



10-25-2022

Oil and Gas Regulations

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UPDATE

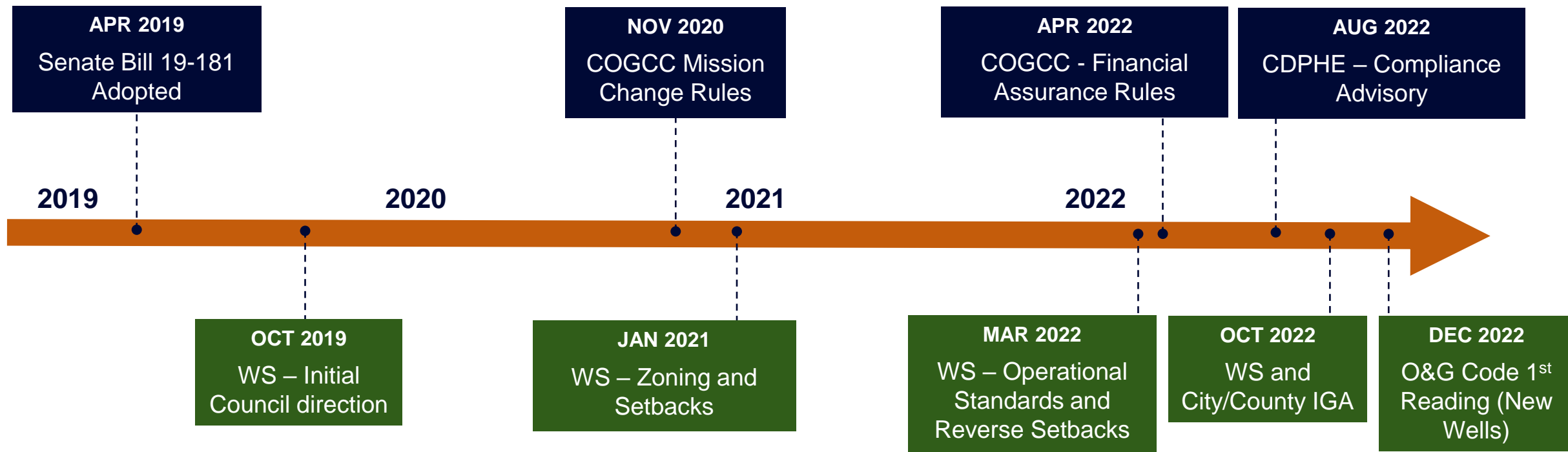
For new O&G facilities: Staff will bring ordinance to Council for consideration on December 6.

QUESTIONS

- 1. For operational standards at existing O&G facilities:** Do Councilmembers have any feedback on current efforts that leverage State and County regulations and resources?
- 2. For development near existing O&G facilities:** Do Councilmembers have any feedback on proposed refinements to the Land Development Code regarding reverse setbacks?

Senate Bill 19-181 (April 2019):

- Change in Colorado Oil and Gas Conservation Commission (COGCC) Mission from fostering responsible, balanced development to regulating in a manner that protects public health, safety & environment



