



## Update: May 11 Special COGCC Hearing

By [Joby Rittenhouse](#)

On May 11, 2020, the Colorado Oil and Gas Conservation Commission (“Commission”) held a special hearing in response to Commissioner concerns raised in prior hearings triggered by the recent plunge in commodity prices and operational complications arising from the COVID-19 pandemic. Specifically, Commissioners expressed concern that the sharp decline in oil prices may result in:

- (1) insufficient funds for the Commission to properly monitor, inspect, and regulate the industry;
- (2) a dramatic increase of “distressed operators” and resulting orphan wells; and
- (3) potential environmental consequences resulting from an expected increase in shut in wells.

To address these concerns and educate the Commissioners, COGCC Staff drafted a [White Paper](#) and [FAQ](#) in an effort to educate the Commission. The White Paper was produced today along with a [slide deck](#). The White Paper and Special Hearing, however, did not seem to assuage the concerns of some of the Commissioners. While one Commissioner—Commissioner Boigon—expressed an interest in whether Commission staff has evaluated potential relief measures similar to those considered by other oil and gas producing states (namely, Oklahoma and Texas), Director Robbins responded that he had not been approached by any company or the trades to pursue any such options, and that the Commission lacks authority to issue shut-in orders similar to that issued by the Oklahoma Corporation Commission. The comment was quickly followed by other Commissioner comments articulating the need to continue to monitor and enforce mechanical integrity testing requirements and to pursue rulemaking regarding financial assurance as soon as possible.

For further information on the May 11, 2020 hearing and potential implications for upcoming rulemaking, please contact [Jill Fulcher](#) or [Joby Rittenhouse](#).