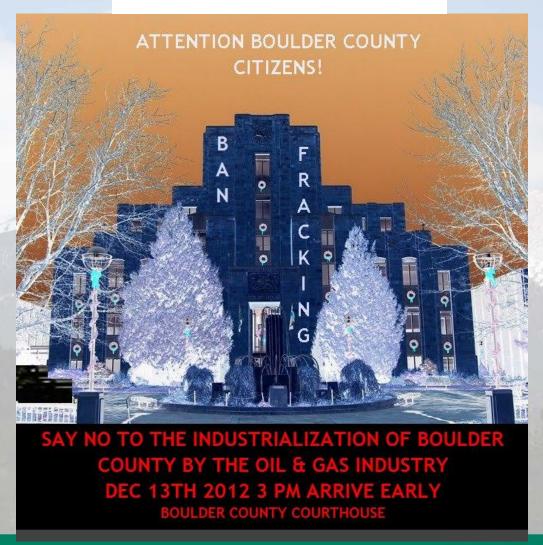


Recent Changes to Boulder County's Oil & Gas Regulations

Ben Doyle, Assistant County Attorney
Rocky Mountain Land Use Institute

8 Mar 2013

Call to Arms























Board of County Commissioners

Boulder County has in place a set of Policies to ensure that people of all opinions are comfortable attending public meetings and hearings, and are able to express their opinions without fear.

As public hearings and meetings are official civil proceedings, it is the policy of the Board of County Commissioners that the following Rules of Conduct be observed for all hearings in order to facilitate an orderly, respectful and fair discussion where all points of view may be heard and the Board may conduct county business:

C. Rules of conduct

1. It is inappropriate to cheer, boo, hiss, talk, cry out or applaud. Members of the public are not expected to agree on all issues but must make an effort to respect the process so that all viewpoints are heard.

4. The waving or posting of signs, banners or other materials in the hearing room is not allowed.

- 5. So that everyone can hear the proceedings, side conversations must be taken outside of the hearing room.
- 6. The use of profanity, threatening or abusive language is not allowed.

8. The placement of electronic recording devices and cameras, including but not limited to audio recorders, video cameras, still cameras, motion picture cameras or microphones, may be regulated by the Chair so as to avoid interference with the orderly conduct of the hearing.

In accordance with Boulder County Polices and Colorado State Law, disruption of a public hearing or meeting by audience members will not be tolerated. At the discretion of the Chair, the hearing or meeting may be suspended. In addition, individuals who violate the provisions of this policy may be subject to removal by law enforcement from the public hearing and/or the County Courthouse and, depending on the seriousness of the violation, may be prosecuted under state law.

Different kind of occupation









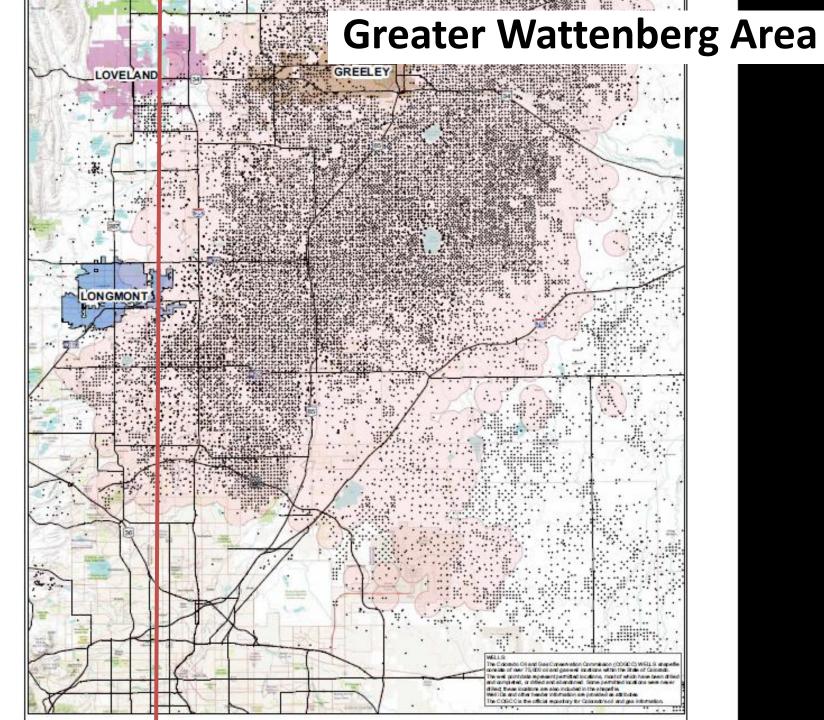
"We got a great buy on the apartment, but, unfortunately, it didn't include the mineral rights."