New Oil & Gas Facilities

Siting requirements

Approval
procedures

Design standards

Ready for 1st Reading;
December 6, 2022

Operational Standards for Existing Facilities

Emissions controls

Leak detection and
repair

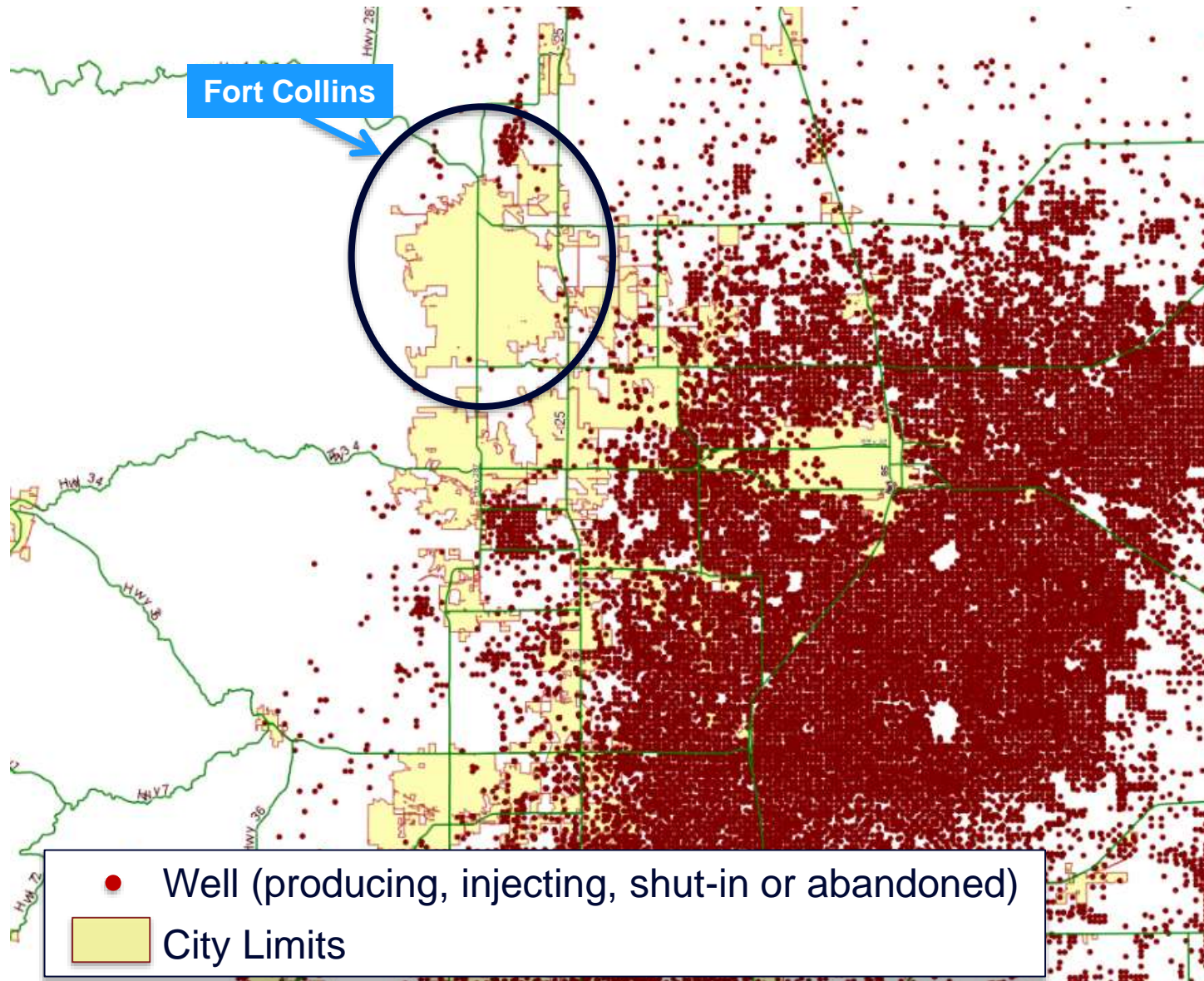
Spill detection and
response

No new code; Leverage State
and County regulations

Reverse Setbacks

Distance for new
development from
existing wells

Minor code refinements
proposed; early 2023



Active Wells:

- Colorado: 49,882
- Weld County: 18,353
- Larimer County: 261
- City Growth Management Area: 17
- City of Fort Collins: 10

Source:

<http://cogcc.state.co.us/maps.html#/gisonline> (3/5/2022)



Objectives:

- No new oil and gas development within City limits
- No new oil and gas development in City Natural Areas

Top Concerns:



Objective:

- Limit new oil and gas development within City limits

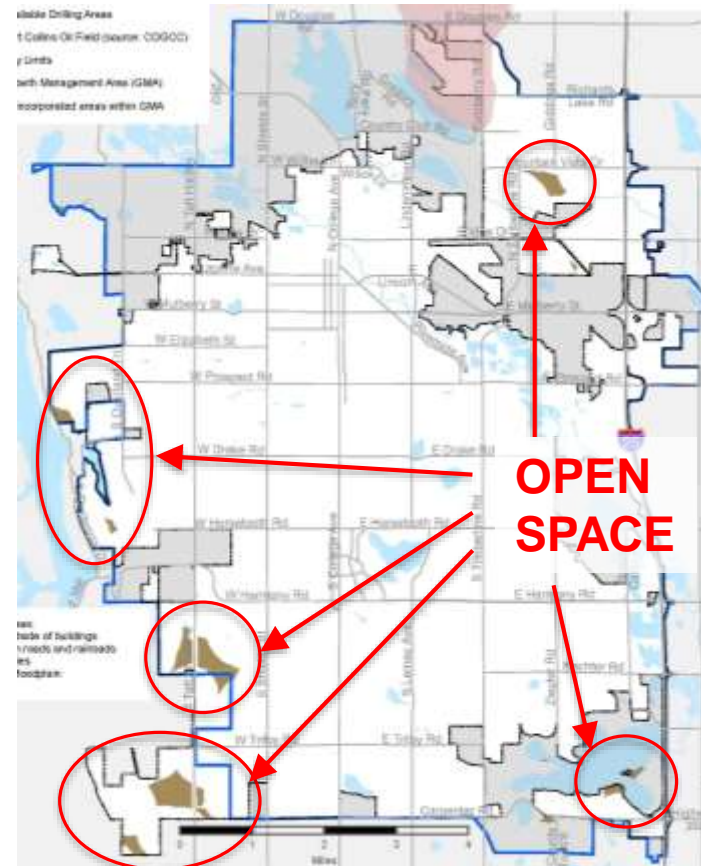
Council Feedback/Direction:

