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Summary of SB 181

Last year, the voters of Colorado soundly defeated Proposition 112, but the anti-oil and gas agenda is back again. This time, it's called Senate Bill 181 and it tries to achieve what 112 could not. When SB-181 gets a hearing on March 5th, legislators need to hear from you and your colleagues.

Here is what's wrong with the bill:

- **Indefinite Permitting/Drilling Moratorium** – It would likely have the effect of imposing an immediate statewide moratorium on oil and gas permitting by giving, for the first time ever, a political appointee (Director of the COGCC) of the governor unprecedented, unilateral control to stop oil and natural gas development at his or her discretion the moment SB-181 becomes law.
 - This open-ended requirement will bring oil and natural gas permitting to a halt with no guarantee it will ever restart, as there is no limit on the number of bills that could be passed in 2019 that require COGCC rulemakings and no time limit for the COGCC to complete those rulemakings.
 - Legal challenges filed by anti-industry groups could prevent those rules from becoming effective, allowing the permitting moratorium to continue indefinitely, which in a short timeframe would shut down future drilling.
- **Technical Feasibility and Cost-Effectiveness Can No Longer Be Considered** – The bill removes these elements as factors that could be considered in regulatory and permitting decisions, which is at odds at how other federal and state oversight agencies regulate things like air and water. This goes much further than simply putting health and safety first, as supporters of the bill claim, because it doesn't make technical and economic considerations secondary – in fact they can't be considered at all, which is counter to broad business practices throughout our economy.
- **Setbacks** – It would give local governments the ability to create larger setbacks, which could ban oil and natural gas development based on politically tinted and incorrect views about health and safety, rather than scientific data about health and safety.
- **Subjective Regulations** – The bill would give sweeping, subjective new powers to local governments over the oil and natural gas process. Local restrictions, prohibitions, and unlimited fees could be justified simply by claiming "nuisance-type effects" or asserting impacts to "cultural resources," for example. The bill provides no requirement that local governments demonstrate the capacity and technical expertise to establish and manage their own oil and gas regulatory programs.
- **Local Politics Supersede Facts** – The bill would establish that whenever a regulatory conflict exists between a state and local government, or multiple local governments, or multiple state agencies, the

jurisdiction with the toughest regulations would prevail, even if such regulation is based on politics rather than scientific data.

- Practically speaking, one county could impose its political views on another county, with no opportunity for reconciliation. For example, Boulder County could impose its views on Weld County against Weld County's will through Boulder County's ability to weigh in on sites proposed in Weld County. In fact, local governments would now have a say about siting even during the pooling process, which traditionally has not looked at siting.
- **Removing Scientific Expertise from the COGCC** – The bill would remove experts in engineering and geology from the COGCC, the 9-member panel that makes oil and gas regulatory decisions in Colorado. Engineering and geology are the two fundamental disciplines in developing and regulating oil and natural gas. Without experts in these disciplines at the decision-making level, the COGCC will have a much harder time determining where oil and gas wells can be located in ways that both allow energy to be developed and at the same time meet health, safety, welfare, environment and wildlife standards.