Timeline

- Feb 2012 Temporary moratorium begins
- Aug 2012 PC adopts new Comp Plan
- Dec 2012 BOCC adopts new regulations
- Jan 2013 Extend moratorium
- Feb 2013 New COGCC regulations
- Spring 2013 New fees established
- June 2013 Moratorium lifted
- 15 month moratorium; 15 public hearings

Reasons for the moratorium

- Accelerated development of oil and gas industry in the Wattenberg Basin in the eastern portion of Boulder County and neighboring Weld County
- Rapidly changing technology surrounding oil and gas drilling, especially hydraulic fracturing of horizontally and directionally drilled wells
- Widespread public concern over the land use, environmental, and public health impacts of fracking
 - deteriorating air and water quality
 - questionable waste disposal practices
 - noxious odor and dust generation
 - intensification of erosion and other land disturbance impacts
 - proliferation of industrial-style extraction developments in rural and agricultural areas
 - increased heavy truck traffic with consequent damage to public roads
 - aggravation of geologic hazards such as earthquakes
 - safety concerns related to development in floodplains and floodways
 - accelerated consumption of natural resources such as water, open space, productive agricultural land, and plant and wildlife habitat
- Existing oil and gas regulations almost 20 years old



Work during the moratorium

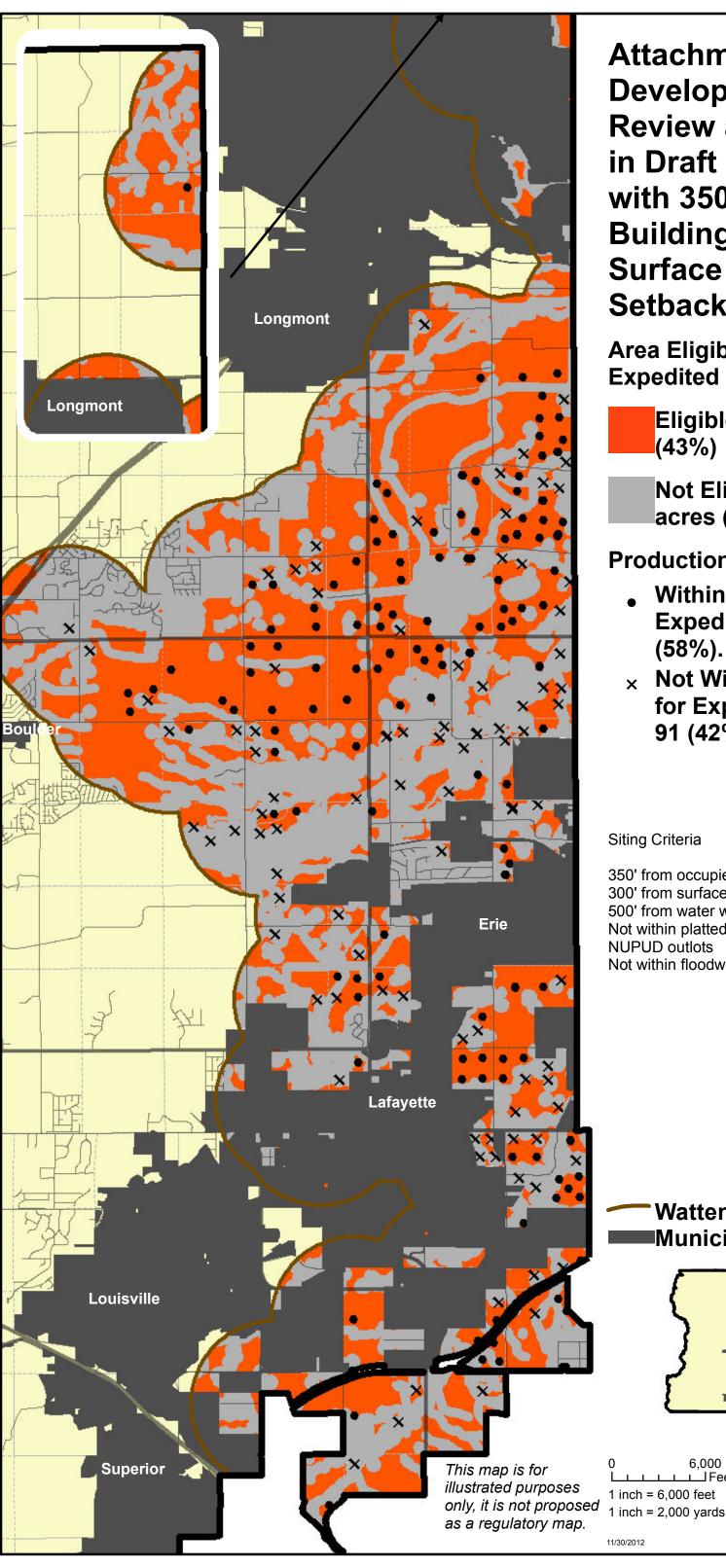
- Review current county plans and regulations for adequacy
 - Boulder County Comprehensive Plan
 - Land Use Code regulations
 - Transportation regulations and fees
 - Public Health issues air and water quality
- Draft amendments to county plans and regulations
- Prepare to lift county moratorium implementation phase
- Significant industry involvement throughout
- Ongoing participation in state rulemaking and legislative process