- Restrict to Industrial Zone Districts
- Apply 2000' minimum setbacks from occupied buildings, trails and natural areas

Current Status:

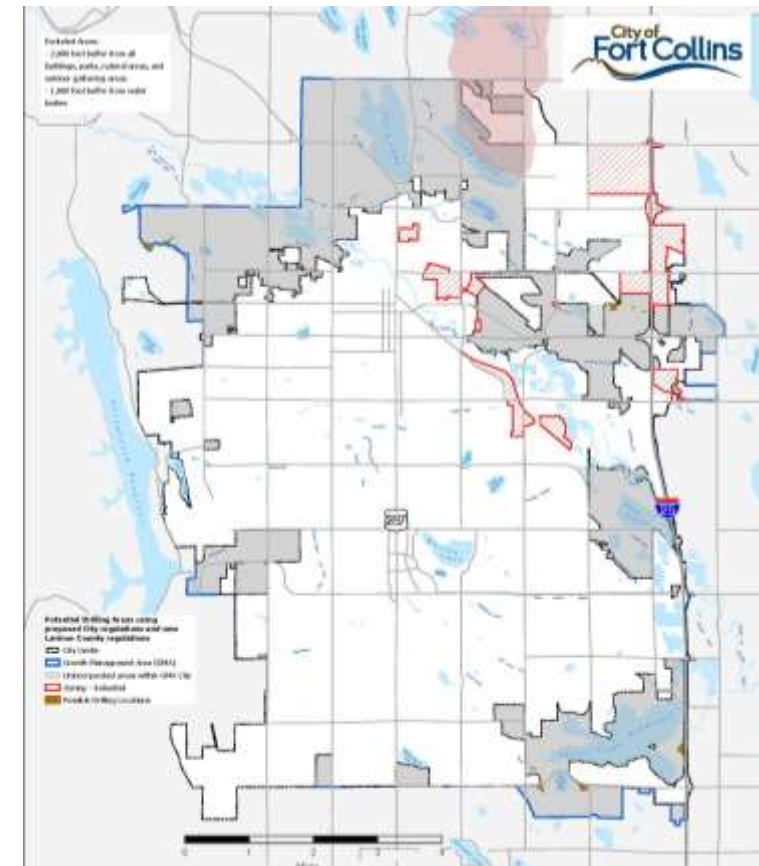
- 1st Reading scheduled for December 6, 2022

BEFORE



- 2000' setbacks (could be modified by COGCC)
- 3% Land Available

AFTER



- Industrial Zones and 2000' setbacks
- **~0% Land Available**



Operator: Prospect Energy
Active Wells: 10

Objective

- Mitigate (or eliminate) impacts from existing wells

Council feedback/direction:

