

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

IN THE MATTER OF PROPOSED)	CAUSE NO. 1R
CHANGES TO THE RULES AND)	
REGULATIONS OF THE OIL AND GAS)	
CONSERVATION COMMISSION OF THE)	DOCKET NO. 0803-RM-02
STATE OF COLORADO)	

RESPONSE TO STAFF JUNE 18 REVISED DRAFT of the PROPOSED RULES
by M. SUE SHERIDAN JARRETT

COMES NOW, M. Sue Sheridan Jarrett in the referenced rulemaking proceeding as a person granted party status makes the following statement concerning the revised June 18, 2008 proposed "Draft Rules for Oil and Gas Development in Colorado (HB 1298 & HB 1341)" (hereinafter "Draft Rules"). As stated numerous times in my previous filings that I incorporate as if set full herein, I have significant issues with the draft rules as I own land with both surface and mineral interest and surface land that has severed minerals, located within the State of Colorado, in the County of Yuma. I am also a shareholder of the Kitzmiller Grazing Association located in Yuma County Colorado; which has developed mineral interest and has had for decades and has more potential development that may be severely harmed by the proposed rules and regulations. I believe I am directly and adversely affected by a significant part of the Draft Rules.

Per House bill 1379 the commission and the staff are now operating outside the law as the legislature gave until July 16, 2008 for adoption of the rules. The staff concurred that this was ample time and here we are once again in the middle of proceedings that are *ultra vires*.

I continue to object to proceedings that are outside the law and this response is filed under with my previous standing objection to the proceedings and my motion of out of time as if set forth in full herein. I continue to raise the conflict of interest on Harris Sherman and Jim Martin as government appointees. I maintain that the Draft Rules exceed the legislative mandate of HB 1341 and HB 1298 in multiple ways

If staff had truly held valid stakeholder meetings and listened to the stakeholders we would not be having the changing target "draft rules" that we have dealt with for these past many months. Had there been full disclosure of previous drafts and a real willingness to work with industry, local government, and those people most impacted we would not have needed days and days of hearings to make records for further court proceedings. This is a complete waste of government time and taxpayer money to state all along that you expect this in court. If staff had truly put forth a true effort to facilitate the stakeholder process those types of statements would not have been necessary.

While the staff put in a lot of time and there have been a lot of statements about all the efforts of the hours and hours of stakeholder meetings and public meetings as stated in motions

and prehearing statements, I believe it was pretty much a complete waste of taxpayers' time and expense and violates any normal citizens' sense of fairness. I still have major issues with the process that has lead us up to these hearings. The continued lack of staff being able to predict the time line since the beginning of this process should send a loud message to this commission.

Normally you would not wind up with such a burdensome process for a commission to consider let alone one so onerous that the public is overwhelmed by any attempt to participate. I am extremely appalled by the actions that have lead to this rule making and even further appalled that it is being rammed down the landowners and oil and gas industries throat without proper time, consideration and fair due process.

I maintain that the laws passed regarding wildlife issues and assessments required land owner consent and that consent needs highlighted throughout any rule scheme adopted. If the land owner does not consent then DOW has no standing on any proposed oil and/or gas development and I should not have to waste my time addressing the commission. If I as the land owner do not want wildlife assessment for a permit then that is the end of it. As to wildlife concerns, as I stated before and will state again I believe all wildlife rules should be based on actual studies and science for each region not just arbitrary criteria to stop production and development. Staff and DOW along with other groups failed to prove timing limitations are necessary and that there had been harm to wildlife species. I believe there is a lack of need for wildlife timing limitations as I have seen no documented studies to prove otherwise.

After hours of testimony and pages of exhibits it still appears there has been no detrimental impact of oil and gas exploration on wildlife nor has there been shown that these activities are directly or indirectly responsible for the reduction in wildlife population of any species in our region. All I got was we need more and more studies and without those studies and proof of harm there is no legal basis for these rules. In fact we have studies and testimony that wildlife thrives along development. DOW has stated they were not given funds and employees to meet the requirements to fulfill all the consultations these new rules may require.

