Safe and Healthy Communities

Perspectives on oil and gas from impacted communities
The League of Oil and Gas Impacted Coloradans (LOGIC) launched in 2015. We seek to elevate the voices of Colorado’s oil and gas impacted citizens – or those living with and facing new oil and gas facilities in our state. LOGIC represents 21 different neighborhood groups across Colorado who represent thousands of Coloradans living in the midst of current and new oil and gas development.

For several years, impacted Coloradans have had little hope when it comes to oil and gas development. For several years, impacted Coloradans have asked for reasonable changes from the industry and the response has been to label them “extreme.” The response has been to make it easier to place large industrial oil and gas facilities nearer their neighborhoods and schools. The response has been to disregard complaints of day-to-day impacts including to their health and to basic safety precautions.

Impacted citizens from across Colorado have come together to develop their own policy recommendations. The pages that follow are the result of several years working with impacted Coloradans. It is time for leadership. The League of Oil and Gas Impacted Coloradans seeks to prioritize health, safety, and the environment across our regulations of oil and gas by:

• Prioritizing public health, safety and our environmental resources throughout our state laws and regulations;
• Affirming the right of Colorado communities to regulate, zone, and to protect public health, safety, and their quality of life;
• Updating Colorado’s statutory pooling laws, which provide for and encourage coercion contracting and corporate eminent domain;
• Fixing Colorado’s fiscal and financial policies around oil and gas;

Impacted Coloradans are seeking leadership. It is time to take meaningful action to address the conflicts between oil and gas and Colorado’s communities.

Thank you,
Sara Loflin, Executive Director
The League of Oil and Gas Impacted Coloradans

Oil and gas has run roughshod over Colorado communities

There are over 6,000 new wells proposed for Colorado (on nearly 500 new sites). Almost ALL of them are proposed for the Denver metro area and along the I-25 Corridor.
Health and Safety First: A new approach on oil and gas

The current rules are outdated and do not protect our health and safety. The rules do not account for health threats that multi-well pads pose to neighborhoods.

53,000+ Active Wells

6,000+ Pending Permits

90% of proposed sites would be in six counties on the Front Range

It is time to put people first:
The current rules are outdated and must be updated to prioritize protection of public health, safety, and our environmental resources.

Oil production has more than quadrupled over the past 8 years as the industry has shifted from vertical wells to hydraulically fractured horizontal wells. Despite the use of new technology and the ever-increasing scale and intensity of operations, with these operations now occurring in close proximity to existing residential communities, the rules have not been updated to protect these communities.

Our State should not be in the business of “fostering” oil and gas development, but rather “regulating” oil and gas with an eye toward protecting public health, safety, and the environment.

In 1951, when the COGCC formed, the rules were based on a single vertical well on agricultural land.

Today, technology allows for large industrial facilities which are increasingly getting closer to residential communities, exposing residents to day-to-day health and safety risks as well as day-to-day nuisances such as 24-hour industrial light, noise, odor, dust, vibrations and traffic. Our state should not be in the business of turning neighborhoods into industrial parks.

The current rules are outdated and must be updated to prioritize public health and safety and align with new technology.
I am a fourth generation Colorado Native, and the longest I’ve never been away from my home state was a month. When I leave, I feel a longing for our beautiful state down in my bones. I’m currently raising three little girls in Thornton while teaching with the Adams 12 School District. Watching the tidal wave of Oil and Gas operations coming at us from the north is making me consider, for the first time in my life, moving away from my beautiful Colorado home. Living within close proximity to large-scale oil and gas operations comes with daily stress and anxiety.

There are currently over 600 applications for new wells in Adams County and the COGCC has yet to deny a single application. While I’ve written letters and appeared in person to speak of my concern and opposition to the COGCC and to my county commissioners, all drilling applications have been approved. I do appreciate that I’m given the opportunity to voice my concerns, but I feel they are falling on deaf ears. At the county level, I’m told that our commissioners’ hands are tied because the control lies with the COGCC. While the COGCC claims in one of its core values “We are as committed to protecting public health and the environment as we are to fostering the responsible development of Colorado’s oil and gas resources,” I have witnessed time and time again that the COGCC is only interested in fostering the development of the oil and gas resources with complete disregard for public health and the environment.