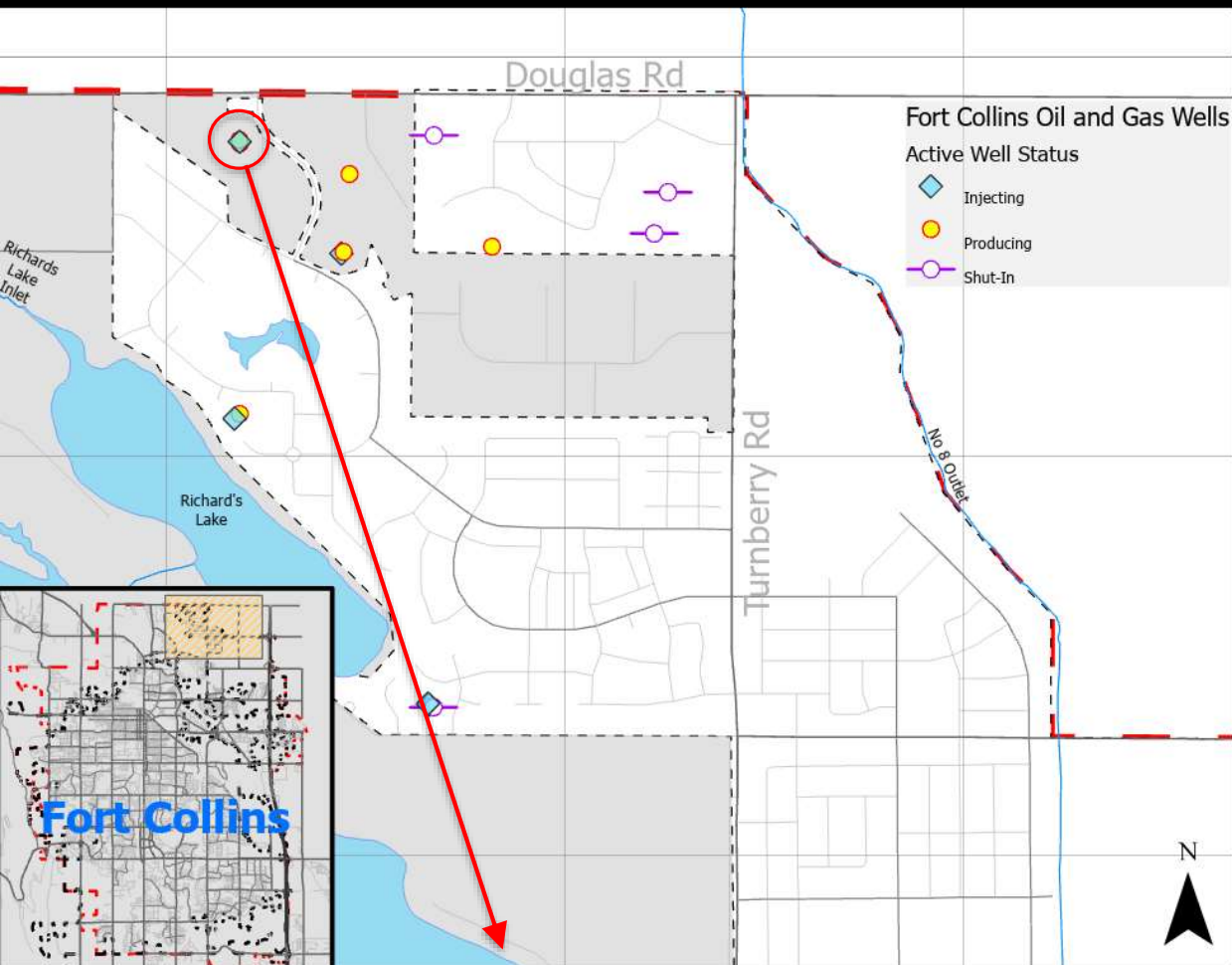
- Explore comprehensive regulations
- Explore alternatives (e.g., acquire mineral rights)

New from the State:

- Comprehensive rulemaking (November 2021)
- Financial assurance requirements (April 2022)
- Restrictions on low-producing wells (April 2022)
- Compliance Advisory (August 2022)

City/County collaboration:

- Joint Council/Commissioner meeting (April 2022)
- City purchase of optical gas imaging (OGI) camera for leak detection (October 2022)



Description:

