

## Comprehensive Drilling Plans under COGCC's Amended Rules

The amendments to the COGCC's rules included a rule providing for Commission adoption of Comprehensive Drilling Plans (CDPs), which will result in enhanced protection for Colorado's environment, wildlife, and communities while increasing the level of certainty for operators and reducing their cost of doing business in Colorado.

### What is a Comprehensive Drilling Plan?

A CDP is an operator-initiated planning tool that provides incentives for companies to take a broader approach to oil and gas planning and permitting. An operator's decisions to initiate and enter into a CDP are strictly voluntary. The CDP will identify future oil and gas activities in a defined geographic area, facilitate discussions between operators, surface owners, and state and local officials, identify potential impacts resulting from the planned activities, and develop agreed-upon ways to minimize them.

**Scope.** At a minimum, a CDP will cover more than one proposed oil and gas location in a geologic basin, but its scope is otherwise up to the operator. It may cover proposed activities of a single company, or it may encompass future development by multiple operators in a particular area. It may "bundle" all of the site-specific approvals for new locations covered by the CDP, or it may narrowly focus on potential threats in a particular area to drinking water, for example. The rule is designed to offer operators maximum flexibility.

**Participants.** The operator is required to invite the Colorado Department of Public Health and Environment (CDPHE), the Colorado Division of Wildlife (CDOW), any local governmental designees, and all surface owners to participate in development of the CDP. The Commission felt that participation by these agencies and individuals will effectively facilitate identification of potential impacts and development of conditions of approval to address them.

**Information requirements.** The information to be included in the CDP will be determined by the operator, in consultation with the participants. Operators are encouraged to submit the most detailed information possible about future development activities in the CDP area, since detailed information is more likely to identify specific impacts and measures to minimize them. Rule 216.c sets out examples of the types of information that may be included as part of a CDP.

### What are the benefits of preparing a Comprehensive Drilling Plan?

Because a CDP is a flexible planning and permitting tool, operators can tailor it to their needs and circumstances. While an operator may develop a CDP however it chooses, the information that is included and the procedures that are followed will have a significant bearing on what kind of procedural benefits result from a CDP.

**Variations.** A CDP can include variances to any of the COGCC's rules for operations within the CDP area, provided that requirements for granting variances are met such as consultation with the CDPHE or CDOW, where applicable.

**Conditions of approval.** Practices and conditions agreed to in a CDP will be included as conditions of approval in any Application for Permit to Drill (APD) or Oil and Gas Location Assessment (Form 2A) covered by the Plan. Any permit-

specific condition of approval for wildlife habitat protection, however, will be included only with the consent of the surface owner.

**Elimination of site-specific permitting requirements.** In certain circumstances, an approved CDP will eliminate the need to obtain approval for individual oil and gas locations covered by the Plan. Where the CDP contains information and undergoes procedures substantially equivalent to that which would be required for an individual Form 2A, then a Form 2A will not be required for a location covered by the CDP. Where the CDP does not contain information or undergo procedures substantially equivalent to that needed for a Form 2A, or where the operator seeks a variance from the CDP or a rule not addressed in the Plan, then a Form 2A will be required for a new oil and gas location covered by the Plan. However, in such instances the informational and procedural requirements for a Form 2A will be modified to take into account information included in and procedures used to approve the CDP.

**Expedited permitting.** Where a new oil and gas location is covered by an approved CDP and the operator does not seek a variance from the Plan or a rule not addressed in the Plan, then the Director will give priority to such APD or Form 2A and render a decision within 30 days unless significant new information is brought to the Director's attention. Where the Director does not issue a decision within 30 days on such an APD or Form 2A, then he or she will within 5 days provide the operator with a written explanation for the delay and the anticipated decision date. In such cases, the operator may request an expedited hearing before the Commission on the APD or Form 2A.

**Predictability.** Once accepted by the Commission, a CDP is valid for a period of 6 years. An accepted CDP may be modified using the same process as that leading to acceptance of the original Plan, and the review and approval of the modification is to focus only on the proposed modification. A party requesting a Commission hearing on the Director's approval of an APD or Form 2A that includes conditions of approval arrived at as part of the CDP will bear the burden of showing that the conditions of approval are insufficient to protect public health, the environment, or wildlife due to new information or changed circumstances.

### **How does an operator develop a Comprehensive Drilling Plan, and how is it approved?**

Though Rule 216 is intended to provide a flexible planning and permitting tool, the procedures for development and approval of a CDP are set out in Rule 216.d.

**Development.** Before initiating a CDP, an operator is encouraged to discuss with the Director and, as appropriate, the CDPHE and CDOW regarding the scope of the plan, the schedule for its preparation, the information to be included, any public participation opportunities, and whether the CDP is intended to satisfy the requirements for site-specific Form 2As. As set out above, the operator is required to invite CDPHE, CDOW, local governments, and surface owners to participate in development of the CDP. Once the operator submits a proposed CDP, the operator, the Director, and other participants will review the proposal, identify any information needs, discuss operations and potential impacts, and establish measures to minimize adverse impacts resulting from development activities covered by the Plan.

**Approval.** The Director will place on the Commission's consent agenda a CDP that has been agreed to in writing by the operator and that the Director considers suitable after consultation with the CDPHE and CDOW, as applicable, and consideration of any other comments. The Director will identify and document the agreed-upon conditions of approval for activities within the geographic area covered by the accepted CDP. CDPs that have been accepted by the Commission will be posted on the COGCC website, however any confidential or proprietary information entitled to protection from disclosure under the Colorado Open Records Act will be withheld.

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