BEFORE THE OIL AND GAS CONSERVATION COMMISSION OF THE STATE OF COLORADO

IN THE MATTER OF CHANGES TO THE RULES OF PRACTICE AND PROCEDURE OF THE OIL & GAS CONSERVATION COMMISSION OF THE STATE OF COLORADO CAUSE NO. 1R

DOCKET NO. 171200767

TYPE: RULEMAKING

AFFILIATED LOCAL GOVERNMENTS' CLOSING STATEMENT

Boulder County, the City of Lafayette, and the City of Longmont, participating as the Affiliated Local Governments (the "ALG"), by and through each party's respective undersigned attorneys, hereby files its Closing Statement in this matter.

The ALG supports the Colorado Oil and Gas Conservation Commission ("COGCC") effort to revise and improve pipeline rules. Recent tragic pipeline explosions and spills in Firestone and across the Front Range highlight the critical importance of pipeline regulations that provide the strictest protections for people and the environment.

In its Prehearing Statement, the ALG requested the Commission ensure that its flowline rules include a comprehensive pipeline mapping scheme showing the locations of all pipelines of any type in the State because, for local governments, such a map is critical for land use planning and emergency planning and, for the public, location information is important to avoid another incident like what happened in Firestone. The ALG believes that such a system should be required and hosted by the COGCC with data supplied by operators.

As all parties heard during the morning of the second day of the rulemaking, a pivot to the 811 call system or even an enhancement to Colorado's 811 call system (by requiring operators to sign up) is not and cannot be a substitute for comprehensive mapping. The 811 system: (i) does not maintain a database for the locations of pipelines; (ii) is a service provided at the time of excavation and is not accessible to local governments or others for planning purposes; (iii) cannot provide a pipeline "locate" for a broad area as would be necessary for effective land use planning and emergency planning; and (iv) has been deemed inadequate by federal regulators for its lack of enforcement mechanisms.

The ALG acknowledges Staff's redlined alternate language for enhanced Form 44 provisions that include geospatial data for all off-location pipelines constructed after May 1, 2018. The ALG also acknowledges and is appreciative that the current draft allows such information to be shared by the COGCC with local governments. The redlined draft rule, however, does not require geospatial data for the numerous off-

location flowlines in existence prior to May 1, 2018 that are of concern and interest to local governments. Instead, the current draft rule only requires registration and location of the latitude and longitude of the risers for existing flowlines.

The ALG requests this Commission require the geospatial data for all off-location flowlines irrespective of when they came into existence. These rules should not simply address flowlines moving forward, but should allow for local governments to have access to an inventory of what exists underground today. The geospatial data is useful to local governments that desire to create their own maps for planning and emergency preparedness, particularly if the COGCC is not going to host such a database or mapping system. Receiving geospatial data for only new off-location flowlines, regrettably, creates half a map or less.

Industry is the entity that installed or acquired the flowlines. Industry is the entity that either has or should be required to develop the information concerning the location of flowlines. Industry is the entity that has made billions of dollars off of minerals transported through the flowlines. Accordingly, Industry should be required to provide geospatial data for use by the Commission and local governments to ensure that the citizens of this State are aware of flowline locations. The citizens did not install the flowlines, yet they are the ones who are in harm's way without adequate knowledge of flowline locations. There is no reason that all flowline data, for past and future flowlines, should not be supplied by Industry. The only impediment to not providing geospatial data for existing flowlines at this point is the cost to Industry to produce said data, but clearly there is a need for better flowline awareness and oversight as is evident by the initiation of this rulemaking in the first place.

The ALG understands that the Commission Staff inserted a confidentiality provision set forth at Rule 1101.d. However, the ALG respectfully submits to the Commission that the perceived need for confidentiality as articulated by Industry – terrorism threats – is a red herring. If terrorism was truly a concern, a terrorist could more easily locate and blow up transmission lines or other larger and above-ground facilities, not off-location flowlines that are underground and not visible at the surface. Notwithstanding this point, and while the ALG disagrees that the information should be kept confidential and maintains that it should be shared with the public, our local governments reluctantly accept that confidential data is better than not getting any data at all. With confidentiality in place however, there is no reason that all flowline data, for existing and future flowlines, should not be supplied by Industry.

As a third point to our Closing Statement, the ALG reminds the Commission that our local governments requested discretion on abandonment methods for flowlines. We understand from the Commission that it is hesitant to outright define such discretion to local governments in its Rules and, accordingly, the ALG suggests the following "notice" language be made a part of the Rule as follows:

New 1105.b.; renumber 1105 accordingly.

1105.b. At least thirty (30) days before implementing an abandonment of an off-location flowline or crude oil transfer line, the Operator shall provide

notice of the proposed abandonment to the LGD for the applicable jurisdiction.

Finally, the ALG endorses the closing statement submitted by the City and County of Broomfield, which supports the proposed integrity management provisions included in the Staff's January 26, 2018 draft rules and requests that local governments are notified of reportable safety events and Grade 1 gas leaks. The ALG also requests participation in any future stakeholder groups or workgroups related to potential revisions to financial assurance provisions.

Respectfully submitted this 6th day of February, 2018.

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CERTIFICATE OF SERVICE

I hereby certify that, on February 6, 2018, Jeffery P. Robbins, Goldman, Robbins, Nicholson & Mack, P.C. caused the Affiliated Local Governments' Closing Statement in Colorado Oil and Gas Conservation Commission Docket No. 171200767 to be electronically filed and served as follows:

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