

Statement of Basis, Specific Statutory Authority, and Purpose

Amendment to the Rules of the Colorado Oil and Gas Conservation Commission, 2 CCR 404-01

This statement sets forth the basis, specific statutory authority, and purpose for an amendment to Rule 201A of the Rules and Regulations and Rules of Practice and Procedure (Rules) of the Colorado Oil and Gas Conservation Commission (COGCC or Commission).

Rule 201A concerns the effective date of rules adopted by the Commission on December 11, 2008. It provides that, unless otherwise specified in the rules, the amendments become effective on May 1, 2009 for federal land and April 1, 2009 for all other land. The amendment of Rule 201A changes the effective date of such rules on federal land to July 1, 2009.

The rulemaking hearing for consideration of the amendment to Rule 201A was held on May 30, 2009. The amendment became effective on July 1, 2009.

Statutory Authority

The authority for the proposed amendment is House Bills 07-1298 and 07-1341, codified at sections 34-60-106 and 34-60-128, C.R.S., of the Oil and Gas Conservation Act ("Act"). Additional authority for the promulgation of these amendments is provided by sections 34-60-102, 34-60-103, 34-60-104, 34-60-105, 34-60-108, and 34-60-120, C.R.S., of the Act.

Basis and Purpose

The Commission amended Rule 201A to delay the effective date of rule changes adopted in December 2008 on federal lands from May 1, 2009 to July 1, 2009. This delay was necessary to allow representatives of the COGCC, Colorado Department of Natural Resources, Executive Director's Office (CDNR), and Colorado Department of Law, Office of the Attorney General (AGO) to continue discussions with the Bureau of Land Management, Colorado State Office (BLM), U.S. Forest Service, Rocky Mountain Region (USFS), U.S. Department of the Interior, Office of the Regional Solicitor (SOL), and U.S. Department of Agriculture, Office of the General Counsel, Mountain Region (OGC) concerning the applicability of the COGCC rules on federal lands. The Commission anticipates that, based on these discussions, the COGCC will enter into a Memorandum of Understanding (MOU) with the federal government or will develop a Commission order or policy concerning the application of the COGCC's amended rules on federal land.

For the foregoing reasons, the Commission amended Rule 201A to delay the effective date of its rule amendments on federal land until July 1, 2009.