- Tank battery (storage) and production
- Outside City limits, within GMA

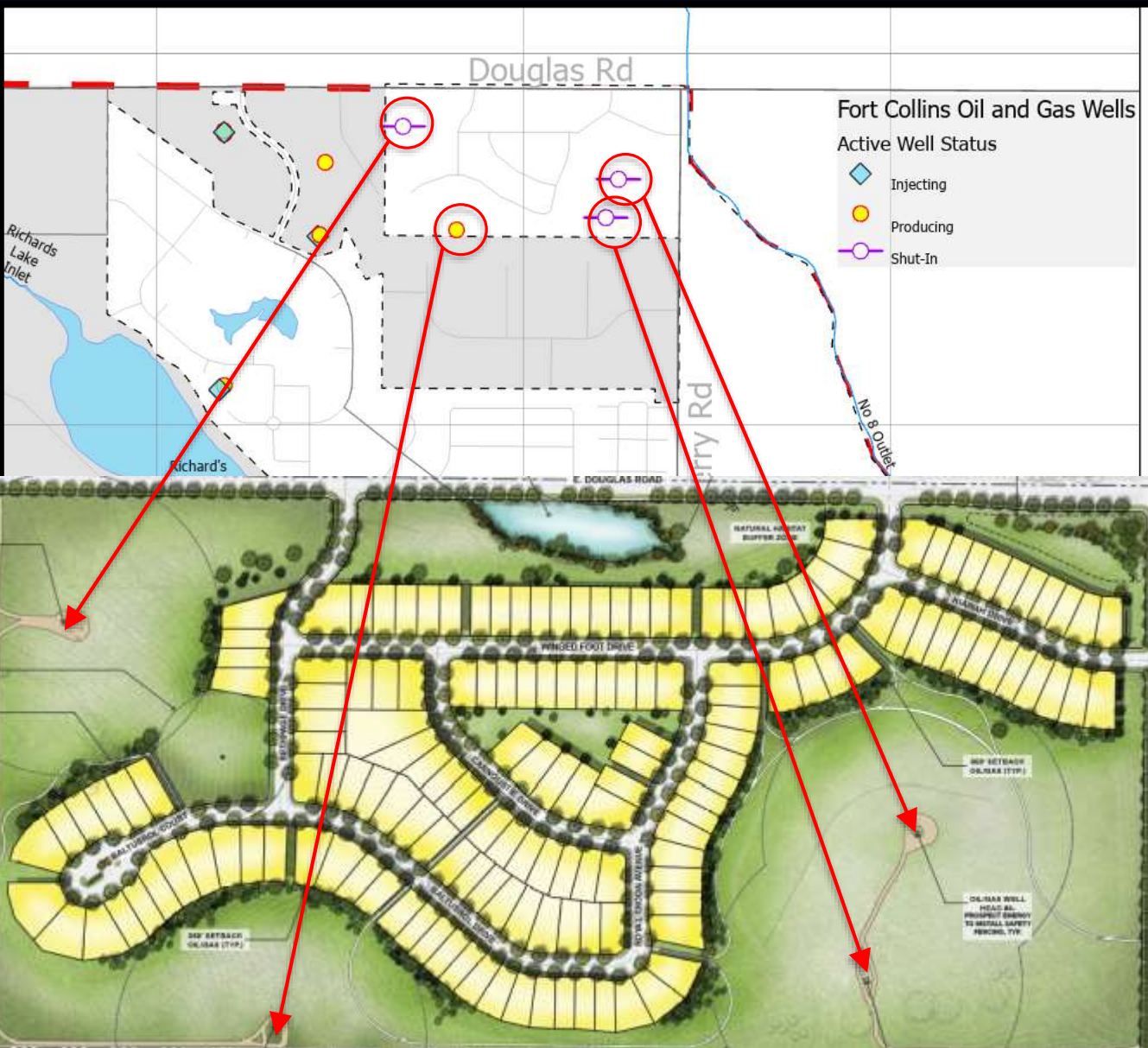
Status/Concerns:

- CDPHE issued Compliance Advisory (August 9, 2022)
- Potential issues related to legality of routinely flaring gas

Next Steps:

- Seek resolution with CDPHE, including potential "cease and desist" order
- Support County in ongoing inspections and leak detection





Description:

- Shut-in (non-producing) and producing sites

Status/Concerns:

- New homes planned within 350' (Country Club Reserve)
- Low producing; <2 barrels/day over previous 12 months

Next Steps:

- City and County joint application to COGCC requesting order to plug and abandon
- Support County in ongoing inspections and leak detection



Description:

- Low producing, shut-in and injecting sites

Status/Concerns:

- No current compliance issues or past spill/response; feeds problematic tank battery site
- Within 150' of homes

Next Steps:

- City and County joint application to COGCC requesting order to plug and abandon
- Support County in ongoing inspections and leak detection



Courtesy of Earthworks, Andrew Klooster

Recommendations – Current Operations

Determine outcomes of:

- Compliance advisories
- Applications to plug and abandon

Continue partnership with Larimer County to:

- Inspect sites
- Respond to complaints/concerns
- Coordinate emergency response planning

Return to Council with:

- Any remaining regulatory gaps and opportunities, depending on outcomes



Producing Well in Hearthfire Neighborhood

Reverse Setbacks for Land Development

Goals:

- Protect health and safety of future residents
- Incentivize plugging and abandonment of active wells
- Facilitate site investigation and sampling

History:

- First adopted in 2013
- Updated in 2018 – pre-dating SB-181

Results:

- Effective incentive for developers to plug/abandon wells
- Significantly more data on abandoned wells
- Overall reduction in community impacts

