



Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado, 80203

Jan. 14, 2022

Dear Colorado Oil and Gas Conservation Commissioners,

As the Colorado Oil and Gas Conservation Commission pursues a financial assurance rulemaking for oil and gas operations per Senate Bill 181, we, the undersigned local elected officials from across Colorado, are writing to urge the Commission to improve its current proposal and adopt bonding regulations that not only apply to oil and gas wells on private, state and local lands, but also those on federal lands. There are an estimated 15,000 or more of these wells across the state, and exempting them from financial assurance requirements would be a violation of Senate Bill 181.

As they currently stand, federal bonding rules under the Bureau of Land Management are woefully inadequate and fail to meet the requirements of Senate Bill 181. As a [2019 study by the Government Accountability Office](#) stated, “Bonds held by BLM have not provided sufficient financial assurance to prevent orphaned oil and gas wells. Bonds generally do not reflect reclamation costs because most bonds are set at their regulatory minimum values, and these minimums have not been adjusted since the 1950s and 1960s to account for inflation.” This has caused a widening gap between reclamation costs and the amount BLM holds in reclamation bonds, which means communities like ours bear the burden of cleanup costs.

The COGCC historically has not required financial assurance on federal lands and minerals, but has the authority to do so under case law if necessary to protect our environment. This would not mean a second bond in addition to the federal bond for companies operating on federal lands, but a leveling of their existing bonds to match state requirements, as is the practice in the state of Alaska. Failure to require these companies to bond will only incentivize more public lands prospecting and drilling, because it would relieve a staggering 25% of the wells on public lands in our state of accountability for reclamation.

As an example of how failing to require adequate bonding for these wells will disproportionately impact certain counties, consider that COGCC’s own data shows that in Gunnison County, over

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50% of producing wells are located on federal public lands; over 85% of all wells and locations in Pitkin County are located on federal public lands; and that over 80% of all wells in San Miguel County are located on federal public lands. Failing to require the same standard of operators on public lands will disproportionately impact those communities and counties with higher percentages of public lands, mainly across the western slope. These communities, the public lands and the wildlife that call them home will be the ones to bear the brunt of inaction on this issue.

Across Colorado, our public lands are vital to our livelihoods, our local economies and our quality of life. They provide a safe haven for our wildlife, ensure our clean water supplies, and are how we define ourselves as Coloradans. It's imperative that oil and gas companies are held accountable for the exploitation of this invaluable resource. A [recent public lands poll by Colorado College](#) reflects major support among westerners and Coloradans for more accountability within the oil and gas industry. We urge the commissioners to protect our communities and environment and update the COGCC's draft proposal to apply bonding regulations to operations on federal lands.

Sincerely,

Rachel Richards
Aspen City Councilor

Austin Ward
Broomfield City Councilor

Juan Marcano
Aurora City Councilor

George Marlin
Clear Creek County Commissioner

Laurie Anderson
Broomfield City Councilor

Randall Wheelock
Clear Creek County Commissioner

Guyleen Castriotta
Mayor, City of Broomfield

Matt Scherr
Eagle County Commissioner

Heidi Henkel
Broomfield City Councilor

Ari Harrison
Erie Town Trustee

Jean Lim
Broomfield City Councilor

Christiaan van Woudenberg
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Jonathan Godes
Mayor, City of Glenwood Springs

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Glenwood Springs City Councilor

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Stephanie Walton
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Janice Bryan
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Alan Apt
Nederland Town Trustee

Kristopher Larsen
Mayor, Town of Nederland

Katherine Goff
Northglenn City Councilor

Jake Niece
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Greg Poschman
Pitkin City Councilor

John Clark
Mayor, Town of Ridgway

Thomas McCracken
Saguache County Commissioner

Dan Shore
Mayor, City of Salida

Hilary Cooper
San Juan County Commissioner

Kris Holstrom
San Juan County Commissioner