Mr. Sherman and Mr. Martin will be the key people enforcing the rules and regulations that are adopted and will be able to pick and chose what they consider to be the issues they want enforcement on. I have already had numerous problems with their respective departments in trying to resolve a pipeline disaster on my land. Lack of inspection and enforcement are already major issues and we are adding more rules and regulations, how will they ever meet this new burden.

Furthermore I believe the rules should allow expedited processing for permit applications that use the most advanced drilling technology, and that have a history of proper reclamation and minimal impacts to surface area with plowed in flow lines. Bad actor companies cause harm for good actors and it is time the state took the bad actors to task without imposing on the good actors. This should be dealt with on a complaint by complaint basis and not overreaction by over zealous activist or inspectors. Complaints should have immediate responses and inspections by the departments not put off until the problem has been covered up.

We are in a situation where our country is promoting energy independence and we need all the resources we can reasonably develop to reach that goal. While I am personally a supporter of some of the renewable energy sources to help achieve energy independence, I can say that a wind tower in the area I live in could and has been shown to create as much surface damage and harm to wildlife, if not more, as the drilling of a gas well.

I, M. Sue Sheridan Jarrett states, as a general matter, that the Draft Rules raise serious concerns which will result in violation of contractual surface use agreements, ability to lease minerals, with other potential contractual impairments. Other potential issues include without limitation: equal opportunity for all stakeholders to address the commission without unnecessary burden (ie hearings in all parts of the state not just the west slope and Denver); equal protection with respect to the unique burden being imposed to mineral development activities; retroactive application; taking of private property rights; substantive and procedural due process; improper delegation of authority; federal and local preemption; and exceeding statutory authority (*ultra vires*). It is my belief that the agency does not enforce the rules and regulations currently in place and to broaden them to the degree proposed is an unnecessary burden on the industry and may interfere with the ability for parties to enforce contractual agreements.

Attach is a petition opposing any further proceedings – ultra vires

Respectfully submitted this 30th day of July , 2008:

By: 

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing **RESPONSE BY M. SUE SHERIDAN JARRETT** was served on July 30, 2008, as follows:

Original and 15 copies delivered to:

- 1) Patricia Beaver, Hearing Manager
Docket No. 0803-RM-02
Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado, 80203;

Two hard copies delivered to:

- 2) Kelly Rees, Colorado Department of Law
1525 Sherman Street, 5th Floor,
Denver, Colorado, 80203

with an electronic copy sent to:

Commission Marc.fine@state.co.us
Department of Law Kelly.rees@state.co.us

All other parties listed on the "party list" by email
(http://cogcc.state.co.us/RuleMaking/Party_List.pdf)



BEFORE THE OIL AND GAS CONSERVATION COMMISSION

STATE OF COLORADO

**IN THE MATTER OF CHANGES TO THE)
RULES AND REGULATIONS OF THE OIL)**

Cause No. 1R

**AND GAS CONSERVATION COMMISSION)
OF THE STATE OF COLORADO)**

DOCKET NO. 0803-RM-02

Petition opposing new Oil and Gas Rules

Many of Our Rural Counties benefits greatly from the oil and gas industry through local employment either directly through gas companies or through creation of smaller support businesses that contract with energy developers. In addition to providing numerous jobs the industry also purchases a vast amount of goods and services promoting economic growth in the rural communities. Impact of the Draft rules could negatively affect the economy of our Rural Counties by making energy development even less competitive than other regions of the nation.

The Oil & Gas Industry provides significant State and County Tax Assessment which is a significant contribution to our counties and State. Any decrease in the tax base of our rural counties would cause serious harm to our schools, hospitals, the economy and the welfare of our citizens. We believe that the Pre-Draft Rules will have a direct and indirect negative impact on future development and production of gas wells in our community while providing little to no benefit to the health, safety and wellbeing to the citizens.

We believe the Pre-Draft Rules impose a "Takings" by the Commission on the private property owners by dictating how and where the exploration and development of Oil & Gas will occur on their Private Property.