Current Standards (updated Sept 2018)

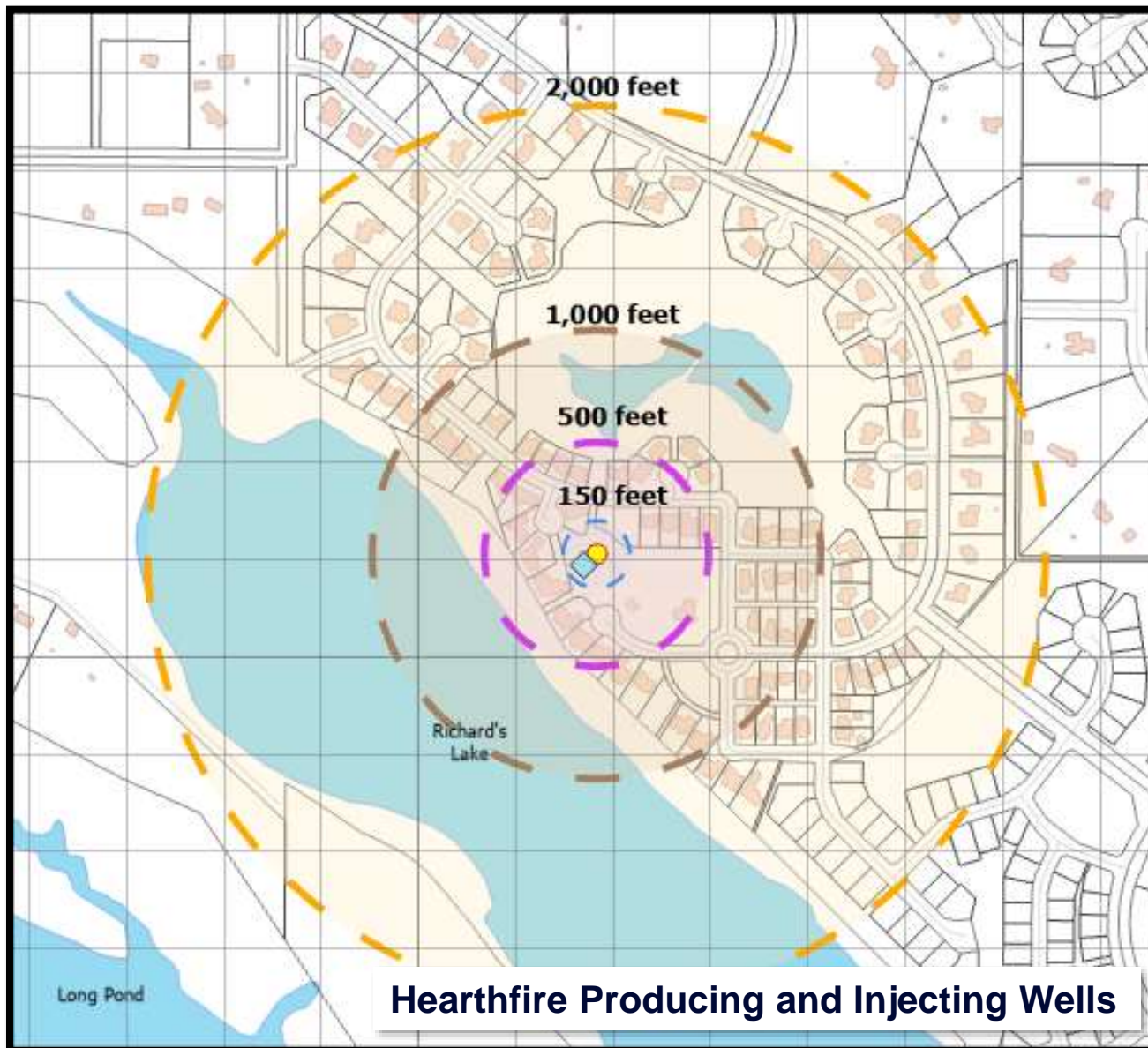
Default:

- 500' setback for new residential units;
- 1000' setbacks for new High Occupancy Buildings; or
- Mirror COGCC standard well setback, whichever is greater

