

Oil and Gas Regulation Amendments

PLN2019-00011

September 3, 2019

Board of County Commissioners Public Hearing
Community and Economic Development Department

Case Manager: Katie Keefe



Request

- Amendments to the County's Development Standards and Regulations
 - Chapter 2: Oil and Gas Facility (OGF) Permit Requirements & Process;
 - Chapter 3: Zone District Regulations for OGF;
 - Chapter 4: Design Requirements & Performance Standards for OGF;
 - Chapter 4: Text to incorporate assessment of OGF inspection fees; and
 - Chapter 11: Text to incorporate definitions pertaining to OGF

Background

- 2016
 - Adams County adopted oil and gas regulations requiring site-specific approval by administrative permit
- 2018
 - Regulations amended to revise performance standards regulations and establish permit term
- 2019
 - Moratorium on oil and gas facility permits
 - SB19-181 signed into law
 - Staff directed to amend current oil and gas regulations to be consistent with the new state law

Broader Land Use Authorities Under SB-181

- Regulate surface impacts of oil and gas production
- Ability to impose regulations to the extent necessary and reasonable to protect public health, safety, welfare and the environment
- Regulations may address:
 - Land use
 - Location and siting
 - Water quality and source; Air emissions/Air Quality
 - Nuisance hazards: noise, dust, vibration, odor, light
 - Reclamation procedures
 - Financial securities & insurance
- Authority to inspect and impose inspection and monitoring fees
- Authority to impose fines for violations, leaks, spills and emissions

Limitations to SB-181

- Scope of regulations that are 'Reasonable and necessary' to protect public health, safety, welfare, and the environment
 - Reasonable and necessary is not defined
- Scope of local authority is restricted to surface impacts

Criteria

(Section 2-02-13-06-01)

1. The text amendment is consistent with the Adams County Comprehensive Plan.
2. The text amendment is consistent with the purposes of these standards and regulations.
3. The text amendment will not be detrimental to the majority of persons or property in the surrounding areas nor to the community in general.

Oil and Gas Facility (OGF) Permit (Proposed Text Amendments)

Proposed OGF Permit establishes:

- Two permit pathways and waiver process:
 - 1. Administrative Process – all criteria and required standards met*
 - 2. Public Hearing Process – waiver from requirement requested*
- Site approval criteria
- Alternative site analysis at conceptual review stage
- Required performance standards
- Applicable to new OGF and existing facilities seeking major amendment to their permit
- Administrative waiver specific to residential setback criteria

Zone District Regulations (Proposed Text Amendment)

- Current:
 - OGF land use permissible in all zone districts.
- Proposed:
 - OGF land use allowed in Commercial, Industrial, Agricultural-2, and Agricultural-3 zone districts.
 - OGF land use not allowed in Residential, Agricultural-1, Mobile Home, Transportation Oriented Development, Public Lands, and Conservation zone districts.
 - Request zone district variance through OGF Waiver Process.

Design Requirements and Performance Standards (Proposed Text Amendments)

- Proposed Requirements:
 - OGF setback: schools, daycares, residences, platted residential lots, high occupancy buildings, sensitive environmental areas
 - Safety management plan & systems, training, incident investigation
 - Air quality controls; destruction efficiency requirements for flares, combustors, thermal oxidizers
 - Noise control & mitigation measures
 - Water quality supply plan: source water tests & private well testing
 - Chemical handling/control & waste fluids management
 - Odor and Visual impact plans
 - Direct reporting to County of spills, leaks, safety events
 - Financial Assurance and Environmental Liability Insurance
 - Inspection and enforcement authorities

Design Requirements and Performance Standards (Proposed Text Amendments)

- Potential requirements on a case-by-case basis:
 - Ambient air monitoring: baseline and continuous
 - Noise monitoring on site-specific basis
 - Noise controls as necessary to mitigate off-site impacts
 - Visual screening determined by proximity to residential area
 - Air quality controls as necessary to mitigate off-site impacts
 - Use of pipelines when infrastructure available and feasible
 - Specific odor mitigation measures

Definitions

(Proposed Text Amendments)

- Added definitions pertinent to scope and applicability of proposed oil and gas regulations:
 - High Occupancy Building Unit
 - Oil and Gas Facility
 - Oil and Gas Well Drilling and Production
- Added definitions for terms as they apply to specific requirements:
 - Environmentally Sensitive Areas
 - Primary residence
 - Water Bodies

Public & Stakeholder Outreach

Date	Group
6/19/2019	COGCC
6/20/2019	First Responders & OEM
6/20/2019	Local Governments
6/21/2019	Operators and Industry Groups
6/25/2019	Developers
6/25/2019	Resident Groups
6/27/2019	Tri-County Health Department
7/3/2019	Resident Group
7/9/2019	NPO and Residents
7/15/2019	Resident Group
7/16/2019 & 7/24/2019	1 st Draft Referral & 2 nd Draft Referral
8/2/19	Resident Group
8/5/2019	Operator
8/7/2019	COGA
8/8/2019	CPC
8/12/2019	Open House Event
8/15/2019	Open House Event
8/23 and 8/27/2019	Industry & Trade Unions

Referral Comments

- 272 Request for Comments Issued:

Initial Draft Referral	July 16, 2019 – August 4, 2019
Revised Draft Referral	July 24, 2019 – August 13, 2019
Website Posting	July 17, 2019 & July 25, 2019
Public Notice Published	July 31, 2019 & August 1, 2019
- 97 Individual and Organized Group comment submissions:
 - COGCC, CDPHE, TCHD, Water Districts, School District
 - Resident Groups
 - Individual residents
 - Oil and Gas Operators
 - Industry Organizations
 - Business Associations and Trade Federations
 - Property Owners, Developers
- Final draft posted for Planning Commission Public Hearing August 16, 2019

Summary of Comments

- Concerns over scope, technical aspects of performance standards and specific terminology;
- Comments requesting additional requirements and enhancement of proposed standards;
- Comments that proposed regulations are either too prescriptive and burdensome or not stringent enough;
- Numerous requests to incorporate requirements that were already included in the proposed regulations;
- Requests to include performance standards for operations not under scope of OGF regulations.

Referral Comments

- Majority of substantive concerns have been addressed by modifications to the proposed regulations
- Revisions resulted in:
 - Technical, legal and administrative clarifications
 - Additional, Modified or Removed Requirements
 - Adding Terminology Definitions

Request

- Amendments to the County's Development Standards and Regulations
 - Permit Regulations for Oil and Gas Facilities;
 - Zone District Regulations for Oil and Gas Facilities;
 - Design Requirement and Performance Standards for Oil and Gas Facilities; and
 - Addition of Definitions Specific to Oil and Gas Regulation Amendments

Recommendations

- Staff recommends **Approval** (PLN2019-00011) based on 3 Findings-of-Fact and 1 Note.
 1. The text amendment is consistent with the Adams County Comprehensive Plan.
 2. The text amendment is consistent with the purposes of these standards and regulations.
 3. The text amendment will not be detrimental to the majority of persons or property in the surrounding areas nor to the community in general.

Note:

1. Due to the large amount of renumbering occurring in Chapters 2, 3, and 4, formatting, final numbering and grammatical edits are intended to occur after final adoption and no later than September 17, 2019.