The Pre-Draft rules set up a very cumbersome regime of multi-agency interference and oversight of activities being conducted on "Private Property", thus, diminishing the potential value of the property as well as creating undue cost and expense to the Land Owner and Operator when a contractual agreement has been mutually agreed to by both parties. The proposed Rules circumvent and even negate the agreements that the Surface Owner and Operator might have negotiated as to ingress/egress routes, facility placement, pipeline routes and production structures, not to mention the Multi-State Agencies interjecting their restrictions, objections and even a request for denial to the Director.

We are extremely concerned that the Division of Wildlife [DOW] has any input on the exploration and development of oil and gas in Colorado. We believe that the wildlife population in Colorado has grown and actually thrived right along with the exploration and development of Natural gas. To our knowledge, there are no proven detrimental impacts from oil and gas exploration on wildlife in Colorado. To mandate time restriction or impose restricted surface

occupancy areas within Colorado will stifle oil and gas development and operations causing a direct impact on the economic stability of our State.

Based on the context of the Pre-Draft Rules a substantial amount of the proposed language appears to be drafted and relevant to issues and concerns associated with the Western Slope and other areas of the State other than the Eastern Plains of Colorado. The "One-Size" fits all approach taken by the Commission and reflected in the Pre-Draft Rules fail to take into account the vast differences between Oil & Gas Development and production on the Western Slope and that of the Eastern Plains

We feel that the proposed Pre-Draft Rules will add additional expenses to existing wells and new wells to be drilled, which will make drilling new wells uneconomic, and existing wells less economic thereby causing them to be plugged earlier than current existing economics. This will then impact the Rural Counties by having a detrimental Impact on our economic stability.

We believe that the COGCC is denying the Citizens of Colorado their Due-Process by refusing to hold adequate hearings though out the state in those regions that will be most affected by the Pre-Draft Rules. And that these proceedings are on a fast track by the COGCC to the detriment of the industry and the rural communities that rely on gas and oil development for part of their economic stability.

We believe the existing Pre-Draft Rules and new changes still fail drastically in recognizing, differentiating and addressing the significant differences between the issues, concerns and "Private" Property rights of various Colorado regions and oppose the adoption of the new proposed rules as the state oil and gas commission failed to reach adoption of any new rules by the legislated mandate of July 16, 2008. We believe the commission is out of time and operating outside of the law - *ULTRA VIRES!*

Sara Bledsoe
07/19/08

By our signature we acknowledge that we have read and agree with the attached petition.

Signed

Print Name

Occupation/ County

Steve Tammitt	M. Sue Jarrett	Rancher / Yuma
Patti Jo Haynes	Patti Jo Haynes	Rancher / Phillips
Loren Hendrix	Loren Hendrix	Rancher / Yuma
R. Jay Jolly	R. Jay Jolly	Rancher / Lincoln
Cheryl B. Bledsoe	Hilary Ho Bledsoe	Rancher - Cheyenne
Kimmi Lewis	Kimmi Lewis	Rancher / Las Animas - Bent & Otero Counties
Mike Cacciarate	MIKE CACCARATE	Wrestler / Do. Spr.
R. Wayne Ruster	R. Wayne Ruster	Rancher / Crowley
David Schaffner	David Schaffner	Businessman / Wray
Harry Thompson	Harry Thompson	Farmer - Morgan
Curt Werner	Curt Werner	Rancher - Washington
Tom Hendrix	Tom Hendrix	- Ranch - Yuma
Dale L. Haynes	Dale L. Haynes	Farmer/Rancher Phillips Co
Randy J. Haynes	Randy J. Haynes	Ranch / Hotchkiss
Douglas J. Jolly	Douglas J. Jolly	Rancher / Hugo
John Reid	John Reid	Rancher / Otero
John Maulsby	JOHN MAULSBY	Rancher / Weld
Phil Hendrix	Phil Hendrix	Electrician / Yuma
Koye Lynn Hendrix	Koye Lynn Hendrix	Secretary / Yuma
Gerald Schreiber	Gerald Schreiber	Dring Farming
Gerald Schreiber	Gerald Schreiber	Rancher - cow/calf