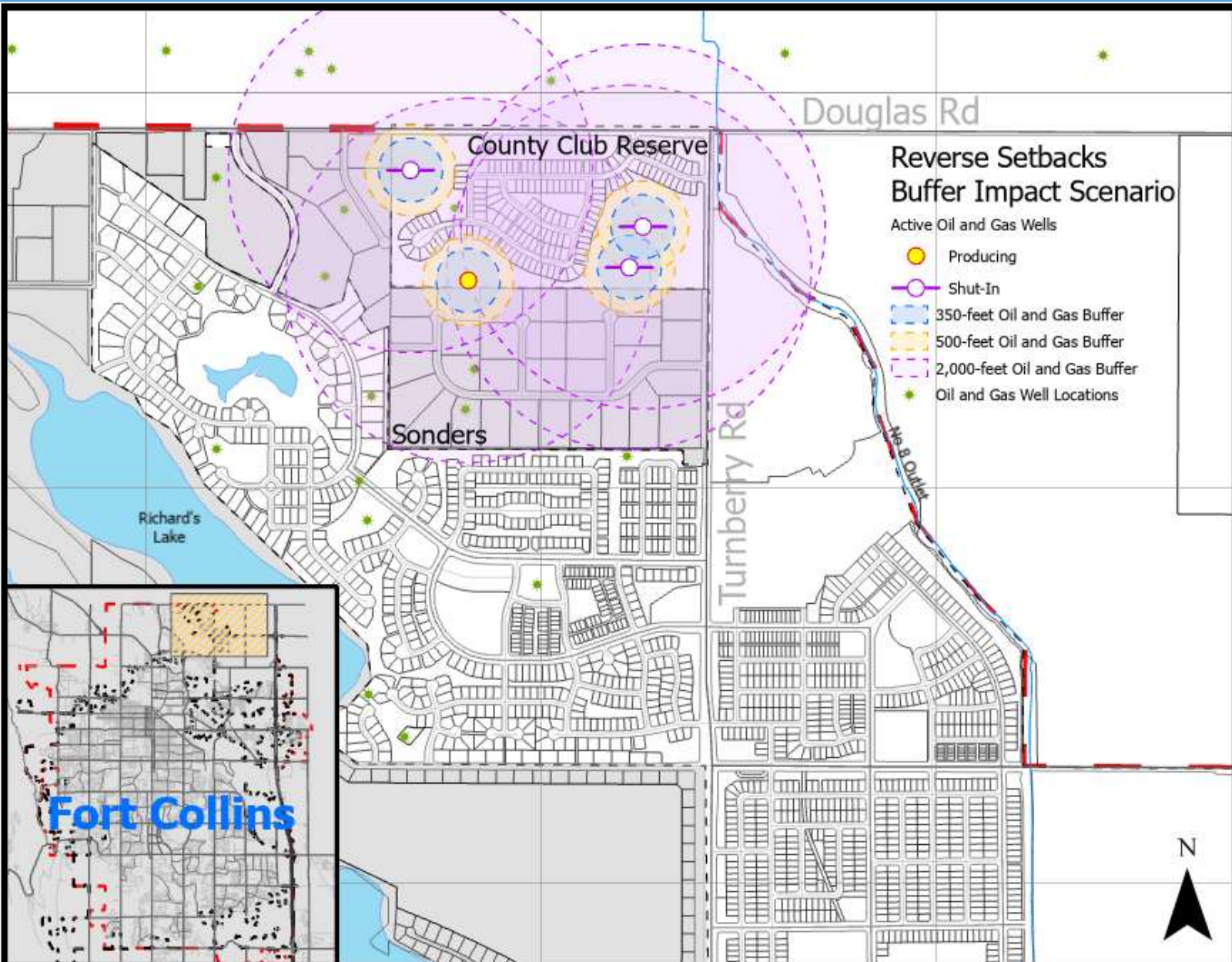
Alternative compliance:

- 150' buffer if well site is fully reclaimed
- Only for plugged and abandoned wells
- Initial site analysis and 5 years of monitoring required

**Buffers do not apply to properties separated by roads*



Issue	Proposed Change
<ul style="list-style-type: none">• Buffer applies to only residential and high-occupancy building units	<ul style="list-style-type: none">• Apply buffer to all occupied buildings, regardless of land use
<ul style="list-style-type: none">• Buffer applies equally to active and abandoned well types• Not calibrated to actual public health risk	<ul style="list-style-type: none">• Allow reduced buffer for abandoned wells in exchange for site assessment, monitoring and reclamation• Require assessment and monitoring for all abandoned well types
<ul style="list-style-type: none">• Buffer does not apply to properties across an arterial road	<ul style="list-style-type: none">• Apply buffers across arterial roads to support public health



Description:

