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OIL AND GAS FRACKING RECOMMENDATIONS MADE TO MIXED RESPONSE SETTING STAGE FOR BATTLE AT LEGISLATURE AND BALLOT BOX

Last fall, the threat of ballot initiatives which endangered the oil and gas industry in Colorado prompted Governor John Hickenlooper to cut a deal which resulted in the formation of an Oil and Gas Task Force charged with finding common ground on policies that would resolve the tension between anti-fracking activists and the industry. Last week, the Task Force [reported its recommendations](#) to the Governor. The recommendations were received with a mix of reaction from both sides of the issue and the aisle leaving a strong likelihood of 2016 ballot question despite the attempts to avert such an outcome.

There were mixed reactions in response to the final nine recommendations of the task force. Opinions about the recommendations fell primarily along party and interest group lines with Democrats and the environmental community believing the Task Force failed to address the primary issues and did not go far enough in their recommendations to stop ongoing disputes between landowners and oil companies. Republicans and the oil and gas industry were satisfied that the recommendations reflected the lack of major changes needed to regulate the industry.

The difference of opinion sets the stage for a legislative battle and most certainly a 2016 ballot question.

In establishing the *Task Force on State and Local Regulation of Oil and Gas Operations*, the Governor called on members to reach consensus agreement policies which “1) benefit of oil and gas development for the state’s economy; 2) protect public health, water resources, the environment and wildlife; 3) avoids duplication and conflict between state and local regulations; and 4) fosters a climate that encourages responsible oil and gas development.”

The task force was further allowed to address issues related to the location and setbacks of well heads, whether local governments shall have more or less strict rules than the state, how surface owners and energy companies would interact when planning and locating facilities, operational methodologies, inspections, fees, fines, among other issues.

The recommendations primarily focused upon increasing between local governments and the industry and between local governments and the state. Proposals to give local governments the power to make their own rules didn’t make the two-thirds consensus cut.

Senator Matt Jones (D-Louisville) called the recommendations a “failure and do nothing to give cities and counties more power over moving drilling rigs away from homes and

schools". The issue is contemplated in the Task Force's Minority Report, however. He plans to introduce his own legislation to address the issue of increasing setbacks from drilling rigs.

Speaker of the House Dickie Lee Hullinghorst, (D-Gunbarrel) is reviewing the recommendations but indicated her disappointment that none of the recommendations "truly increased the power of local governments to determine setbacks from homes and schools." She has not decided if she will introduce any legislation on the House side to address the issue.

Senate President Bill Cadman (R-Colorado Springs) noted the recommendations' goals of operational transparency and better cooperation between energy producers and local communities "seem reasonable and thoughtful on initial review." He cautioned, however, that the threat of a statewide fracking ban ballot question still exists from outside interest groups. Hullinghorst has said she does not support a statewide ban.

For his part, the Governor remarked that attempts to give local governments more control over oil and gas drilling but be balanced with the rights of those surface owners and those who own underground mineral rights. He further remarked that he was supportive of the recommendations but said he would not tell the Legislature or regulators whether or not the recommendations should be enacted.

Meanwhile, Republicans' attempts in the House to compensate mineral owners for a reduction in the value of their property were met with a defeat last week. Representative Perry Buck's (R-Windsor) House Bill 05-1119 was killed by the House State Affairs Committee on a party line vote.