

Protecting our Balanced Oil and Gas Rules

In spring 2009, the Colorado General Assembly approved new and amended rules for oil and gas development. The new rules are aimed at restoring order to communities and natural areas altered by a decade of booming oil and gas drilling. Over the last decade, drilling rigs and gas wells have popped up everywhere – near schools, businesses, and people’s homes. Toxic hydrocarbons, the byproducts of drilling, have contaminated air and drinking water.

The citizens of Colorado understand that oil and gas development is here to stay. Their goal is to ensure that it coexists with the highest possible protections of public health and welfare. Ideally, as development expands and the state’s population grows, the new rules will provide a foundation for constructive cooperation.

The 2008 rulemaking process: balance and compromise

- A rulemaking of unprecedented scope: 22 days of hearings, 75 hours of testimony and discussion
- Significant concessions from the conservation community
- Final rules supported unanimously by Colorado Oil and Gas Conservation Commission, including commissioners from industry

Public health: the core concern

- Streams and well water. The new rules limit operations within 300 feet of a public drinking water supply, and require waste pits to be lined
- Clean air. The new rules require emission control devices on certain equipment located near homes, schools, and other occupied buildings.
- Public information. The new rules require operators to maintain an inventory of chemicals used at wells, along with disclosure to health care providers in case of medical emergencies.

Jobs and the economy

- A glut of natural gas. An excess supply of gas in regional markets has driven prices down by roughly 75% since their peak in 2008. The price decline has curtailed drilling activity throughout the West.
- The value of water, wildlife, and mountain scenery. Statewide, hunting and fishing support 33,000 jobs and generate \$3 billion in revenue.

The bottom line: the rules and industry performance

- Since the new rules were adopted in April 2009, permit processing times have been cut in half.
- In 2009, Colorado approved more permits to drill (5,159) than any of its neighboring states.
- In 2009, among western states, Colorado was the overwhelming leader in actual wells drilled with 1,487. Wyoming was a distant second with 896.

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