

The View From the Chief Regulator's Seat

July 22, 2025
National Association of Trust Lands



COLORADO

**Energy & Carbon Management
Commission**

Department of Natural Resources

Energy in Colorado

Most protective oil & gas regulations in the nation, AND ...

Energy in Colorado

Most protective oil & gas regulations in the nation, AND ...

- Top 10 state in total energy production
- Fourth state in nation to pursue Class VI primacy
- Renewable energy accounts for 39% of CO's total in-state electricity net generation



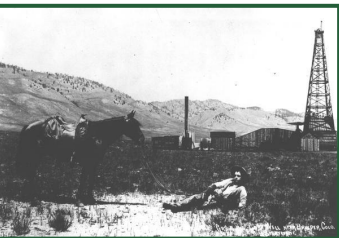


ECMC's Mission

To regulate the development and production of oil and gas, deep geothermal resources, the capture and sequestration of carbon, and the underground storage of natural gas in a manner that protects public health, safety, welfare, the environment and wildlife resources



O&G Regulatory Timeline



1862

First commercially successful oil well was drilled near Cañon City



1927

Colorado's Gas Conservation Commission established



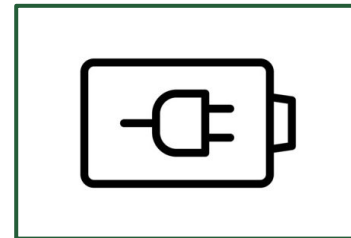
1951

Colorado Oil & Gas Conservation Commission (COGCC) was created with 5 volunteer Commissioners



2019

SB19-181 changed agency mission to “regulating in a manner that is protective of public health, safety, welfare, wildlife and the environment.”



2023

COGCC's expanded regulatory oversight of energy and carbon management led to designation as Colorado Energy and Carbon Management Commission (ECMC)

17+ Rulemakings from 2017-2025!



Historical Timeline



17+ Rulemakings from
2017-2025!

2007

COGCC expanded
Commission to
9 members

2011

Colorado one of the
first states to require
disclosure of chemicals
used in the hydraulic
fracturing process

2013

Colorado is the first
state in the country
to require baseline
and post-drilling
groundwater sampling

2019

Mission changed from
“fostering” to “regulating”
in a manner that is
protective of public health,
safety, welfare, wildlife and
the environment.

2023

COGCC’s expanded
regulatory oversight of
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Energy and Carbon
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(ECMC)



Regulatory Oversight - Exploration to Reclamation

- Oil and Gas
 - Produced Water
- Deep Geothermal
- Carbon Capture and Storage (CCS)
- Underground Natural Gas Storage (UNGS)



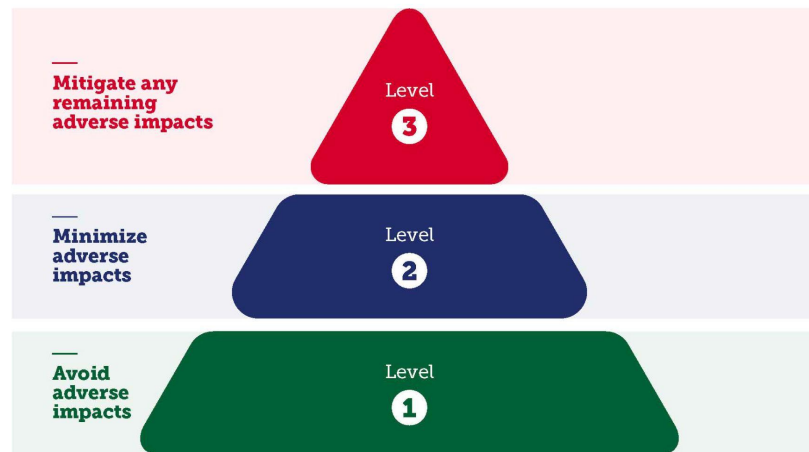
Regulatory Oversight - Exploration to Reclamation

- Oil and Gas
 - Produced Water
- Deep Geothermal
- Carbon Capture and Storage (CCS)
- Underground Natural Gas Storage (UNGS)
- (Consult on renewables)



Energy & Carbon Management Commissioners & Decision Making

- Appointed by the Governor
- Located statewide
- Legally required to represent diverse backgrounds, currently including:
 - Environmental and wildlife protection
 - Oil and gas
 - Natural resources management
 - Planning/land use
 - Public health
 - Management and decision-making