I love Colorado for our blue skies, our majestic mountains, our clean air and beautiful natural landscapes. But I’ve been told to get an air purifier, stock up on houseplants, close the windows, and spend as much time inside as possible. What kind of life is that to live, especially in a beautiful state like ours? It is up to us to protect our beautiful Colorado.

Abbey Palte
Thornton, CO
When neighborhood drilling is proposed, residents tune in, and hundreds turn out to community meetings, city council and county commission meetings, and even to COGCC hearings only to be told all hands are tied...

Local governments are charged with protecting public health, safety, and the quality of life in their communities.

We must affirm their right and responsibility to: plan and zone for all heavy industrial activities; enact stringent rules and regulations; and to use police powers to protect health, safety, and the environment.

**NEW PROPOSED OIL AND GAS WELLS**

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Based on Pending Filings with the COGCC as of 1/24/19
Six and half years ago my son and his family moved to Lafayette from the San Francisco Bay area. After my mother passed away in Michigan, we rented a home in Longmont for six weeks to see if we would like living on the Front Range. We loved the winter weather with breaks between snowfalls and freezing temperatures.

We began looking for a home, but ruled out Erie, because I was aware of the number of wells in Weld County from my online research. We instead bought a home in Anthem Ranch in Broomfield. I also made sure we didn’t purchase a home that backed up to open space, as I was afraid of the possibility of drilling occurring there. I felt like I made the best decision possible buying the house we did.

Then during our third year living here, Broomfield began negotiating with an operator to drill 84 wells within two miles of our home. Nineteen of those wells are one mile south my home.

We live on the north border of Broomfield, just south of Erie Township. Recently, Erie opted to consolidate 30 wells onto a pad one half mile from my home.

My home will soon be surrounded by oil and gas wells. Because my husband has a interstitial pulmonary fibrosis, I worry about his health and I am frustrated and angry that my well thought-out decision on where to buy a home has proven to be a mistake.

Judy Kelly
Broomfield, CO
Mineral owners should not be forced into contracts or limited in their rights to negotiate.

Operators have requested to force pool 29,470 estates. Mineral Owners that are ultimately force pooled face a 200% penalty. Current Colorado law requires only 1 consenting mineral owner to pool 1-2 square miles.

New technologies in oil and gas development have allowed the oil and gas industry to access more resources than ever before. Colorado’s statutory pooling laws are out of date and inconsistent with current industry practices. This leaves thousands of Coloradans vulnerable to the coercion contracting and corporate eminent domain practices of the oil and gas industry - a major impediment to private property rights in our state.

Operators commonly use the threat of forced pooling to strong-arm reluctant mineral owners into accepting unfavorable terms such as the acceptance of liability or acquiescence to surface operations and facilities. In any other context such contracts would be considered unconscionably abusive by duress and unequal bargaining power.

“Many people in Wildgrass felt “force-leased” in that the terms and conditions of force pooling are so unsettling/unsure/unclear that they felt pressured to go into business (by way of signing a lease) with an oil and gas company. Whether FP or leased, there is no process of estimating fair market value and mineral right owners are forced into unfair (and potentially well below market terms) contract.”

