

COGCC and CDPHE Regulation of Oil and Gas Development

The Colorado Oil and Gas Conservation Commission (COGCC) is authorized by the legislature to foster the responsible development of Colorado's oil and gas natural resources in a manner consistent with the protection of public health, safety and welfare, including the environment and wildlife. As a result, the Colorado Department of Public Health and Environment (CDPHE) has a limited role in regulating oil and gas development. COGCC's areas of responsibility are listed below, followed by the areas where CDPHE regulates oil and gas development. .

Protection of Water Quality COGCC

In 1989, the Colorado Legislature changed the law to define the responsibilities of state agencies that protect state waters. The COGCC is responsible for ensuring that oil and gas operators adhere to the standards and classifications established for groundwater discharges from oil and gas development.

The Colorado Oil and Gas Conservation Commission oversees groundwater discharges and sampling programs, protection of public water supply stream segments, pit lining requirements , produced water disposal and treatment, stormwater protection, and investigates spills and releases to groundwater.

Protection of Water Quality CDPHE

The Water Quality Control Commission is solely responsible for adoption of water quality standards and classifications.

The Water Quality Control Division issues surface water discharge permits, stormwater construction permits and investigates spills and releases to surface water, including those that apply and/or result from oil and gas development.

Rules and Regulation of E&P Wastes COGCC

The COGCC rules and regulations manage E&P waste including permitting, construction and operation of pits, methods used to dispose of E&P waste, spill and release response, and reporting and sampling requirements for site remediation. Additional requirements may apply depending on the situation e.g., sensitive area determinations. If the COGCC or the operator has data that indicates an impact or threat to groundwater or surface water may occur, the operator may be required to implement appropriate measures and controls to ensure compliance with standards that provide acceptable contaminant concentration levels for soil and groundwater.

The COGCC rules and regulations include

- Pit lining requirements and closure;
- Spills and releases;
- Management of E&P waste;
- Centralized E&P Waste Management Facilities;
- Site investigation, remediation and closure;
- Contaminant levels and sampling requirements for soil and groundwater;

- Sediment and tank bottom pit management requirements; and
- Venting and flaring natural gas requirements.

Regulation of Solid and Hazardous Waste CDPHE

In Colorado, wastes that are not hazardous wastes are considered solid wastes unless specifically exempt. Oil and gas exploration and production (E&P) wastes are considered solid wastes and are exempt from regulation by the CDPHE Hazardous Materials and Waste Management Division. These wastes include but are not limited to drilling fluids and produced water and other wastes associated with the exploration, development, or production of crude oil, natural gas, or geothermic energy. However, to be considered an E&P waste, it must be uniquely associated with oil and gas exploration, development or production. Otherwise, it is treated as a solid waste and regulated by CDPHE. One example is synthetic pit liners.

The Hazardous Materials and Waste Management Division regulates Commercial Centralized E&P Waste Management Facilities and non-exempt solid wastes. In addition, if an exempt E&P waste is disposed of at a commercial solid waste facility, it must be managed as a solid waste. Most wastes generated during oil and gas development are exempt from CDPHE rules; thus COGCC rules and regulations are intended to manage E&P wastes.

Air Quality Regulation COGCC

COGCC rules require oil and gas facilities to be operated so that odors and dust do not constitute a nuisance or hazard to public welfare. COGCC rules require operators to

control emissions from tanks, glycol dehydrators, pits and pneumatic devices that have potential to emit greater than five tons per year in Garfield, Mesa and Rio Blanco counties, and are located within ¼ mile of any building unit, educational facility, or hospital. Operators must obtain an APCD permit. Green Completions are required statewide where technically feasible.

Protection of Air Quality CDPHE

The Air Pollution Control Division (APCD) is responsible for implementing federal and state air quality rules including issuing permits to facilities subject to those rules. APCD regulates oil and gas facilities if they have the potential to emit volatile organic compounds (VOCs) above certain levels.

An Air Pollutant Emission Notice (APEN) is required for all E&P condensate tanks or multiple tanks with VOC emissions greater than one ton per year in a nonattainment area or greater than two tons per year in an attainment area. APENs are used for inventory and permitting purposes.

An APCD permit is required for facilities that have the potential to emit greater than two tons per year of VOCs in a nonattainment area or greater than five tons per year in an attainment area. A permit authorizes the legal emissions of air pollutants under certain terms and conditions. The permit defines what pollutants can be emitted, identifies steps a facility must take to reduce emissions, and specifies how emissions are measured and reported.