Harmony

- State and localities have distinct interests in regulating oil and gas
- As to most issues, no express or implied preemption
- But local regulations may need to yield to the state's authority when the operational effect of the local regulations conflicts with the application of the state statute or state regulations
- Operational conflict arises where the effectuation of a local interest would "materially impede or destroy the state interest"
- The "delicate balance..."
- End goal: "harmonize" oil and gas developmental and operational activities with the county's overall plan for land-use and with the state's interest in those activities
- Local control over local land use impacts is critical, but results are most important

Highlights of new regulations

- Expedited Development Plan Review process
 - Voluntary process
 - Regulatory certainty as to requirements and timing
 - Greater setbacks from identified resources
 - Among the strongest local public health requirements (air, water)
 - Asking for more than localities typically request
 - Transportation, emergency preparedness the same as Standard
- Standard Development Plan Review process
 - Goal-based criteria
 - Tailored mitigation plans for a range of issues
 - Additional public process
- Standard Conditions of Approval
- Operational conflict waiver



Attachment B1 Development Plan Review as Proposed in Draft Regulations with 350' Occupied **Building and 300' Surface Water Setback**

Area Eligibility for Expedited Review

- Eligible. 14,047 acres (43%)
- Not Eligible. 18,290 acres (57%)

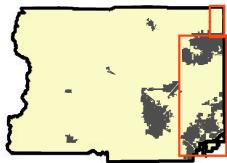
Production Well Sites

- Within Area Eligible for **Expedited Review. 128** (58%).
- × Not Within Area Eligible for Expedited Review. 91 (42%)

Siting Criteria

350' from occupied structures 300' from surface water 500' from water wells Not within platted subdivisions - excluding **NUPUD** outlots Not within floodway

