

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

**IN THE MATTER OF CHANGES TO THE RULES AND REGULATIONS OF THE OIL
AND GAS CONSERVATION COMMISSION OF THE STATE OF COLORADO**

**CAUSE NO. 1R
DOCKET NO 0803-RM-02**

CITY OF GRAND JUNCTION REBUTTAL STATEMENT

The City of Grand Junction (“Grand Junction” or “City”) a Colorado Municipal Corporation, for its Rebuttal Statement for the Matter of Changes to the Rules and Regulations of the Oil and Gas Conservation Commission of the State of Colorado, states as follows:

The City continues to generally support the proposed rule changes to 317B. Grand Junction fully supports changes that provide protective measures for surface water drinking supply areas. These recommended changes, as described in Grand Junction’s Final Prehearing Statement, are:

- A requirement that municipal water suppliers be notified when oil and/or gas operations are proposed for development on lands that serve as sources of drinking water supply.
- Ensuring local source water regulations are and remain fully applicable and are not preempted either expressly or by implication by COGCC rules.
- Supporting the use of pitless drilling systems in Colorado Department of Public Health and Environment-designated surface water drinking supply areas.
- Endorsing the use of non-toxic fluids only for hydraulic fracturing in surface water drinking supply areas.
- Requiring operators be required to pay for additional State or third-party monitoring to ensure compliance with COGCC and local rules.
- Requiring clear enforcement mechanisms and remediation measures if post-drilling water samples reveal contamination of source waters.

The recommendations stated above are already part of an industry and Bureau of Land Management-supported watershed plan adopted in the Palisade and Grand Junction watershed (see Genesis Plan for Oil and Gas Development in the Palisade and Grand Junction Watershed).

The need to protect Colorado’s water supplies is crucial. Safe drinking water is an essential resource. Quality drinking water resources are limited and the potential risks and hardships to a water system in the event of contamination are very costly.

Grand Junction's 2006 Drinking Water Consumer Confidence Report conservatively calculated the replacement value of the City's water supply to be \$183,915,000. The protection of drinking water supply resources is essential.

Respectfully submitted this 28th day of May 2008.

OFFICE OF THE CITY ATTORNEY

John P. Shaver, City Attorney #16594
City of Grand Junction
250 N. 5th Street
Grand Junction, Colorado 81501
970-244-1501

CERTIFICATE OF SERVICE

I hereby certify that an original and fifteen (15) true and correct copies of the attached City of Grand Junction Preliminary Prehearing Statement were served overnight delivery on the 28th day of May and filed with the Colorado Oil and Gas Conservation Commission as follows:

Patricia Beaver, Hearing Manager
Docket No. 0803-RM-02
Oil and gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, CO 80203

and further certify that two (2) true and correct copies of said statement were also served by overnight delivery on the 28th day of May, 2008 to the Department of Law, as follows:

Kelly Rees
Colorado Department of Law
1525 Sherman Street, 7th Floor
Denver, Colorado 80203

and also certify that an electronic copy of said statement was delivered to:
marc.fine@state.co.us and to all parties of record

Eileen B. List