- Elizabeth Lario, Broomfield
Mineral lease

An unwelcome Christmas present

Our experience with Forced Pooling was an unwelcome Christmas present. We received a certified packet from an extraction company (Grizzly Petroleum) on the 8th of December that from what we could decipher indicated that there would be drilling occurring under our property. The packet’s content was very difficult to understand; its complex legal language seemed to purposely obscure its meaning and our options. We understood just enough to suffer a lot of anxiety going into the holidays: there was going to be drilling occurring under our property, which is in town and on a golf course, and we could agree to the terms outlined in the extraction company’s offer or we would be forced to become a legally liable partner in the drilling. The letter gave us 35 days to decide which of those two unsatisfactory conditions to choose from. Thirty calendar days with a couple of weeks where no one was around due to the holidays. We were confused, frightened and angry. We checked with our neighbors and learned that they had also received the same notification packets. People did not know if we should hire a lawyer or ignore the demand. Through social media our neighborhood organized a community meeting to discuss the situation. As a result, our neighborhood combined our resources and hired an attorney experienced in oil and gas leases to represent our interests. Even though the landowners in our neighborhood owned all or part of the mineral rights for our properties, we were informed we had no choice in the matter of fracking and drilling our properties. If just one landowner agreed, then Colorado law says everyone must participate either as a lessor, as willing partner in the drilling operation or as a non-consenting partner, which carries with it greatly reduced royalties until the well is profitable and the threat of significant liability if something goes wrong with the drilling project.

In the end, we agreed to accept the offer that our attorney negotiated with the extraction company, which was for a significantly higher royalty than originally offered. We found the entire leasing/forced pooling process to be very exploitive. We also became active in oil and gas discussions at the Colorado State House. Kathy has also testified regarding our Forced Pooling experience before the Colorado Oil and Gas Conservation Commission and we have voiced our support for recommended changes to the notifications, the language in the notifications and the time associated with intention to lease and Force Pool mineral rights. We need more people who are willing to make their voices heard and demand a more equitable process for determining where drilling can and cannot occur.

Guy & Kathy Mendt
Windsor, CO
Colorado is not only assuming liability for orphan wells, but at the same time not receiving sufficient severance tax to cover expenses.

The severance tax in Colorado only requires operators to pay 5% or less depending upon gross income per well. However, operators receive a property tax credit against the company’s state severance tax liability of 87.5% which lowers the effective tax rate to 0.625% or less. Colorado is allowing its oil and gas resources to be taken with little profit in return. And Colorado taxpayers are footing the bill for the industry’s impacts to our air and water, for the industry’s impacts to our roads and infrastructure, for the industry’s common practice of abandoning wells.

In addition to the low returns that operators are paying to the state, each and every well that is drilled must one day be properly plugged and abandoned. For every operator that is financially unable to reclaim its own wells, Coloradans will be left holding the bill for orphaned wells. The cost to reclaim 100 wells would be $8.3 million, but COGCC only requires financial assurance of $100,000 total for 100+ wells.

263 orphaned wells that need to be plugged on average

$82,500

Cost to plug and abandon a vertical well

$100,000 for 100+ wells

Operators required to carry only $100,000 financial assurance total for 100+ wells

Residents need assurance from oil and gas companies that taxpayers will not be responsible for clean up of the increasingly large sites proposed in our neighborhoods.”

- Rachel Balkom, Erie
Protect Health and Safety

Oil and gas is running roughshod over communities

The primary responsibility of our state government is to protect public health, safety, and quality of life. It is time to clarify that the state must “prioritize” public health, safety, and the environment. These protections can only be achieved by understanding the real impacts through health studies, analyzing risks, and understanding the environmental impacts. In addition, the cumulative impact of day-to-day nuisances must be addressed.

Bella Romero - After stating that another location was “not preferable” for oil and gas development because of its proximity to a school and its playground, Extraction Oil and Gas chose an alternative site to build 24 oil and gas wells by a public school in a low-income area. The 24 wells will be built only 509 feet away from a home and 1,360 feet from Bella Romero. The school playground and athletic fields will be less than 1,000 feet away from oil and gas facilities.

Broomfield - The 84 well plan in Broomfield puts an entire community at risk. The 19 well Livingston Pad is uphill and adjacent to the planned future Broomfield Drinking Water Reservoir which was reduced in size to accommodate the wells. There are two schools within 1 mile of oil and gas operations and thousands of residents live within one mile of a pad site. This plan was approved despite an outpour of emails, public comments, comments to the COGCC, and testimony before the COGCC from impacted residents. The COGCC acknowledged that “there is no room for operator error” and they were not able to uphold all of the Best Management Practices (BMPs) from the Operator Agreement as they do not have the jurisdiction, expertise, or authority for many of the BMPs.