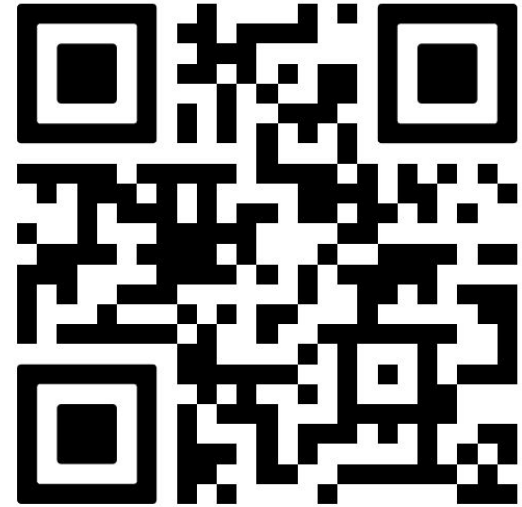
Mitigation Hierarchy

Steps to Issue Resolution

Commissioner requirements are set by statute in the Oil and Gas Conservation Act at § 34-60-104.3.(1)(c), C.R.S. (Current as of July 1, 2020)

5-minute table talk

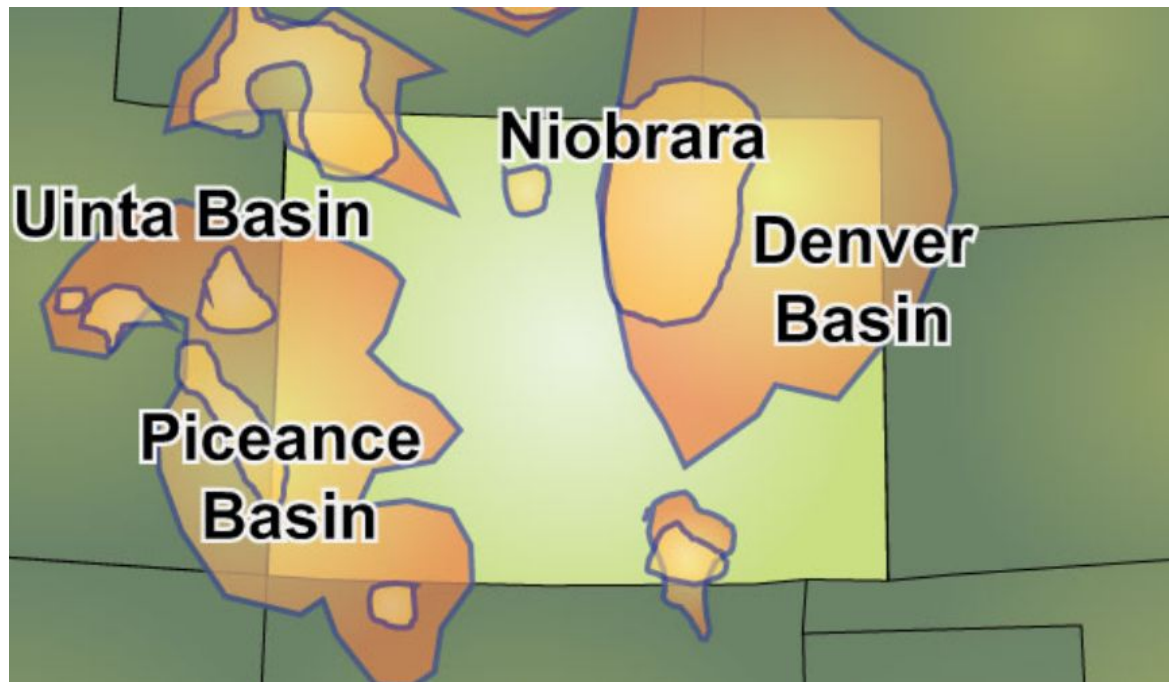
How does your governance structure foster informed decisionmaking? How does it hinder it?



