



Washington County, Colorado
Office of County Commissioners
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February 16, 2009

Committee Members:

This letter is in reference to House Bill 1255. Since I personally will not appear before your committee today, I have asked Progressive 15 Executive Director, Cathy Shull, to read it in behalf of Washington County.

A number of concerns remain with the enactment of the Colorado Oil and Gas Conservation Commission's new rules and regulations. However, Washington County believes an important aspect to good government and its responsible management is the protection of private property rights. The Oil and Gas Commission rules, we believe, create conflict with those rights through the newer more powerful role of the Department of Wildlife in the implementation of these rules.

This creation of government supremacy over private property rights must be evaluated critically especially with the interest of the tax paying property owner in mind. Government must not be allowed to make regulatory decisions that adversely impact the financial opportunities of the owner that has vested such personal wealth or debt into that ownership. As written, DOW will have newly granted decision-making authority that jeopardizes the strength our form of law has vested in private property. We believe that measure of authority was not the intent that the legislature envisioned when it called upon the Commission to take a critical look at itself and its management.

The powers that the DOW can exert within the new law may create long time constraints or even completely curtail the development of oil and gas economic growth in Washington County. The rules as written today must be reviewed and modified to reflect the open and beneficial mining of privately owned resources on privately owned land.

DOW's oversight and regulatory authority is dangerously enhanced with the current rules as submitted by the Commission. During the recently completed rulemaking hearings, the COGCC staff reported that the failure of the private property owner to give consent to a DOW recommendation could cause well permit disapproval. The final regulatory authority for oil and gas must solely reside within the Colorado Oil and Gas Conservation Commission. Creating a multiple layered bureaucracy within the structure of Colorado Government would allow for a long drawn out filing process with accountability being shifted between agency entities with the owner operators and resource owners left frustrated and economically damaged.

As contained within the COGCC permitting process, the potential for the process to be extended or delayed by appeal by the DOW and others is of glaring evidence. Few oil field operators or even private property owners can with stand a long expensive appeal. If private resource owners or private surface owners are adversely affected through the permitting process, then the host county too is adversely impacted.

Washington County assessed valuation through oil and gas production currently represents approximately 40% of our value. Causing unnecessary harm through unwarranted regulatory procedure to that industry causes significant negative impacts on our county government's ability provide services.

The passage of HB 1255 would help to right the tilted regulatory ship contained in the rules and regulations as represented currently in the COGCC documents.

Sincerely,

David Foy, Chairman
Washington County Board of Commissioners