



### **LOGIC Summary – 900 Series Rulemaking Day 2 & 3 – 10/27/20 – 10/28/20**

Tuesday and Wednesday were almost entirely devoted to party presentations in the 900 Series rulemaking. As in previous hearings, all parties were allowed to make presentations in front of the Commission, to argue their positions and to ask for various changes in the rules.

The main issues parties raised were:

- What would count under the prohibition on venting and flaring
- Whether pits would be allowed in the future, and how they should be managed
- Cumulative impact studies

The Industry parties stated that they were generally supportive of reducing emissions and the goal of eliminating “routine” venting and flaring. Their chief concern comes from the fact that, in their eyes, it is impossible to completely eliminate ALL venting and flaring and still drill for oil and gas. Their argument is that, in some cases, they cannot capture all of the gas that comes out of the well, and it is safer to vent and flare such gas rather than let it build up on the location.

The issue of pits was surprisingly contentious. Across the state, pits are largely falling out of fashion, as they are being replaced by tanks in the vast majority of uses. The industry groups, and their allies in some local governments were mostly concerned with LOGIC’s and other’s proposal to require that all existing and future pits be fenced and netted to keep wildlife safe. The water in these pits is typically extremely salty, and can contain all sorts of hazardous waste and hydrocarbons, making them extremely hazardous to wildlife.

Several industry organizations pointed out that in select circumstances, in certain select basins, the water in the pits is actually of relatively high quality, and can be a benefit to wildlife and ranchers in the area. LOGIC’s and other’s proposal would have a built-in opportunity for these operators to demonstrate that their produced water is clean and safe and doesn’t need to be fenced off. The industry also complained that it would be expensive to install such nets. Fortunately, SB19-181 removed cost-effectiveness as a consideration when enacting rules to protect public health, safety, and welfare, the environment, and wildlife resources.

The final issue was raised by the Garfield County-led Western and Rural Local Government coalition. They were concerned that the rules would allow the COGCC to require operators to participate in too many unrelated studies related to cumulative impacts. Staff pushed back against this concern, and it wasn’t raised by any other parties.

The Commissioners will begin their deliberations on these complex issues tomorrow (Thursday) morning.