Results of Mission Change



Locations of Basins & Growing Population



2015: 5.54m

2025: 6.01m

Estimates:

2035: 6.8m

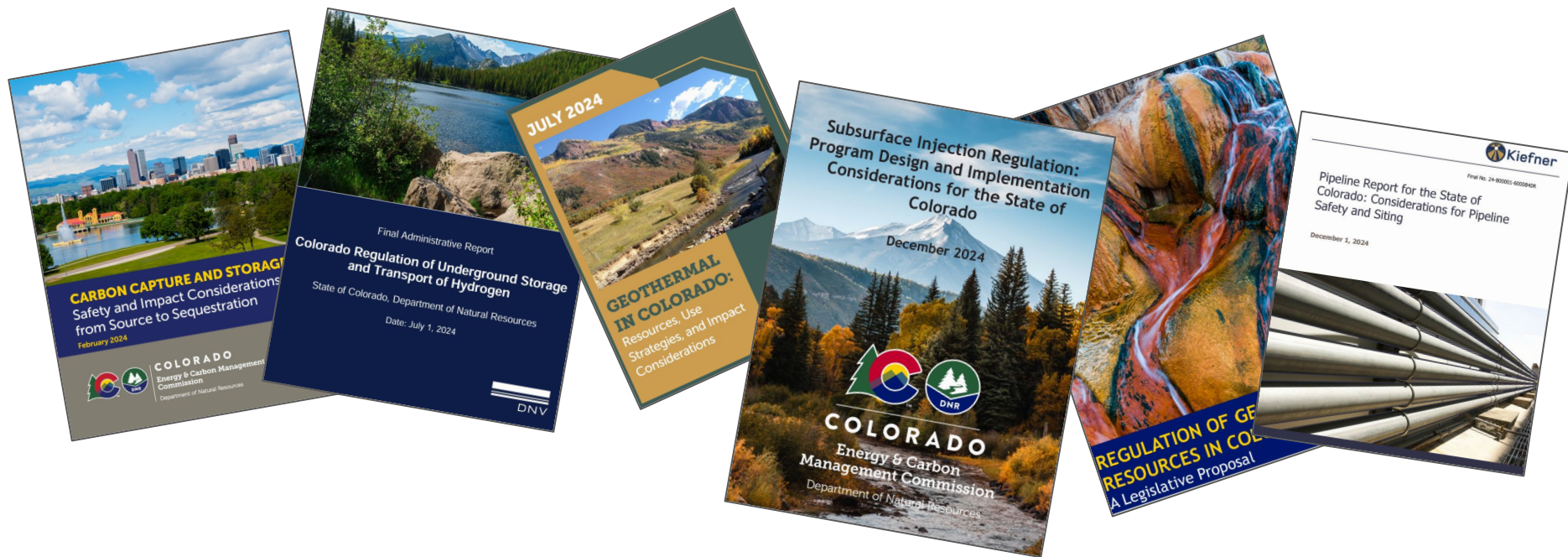
2045: 7.5m

Recent Rulemaking Highlights

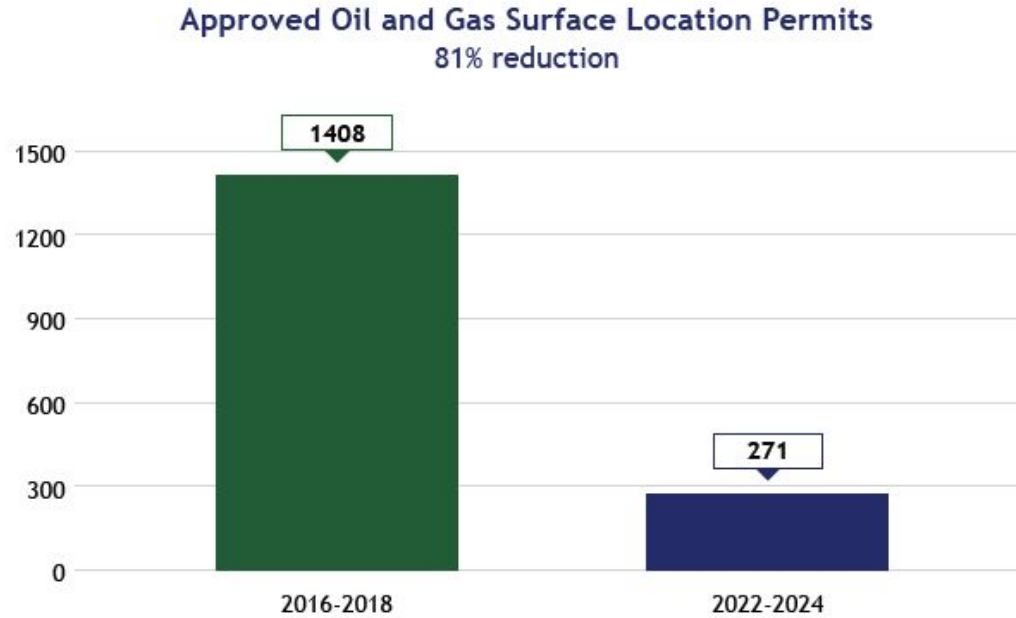
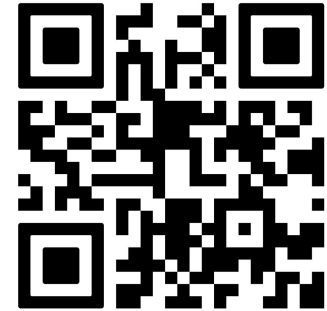
Rulemaking is the formal process by which state agencies create regulations (rules) to implement and interpret statutes, and establish policies and procedures, consistent with rulemaking authority provided to state agencies by the Colorado General Assembly.

