ELBERT COUNTY GOVERNMENT

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STAFF SUMMARY
For
BOCC MEETING PRESENTATION

Date of Presentation: 10 OCT 2018

Staff Lead: Sam Albrecht

Departments and Offices Affected: ALL

Topic: Consideration of Resolution Opposing Proposition 112
Agenda Item #: AI, 3

1. Purpose: To consider a resolution opposing a statewide ballot measure that would increase oil and gas drilling setbacks.

2. Background: Currently the state requires drilling setbacks of 500' from most structures and 1000' from schools/hospitals, etc. Proposition112 would increase this setback to 2500' from all occupied structures and "vulnerable areas".

3. Key Points:

Key Point 1: Colorado Revised Statute 1-45-117 confirms the authority of Boards of County Commissioners to pass resolutions or take positions of advocacy regarding state-wide ballot issues.

Key Point 2: There are currently 67 wells producing oil and gas throughout Elbert County and these existing wells have produced 329,333 barrels of oil and 1,545,226 MCF of gas over the past 10 years and have produced annual revenues to the county that vary from $8,000 to over $20,000 depending on changing oil prices and quantities produced.

Key Point 3: The current county production described above is in areas where Proposition 112 would bar new exploration.

Key Point 4: Elbert County in experiencing nascent oil and gas exploration that could result in a tremendous economic boost to both mineral property owners and the citizens of Elbert county as a whole in areas that Proposition 112 would bar from exploration; and

Key Point 5: The Colorado Oil and Gas Association has conducted analysis that indicates that passage of Proposition 112 could result in approximately 98.6% of land within Elbert County being barred from potential oil and gas production; and

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Key Point 6: Proposition 112 is a one—size-fits-all, blunt instrument that would create a defacto ban on oil and gas production in counties such as Elbert that embrace responsible energy development without any likely increase to the health or safety of residents.

4. Impact on County:

a. **Fiscal:** N/A
b. **Services:** N/A
c. **Infrastructure:** N/A

5. BOCC Action Required: Discuss and consider adopting the proposed draft resolution.

6. Required Decision Date: N/A

7. Enclosure: Resolution 18-XX: A Resolution of the Board of County Commissioners of Elbert County, Colorado Opposing Proposition 112.

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