

Colorado Oil and Gas Conservation Commission Rules Protect Public health

The COGCC rules provide platform that allows the state's valuable oil and gas industry to thrive, while ensuring a positive way forward for the rest of Colorado. The rules provide reasonable protections to ensure clean drinking water for our communities and safeguards against the kinds of toxic spills and leaks that have been associated with oil and gas production.

The rules simply ask the industry to plan ahead for the sake of the people of Colorado, the industries that depend on our mountains, water and wildlife and our unique way of life that makes our state so attractive to a diverse array of businesses, tourists and families.

Industry lobbyists have tried to claim the sky is falling in a transparent attempt to politicize this issue. Here is the truth:

Why do we need these rules?

- Just one year ago, 1.2 million gallons of drilling mud – a cocktail of oil and chemicals - created a serious health hazard in what is know as the Garden Gulch Spill.
- Such spills have been a regular problem in Colorado. From January of 2003 to March 2008 there were **1,549 spills** or seepage incidents in Colorado, according to the Oil and Gas Accountability Project.

Do other industries depend on the same natural resources?

- Hunting, fishing, and wildlife viewing pumps **\$3 billion** into Colorado's economy annually and supports **33,000 jobs** – to say nothing of our state's broader tourism industry.
- Rules that protect quality in the state benefit the larger economy where most Coloradans work and earn a living. Colorado's success in recent years of attracting people and businesses is based on a compelling mix of natural and social amenities that have made it one of the top economic performers in the West.

Do the rules have anything to do with the drop in rig count?

- The rules, which would not go into effect for months, have NOTHING to do with a recent drop in oil and gas rig counts in our state. In fact other than Wyoming, Colorado has weathered the crash in oil and gas prices better than any other Western state. Even Texas has lost a higher percentage of rigs than Colorado.
- Colorado remains an inviting place for the oil and gas industry. No other state in the Rockies issued more drilling permits than Colorado. In 2008 our state issued more than 8,000 permits – ten times the amount issued just a decade ago.

So why are rig counts falling?

- The price of crude oil and natural gas has dropped by more than half because of oversupply. The impact of the dramatic drop in price, a national credit crunch and a pipeline system at capacity has been felt across the region. The rules aren't affecting rig counts, simple supply and demand is:

Grand Junction Free Press, Jan. 30 2009

"The industry did one hell of a job exploring gas the past four years across the country," said Carter Mathies, partner of Arista Midstream Services LLC, which is based in Golden. "We addressed the decline and have now oversupplied the country," he said. "We're our own worst enemy."

Will the rules keep industry from returning?

- The rules ask the industry for simple planning to protect the public health. They require protection zones near streams that sever public drinking water, and ask companies to keep track of chemicals they use in case of an emergency.
- Attempts to avoid safety precautions by threatening the local economy are not unique to Colorado:

Albuquerque Journal, Feb. 1 2009

Bob Gallagher, president of the New Mexico Oil & Gas Association, said in December that ... expenses associated with the pit rule could send drillers to other states and cost New Mexico billions in lost revenues.

Will the rules create a moratorium on oil and gas development?

- There is NO moratorium on development in the COGCC rules. Any wording that could have even been considered a “moratorium” was removed as citizens, sportsmen and industry representatives negotiated the rules that would be fair for all.

How did the COGCC arrive at this compromise?

- The commission spent 18 months negotiating the rules. The process included:
 - 21 days of hearings
 - 200 comments from Coloradans
 - 75 hours of testimony from 160 oil and gas industry lobbyists.

The result was a unanimous approval of the compromise for commission members representing public health, conservation and industry interests alike.

What do Coloradans think about this issue?

- A July 2008 poll conducted by RBI Strategies and Research shows Coloradans overwhelmingly support safeguards on oil and gas drilling – a majority of Coloradans believe that oil and gas drilling must be done, but only in a safe and responsible manner that does not cut corners and endanger public health. **Seventy percent of those polled favor responsible drilling over rapid oil and gas development.**

We value the oil and gas industry, and we hope for a speedy recovery from the global forces currently affecting all sectors of the economy, including the oil and gas industry. But we take pride in our state’s diverse economy. Colorado is uniquely positioned as a tourist destination for travelers from around the world. Our mountains and our streams are no less of an economic resource than the natural gas deposits under them.

The COGCC rules ensure that Colorado remains an exceptional place to live and work. They allow the people of Colorado, and all the industries important to our economy, to thrive.