Erie - The Acme site in Erie will have 30 wells just over 500 feet from homes in Erie and 1300 feet from homes in a Broomfield retirement community. The Acme site is located just south east of the Erie Municipal Airport with the main traffic pattern just 500 feet west of the proposed ACME site. Per the City’s website, the number of takeoffs and landings per year is approximately 35,000. With a past history of aviation accidents related to this airport, including a fatal plane crash just south of the Acme site on Nov 2, 2018 involving an experimental aircraft, if one of these incidents were to occur at the ACME site, the result could be catastrophic.

Battlement Mesa - The Ursa BMC A Pad threatens the safety of local residents. This site has been called the “worst drilling application in the state” and will put 24 natural gas wells, a wastewater injection well, and associated equipment barely 500 feet from a mobile park neighborhood. The pad will be about 900 feet from the Colorado River and cut into a 90-foot hillside at the base of the trailer park. There is concern about the engineering analysis on the retaining wall that is supposed to keep the hillside from collapsing on the rig and wastewater treatment plant just below it. Bea Underwood Elementary School (a low-income school in which over 60% of students receive free/discounted lunches) is about 1500 ft from the site. The Injection well in close proximity to the drinking water intake creates an unnecessary long-term risk for a spill or release to potentially impact the public drinking water supply. This site will likely be used to dispose of contaminated water from other sites which increases the risks associated with transport and storage of dangerous chemicals.

“It’s time for us to take meaningful action to address the conflicts between oil and gas drilling operators and the neighborhoods that they impact. We will work to make that sure every community has clean air and clean water. And this is a vital quality of life issue for Colorado families.”

- Governor Jared Polis, 2019 State of the State Address
The life of a typical oil well is something like 25-30 years for production. We’re going to be seeing this for our lifetimes.”

- Lowell Lewis, Greeley

Oil and gas development began on the Triple Creek site behind Lowell and Margie Lewis’ home in the fall of 2016. By January 2017, Margie’s asthma had flared and it continued all year. She had 14 visits to her pulmonologist and to her internist over the course of the next year and a half. Due to the severity of the symptoms, she required oral steroids multiple times.

“By January of 2018 my health hadn’t gotten any better. And as a matter of fact had gotten much, much worse. And we didn’t know why”, Margie recently accounted. Following the decline of Margie’s health, Lowell discovered that during December 2017, Extraction had flared 109.8 million standard cubic feet (MMSCF) of natural gas and had released 60 tons of Volatile Organic Compounds (VOCs) behind their home. This round the clock flaring for 6 weeks took a toll on Margie’s health.

The cause of Triple Creek’s extraordinary flaring volume was a confluence of malfunctions and upset conditions on the DCP Midstream sales lines while multiple wells were being brought into flowback. This combination of circumstances would have caused a catastrophe if not dealt with immediately. The only resolution was to waste massive volumes of natural gas - releasing methane and VOCs into the air.

Margie continued her personal story thinking back to when the oil and gas development was complete. “Now that they stopped drilling, I’ve finally gotten back to my pre-oil and gas influence in our neighborhood, my lung functions have returned, but it’s on more meds… and much more expensive meds.” Margie’s concerns go far beyond her own health. “I really worry about it for children. I mean, the elderly – we had a great life, but the children don’t even get a chance, if they’re brought up in that kind of a condition.”

Thinking back through the process of oil and gas development, Margie stated, “we would also like to see oil and gas operators have some type of a weekly update, because you do not know what is going on behind those walls... You have no clue what’s going on behind the walls.”