Wattenberg Field Municipalities



6,000 1 inch = 6,000 feet

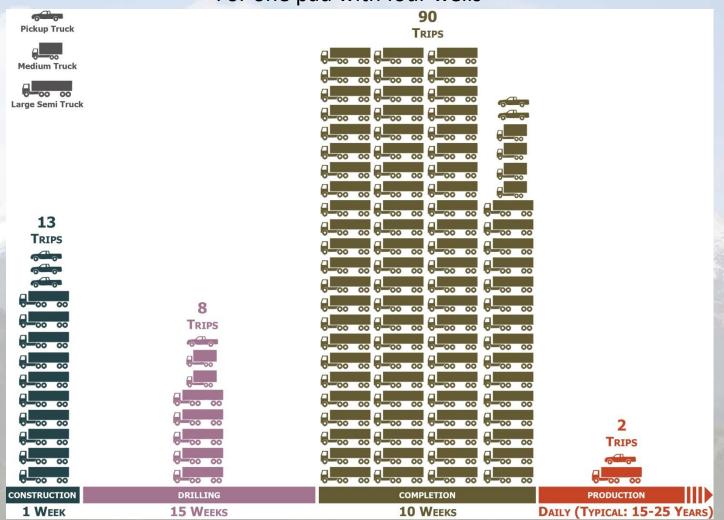




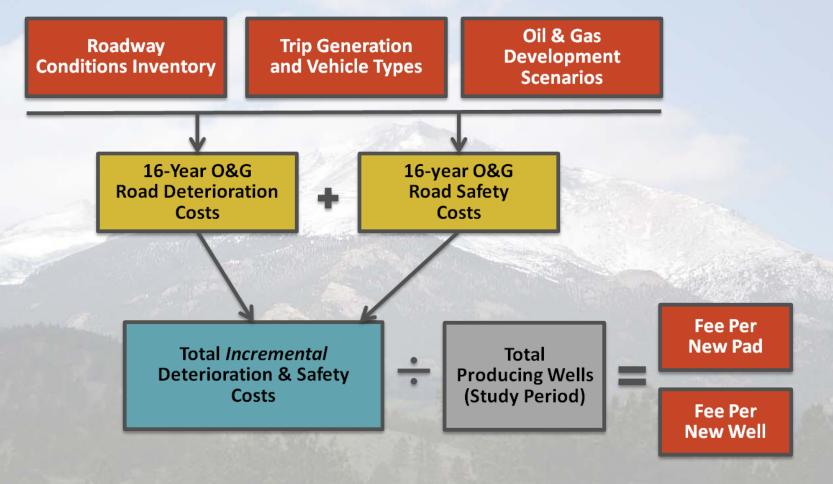


Average Daily Trips by Stage

For one pad with four wells



Fee calculation methodology



Fees per pad and well are averaged across three scenarios

Roadway impact fee considerations

- Oil & gas industry has unusual characteristics
 - Dispersed locations; road intensive; migratory; different impacts in drilling v. production phase; uncertain pace and intensity of development; uncertain traffic patterns; unknown water sources
- Average-based methodology recognizes current uncertainties
- Fees based on apportionment of expected incremental road costs per pad and per well
- Major impact is road deterioration
- Fees are a tool to recover costs during period when transportation impacts are most intense—well development

Oil & Gas Roadway Fees

	Road Deterioration Fee	Safety Fee	Total Fee
Pad	\$1,200	_	\$1,200
Well	\$30,700	\$6,200	\$36,900

Fees are in current year dollars.

Work in progress

- Moratorium slated to be lifted June 10, 2013
 - Translate study results into roadway impact fee system
 - Coordination with industry (dummy applications; impact fees)
 - Coordination with COGCC (local and state regs; inspection MOU)
 - Coordination with CDPHE (local air regs)
- Ongoing participation in state rulemaking
- Education and outreach
- Air quality monitoring / studies
 - Coordinate Boulder County Public Health work with CU and CDPHE studies, perhaps others
- Review regulations one year after they go into effect

Considerations in adopting local oil & gas regulations

- 1. Enact temporary moratorium
- 2. Decide early on how you want to work with the state
- 3. Update Comprehensive Plan as basis for new regulations
- 4. Update zoning and land use regulations
- 5. Examine transportation standards, regs, fees
- 6. Evaluate local air quality regs and other public health concerns
- 7. Dealing with preemption Expedited v. Standard approach
- 8. Establish ground rules for public participation
- 9. MOUs with operators
- 10. Participate actively in state rulemakings and legislative process
- 11. You probably need technical assistance!

Where to find more info on Boulder County oil & gas update process

http://www.bouldercounty.org/dept/landuse/pages/oilgas.aspx

See in particular the "Documents and Links" page