- Senate Bill 19-181 - Mission Change
 - 2019 - Flowlines and Hearings
 - 2020 - General Rules, UIC, Environmental, Wildlife Resources
 - 2021 - Financial Assurance
- 2022 - Orphan Well Mitigation Enterprise Fee
- 2023 - High Priority Habitat Map
- 2024 - Class VI, Cumulative Impacts & Enhanced Systems and Practices, Deep Geothermal, High Priority Habitat Map
- 2025 - High Priority Habitat Map, Produced Water

Recent Research Studies



Comparing Pre- and Post-SB19-181



New Rules to Protect Communities

Requirements for Oil and Gas Development within 2,000 feet of RBUs in DI Communities This table provides a summary of technical rules. The complete rules are posted online at ecmc.state.co.us/reg.html#/rules .	Required?	
	Pre-2019	Today
Environmental Justice (EJ) Community Liaisons - dedicated resources for residents		✓
Community Outreach Plan - required for every location		✓
Expanded radius for public notice		✓
Expanded public comment period		✓
Expanded opportunities for community/public engagement		✓
Language translation and interpretive services		✓
EnviroScreen scoring and analysis		✓
Pre-application and post-completeness community meeting		✓
Information regarding outreach to residents, resolution of their concerns, summaries of communications, translation/interpretive services requested, etc		✓
Information regarding attempts to obtain informed consent		✓
Information regarding attempts to execute a community benefit agreement or other direct beneficial impacts		✓

Rules Codify Operator Engagement with Communities

- Required Community Outreach Plan
- Required Pre-Application Community Meeting
- Required Post-Completeness Community Meeting
- Required community engagement through lifecycle of operation
- New Environmental Justice Liaison team has regulatory authority

5-minute table talk

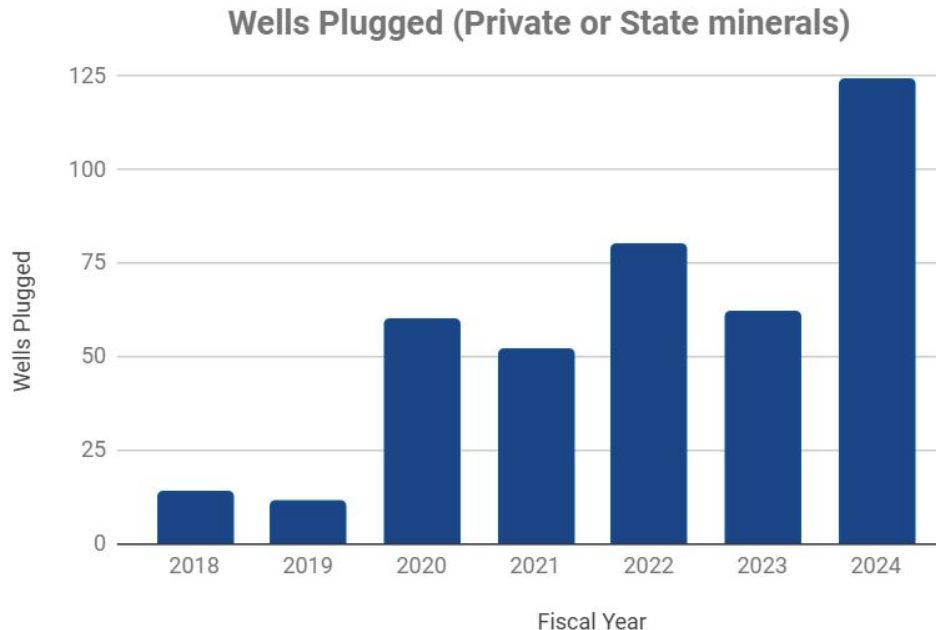
How does your agency
encounter NIMBYism?
BANAAism? How do you
address it?