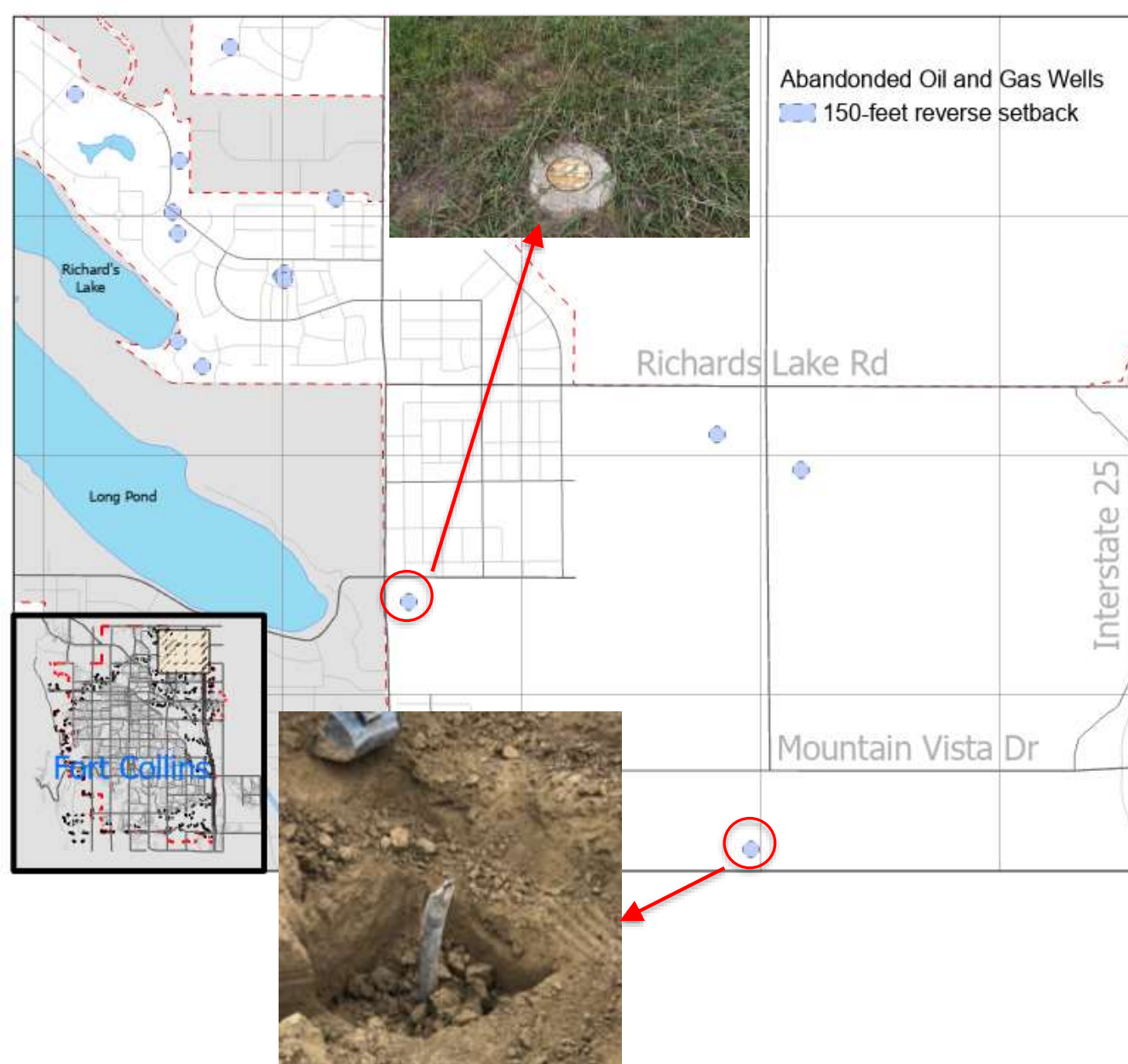
- Active wells near undeveloped areas

Status/Concerns:

- Potential proximity of new homes

Recommendations:

- Update LUC to apply 2000' setback from active wells
- Update LUC to apply 150' setback from abandoned wells
- Work with State, County, developer and operator to pursue plugging, reclamation and abandonment



Description:

- Sites no longer in use (abandoned)

Status:

- Location verified
- Confirmed that well site has been fully reclaimed and/or plugged to current standards

Next Steps:

- Update code to require assessment and monitoring for **all** abandoned well types:
 - Plugged & Abandoned
 - Dry & Abandoned
- Allow for 150' setback if location verification, site assessment and monitoring requirements are met

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THANK YOU!

For More Information, Visit

fcgov.com/oilandgas