Lowell and Margie Lewis
Greeley, Co
Health and Safety First

We must understand and account for the risks

Risks include:

- Fire/Explosion
- Wildfire
- Uncontrolled Flows
- Pipeline Failure
- Spill/Release/Leak
  - Resulting in Water Contamination, Soil Contamination, or Air Pollution
- Radiological Exposure
- Odor
- Noise Pollution
- Light Pollution
- Stress

Health Effects
- Flood
- Trespassing
- Sabotage
- Earthquakes
- Occupational Hazards
- Property Values/
  - Mortgage Refusal
- Local Government Burden
- Wildlife Habitat
- SEC Risks
- Financial Risks
- Wastewater Refusal
- Additional Possible Risks

Operators with publicly traded stock are required to submit regular filings to the US Security and Exchange Commission (US SEC). These filings indicate risks to the investors with language such as, “hazardous and risky drilling operations”. These same risks to the financial gains of a corporation also apply to the safety of the impacted residents. Risks such as fires, explosions, and well blowouts pose immediate danger to residents. In an effort to protect the health and safety of those in close proximity to operations, it is essential to understand the risks.

Risk analysis is a method of quantifying the effect of the various risks that are identified. Without an analysis of the potential risks, it is impossible to state that the operation can be done safely. The risks vary depending upon location, operation size, and site specific factors.

599 Total Spills in 2018
Health, Safety and the Environment First

Colorado communities rely on a healthy environment

The North Fork Valley is a rarity in the State of Colorado.

Absent revised public lands management plans that fully protect the wildlife habitat, public lands, and other resources in the region and legislation or other action to designate the North Fork Valley as an area inappropriate and unacceptable for oil and gas development, the valley, its wildlife lands and migration routes, and the watershed could see upward of 1200 wells and accompanying industrial scale infrastructure in the watershed, surrounding farms and ranches.

Nestled along the flanks of the Grand Mesa and the West Elk Mountains, and situated next to the Black Canyon National Park and the Gunnison Gorge, it is a hot-spot for exceptional outdoor recreation and critical to Colorado’s outdoor recreation economy. Connecting these critical public lands, the North Fork provides unique biodiversity and crucial wildlife habitat and migration routes that support some of the best back-country hunting opportunities in the state. The North Fork of the Gunnison River is designated 1 of 15 rare and irreplaceable ecosystems in the United States, and the public lands that surround the valley have been featured as one of America’s top public lands regions that are “Too Wild to Drill,” by The Wilderness Society.

The North Fork Valley has been nationally recognized by the Center for American Progress for successfully transitioning away from an economy dependent on coal mining to a resilient and diversified economy. The North Fork Valley’s thriving billion dollar tourism, agriculture, health and wellness, outdoor recreation, tourism, real estate and lifestyle economy depends on its bucolic character, healthy lands, and clean and abundant water. The area is not only a top agrotourism and cultural destination; it is critical to Colorado’s food safety. It is home to the state’s highest concentration of organic farms, and is a federally-designated wine-growing region with the highest altitude vineyards in North America. The towns and surrounding agricultural lands are designated a Colorado Creative District by the State.

Any threat to land, air, water, and the region’s “terroir” due to oil and gas activity is a threat to the North Fork Valley’s diversified economy.

The areas with highest development potential for gas production in the North Fork Valley are in the critical watersheds that are source areas for drinking and irrigation water. 100 percent of gas gathering pipelines in the North Fork Valley are exempt from federal and state pipeline safety regulations threatening the safety of our public lands and our watershed. These pipelines are unmapped and not subject to pipeline safety construction, monitoring and inspection requirements.
“Colorado farmers and ranchers depend on the health of the public lands and the watersheds they sustain, to grow our top-quality product. In the North Fork, activity on the National Forests above our valley can have a direct impact on my operations downstream. And it's not just the water and land we have to share, but the same roads I use to bring my kids to school or my apples to the Front Range are where oil and gas traffic would also occur. Wherever this activity happens, on private lands along the Front Range or on America's public lands, like those here in the North Fork, a clean environment, our future generations, and the health and safety of Coloradans must be the priority.”