Orphan Well and Marginal Well Plugging



Plugged Orphan Wells



Fiscal Year	State Minerals	Fee Minerals
2024	9	115
2023	5	57
2022	1	79
2021	1	51
2020	5	55
2019	0	11
2018	2	12

Enterprise Collects Fees to Fund Well Plugging

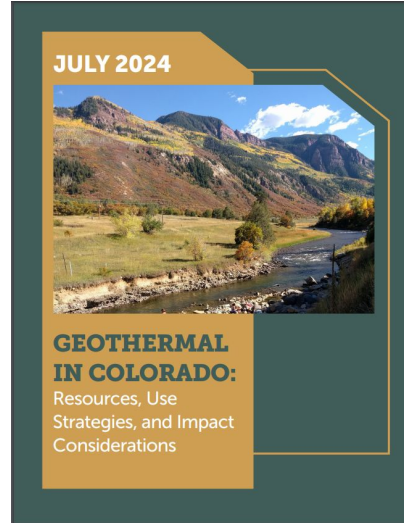
- Orphan Wells Mitigation Fee
 - \$225 per well with average daily production greater than 15 BOE or 22 MCFE
 - \$125 per well with average daily production less than or equal to 15 BOE or 22 MCFE
- Marginal Well Mitigation Fee (HB24-229)
 - \$115 per well
 - ~\$5 million annually to plug marginal wells
- By 2030, Colorado will have devoted \$129 million to plugging wells. **None from state tax dollars.**

New Energy

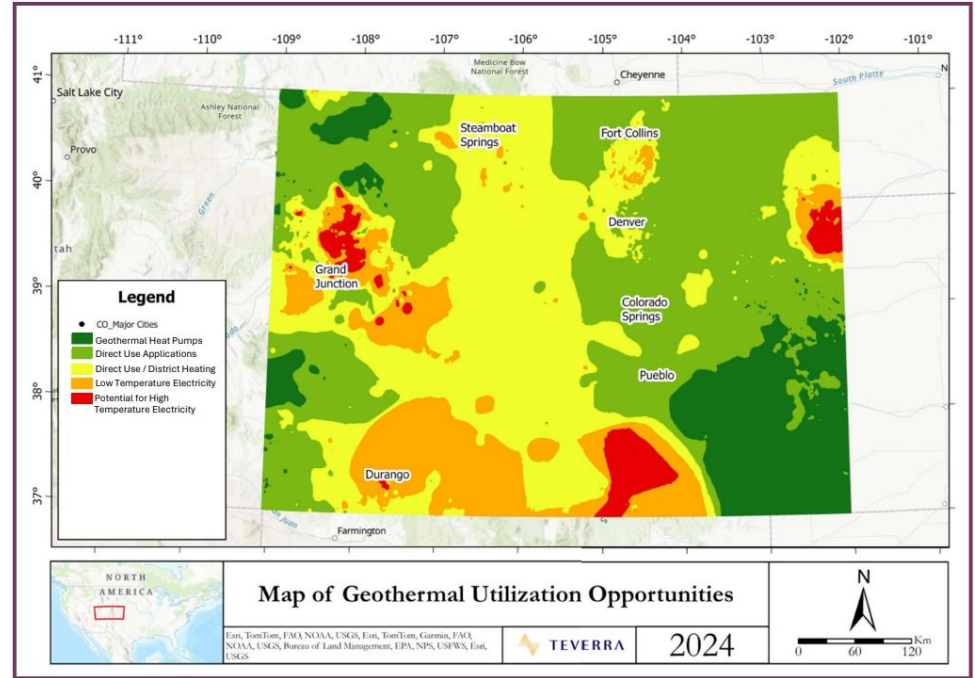


Geothermal: Heat Beneath our Feet

Over the last decade, interest in developing geothermal resources through deep and shallow wells has grown throughout Colorado and the nation



Geothermal: Heat Beneath our Feet



Renewables: Wind, Solar, Battery Storage



5-minute table talk

How does local government permitting/regs support or hinder your leasing success?



Looking ahead: ECMC's support of CO's Climate Goals

- Implementing US DOE Methane Emissions Reduction Program and industry funded marginal well plugging program
- Coordinating with US DOI to plug orphaned wells on federal land
- Collaborating with sister agencies and local governments to support renewable siting
- Implementing US EPA Climate Pollution Reduction Program grant to reduce natural methane seepage
- Collaborating with sister agencies to reduce coal mine methane emissions
- Implementing recommendations from GHG Pollution Reduction Roadmap 2.0

Thank you!



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ECMC

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