-Steve Ela, Ela Family Farms, Hotchkiss, CO

1-2 million gallons
per well in the Piceance Basin

5 million gallons
per well in the DJ Basin

25 Billion gallons
Amount of water to hydraulically fracture the 5000 proposed wells along the Front Range.

Unlike agricultural usage, fracked water is permanently contaminated and must be injected into underground wells.
Colorado’s Diverse Economy

Resilient economies depend on stable job sectors

Colorado has a diverse landscape of arid desert, river canyons and snow-covered mountains, with vibrant mountain communities and thriving downtown areas. Our state has a population of 5.6 million with one of the lowest unemployment rates in the country with an outstanding 2.6 million jobs. The diverse economy in Colorado includes jobs throughout many sectors. Residents of Colorado work hard, but we call Colorado our home because of the beautiful climate, access to outdoor activity, and a State we love.

- Government 16%
- Professional & Business Services 16%
- Education & Health Services 13%
- Leisure & Hospitality 13%
- Financial Activities 6%
- Information 3%
- Trade, Transportation, and Utilities 17%
- Construction 6%
- Manufacturing 5%
- Mining and Logging 1%
- Other Services 4%

**Mining Sector includes:**
- Geoscientists, except hydrologists and geographers;
- Petroleum engineers;
- Petroleum pump system operators, refinery operators, and gaugers;
- Roustabouts, oil and gas;
- First-line supervisors/managers of construction;
- Wellhead pumpers;
- Derrick operators, oil and gas;
- trades and extraction workers;
- Rotary drill operators, oil and gas;
- Service unit operators, oil, gas, and mining.

**Oil and Gas Extractive Industries**

- Directly employs <1% of workers
- Only 3.7% of the Colorado GDP in 2018

“...we stand up for workers and good jobs, so too we stand up for our communities. They have a right to have a voice when it comes to industrial activities within their borders that affect their quality of life and economic vitality.”

- Governor Jared Polis, 2019 State of the State Address
Colorado’s Diverse Economy

Protecting Colorado’s way of life

The outdoor recreation industry in Colorado generates $28 billion a year in consumer spending and employs 229,000 direct jobs. Coloradans value our great outdoors and this contributes to a healthy economy for Colorado. Conservation of public lands and waters is vital to Colorado’s outdoor recreation economy.

Colorado must begin to address the role of oil and gas development when it comes to keeping our air and water clean and when it comes to climate change. This means protecting and promoting sustainable business, promoting a jobs transition to a renewable energy economy, and changing the way we do business when it comes to oil and gas.

We need to

→ support job training that ensures that green jobs are socially just and accessible to people in all demographics and neighborhoods

→ publicly invest in clean energy and energy efficiency that benefit those most impacted by high utility rates

→ provide a fair transition for workers currently in fossil fuel-related industries and for under-employed populations

→ ensure that decision-making processes for climate and energy solutions are transparent, inclusive, and diverse

→ inspire all neighborhoods and workplaces to feel invested in the transition

Colorado is 2nd in Nation in wind jobs

22,900

Wind Jobs by 2020

By 2021/2022

Wind jobs will likely surpass oil and gas jobs in Colorado

“A Just Transition approach recognizes that ecological solutions require economic and equity solutions as well. Realizing just solutions requires inclusive policy processes and soliciting input from all Boulder’s diverse communities on their needs and ideas. It will also require assessing and defining those populations most likely to be impacted by environmental problems and related climate and energy policies. This involves prioritizing a range of public participation opportunities and listening to and learning from people under-represented in decision-making processes and who experience forms of discrimination and inequality. In this way, a Just Transition framework strives to improve shared living standards for all people.”

- Just Transition Collaborative, University of Colorado Boulder
The League of Oil and Gas Impacted Coloradans is a nonprofit organization working to ensure that impacted Coloradans have a voice in oil and gas policies. Neighborhood oil and gas development has a very real impact on Colorado communities, and we believe it’s time for concerned communities to be heard at the local, state and federal levels.