

PROPOSITION 112

Setback Requirements for Oil & Gas Development

Summary

This statutory initiative would alter how far away oil and gas development activities can be from occupied structures or vulnerable areas. “Vulnerable areas” are defined in the measure with examples, including playgrounds, public open spaces, public drinking sources, other areas of water, and anything designated as such by a state or local government. Currently, setback requirements are 500 feet from a home or occupied building and 1,000 feet from a high-occupancy building, like schools, health care facilities, or neighborhoods with at least 22 homes. This measure would increase the distance for all buildings and vulnerable areas to at least 2,500 feet.

Vulnerable areas, as defined in the measure, expands the areas that qualify for a setback, as the current definition in law cannot be changed by local governments and mostly only deal with various occupied buildings, like schools, homes, and hospitals. The measure wouldn’t impact existing oil and gas activities or any development on federal lands. New development on state land would be affected if this measure passes.

Research

Current setbacks, 500 feet, prohibit development on about 18 acres surrounding a structure, while a 1,000-foot setback prohibits development on about 72 acres. A 2,500-foot setback would extend that range to about 450 acres surrounding a building.

The 2,500-foot setback is [informed by research](#) done in [Colorado](#), Ohio, and Pennsylvania. These studies find certain illnesses and dangers from oil and gas pollution are more prevalent within a one-half mile radius of oil and gas development. Many advocates have adopted a one-half mile radius standard, despite some studies showing dangers to people from oil and gas activity even further away. The dangers can include, but aren’t limited to, asthma and other respiratory diseases, cancers, and low birth weights for newborns.

There are numerous studies on the health effects of oil and gas development, but for many advocates, these studies inform the approach to setbacks in Colorado. Furthermore, because the setback would encompass waterways and other natural resources, the dangers from spills and other possible intrusions would be substantially mitigated. Compared to 2016, oil spills in Colorado increased in 2017. Oil and gas companies reported 619 spills in 2017, a 17 percent increase. More than 93,000 gallons of oil spilled and 506,000 gallons of “produced water” spilled. Produced water is waste from drilling and hydraulic fracturing (“fracking”).

While there would be no immediate fiscal impact from this measure as it doesn’t affect existing development, state revenue would likely decrease in the long run due to a decrease in severance taxes, property taxes, and other revenues derived from oil and gas development.

Federal lands — Colorado is 36 percent federal land — wouldn’t be covered by this initiative. That said, [analysis by the Colorado Oil and Gas Conservation Commission](#) (COGCC) shows nearly 85 percent of non-federal lands in Colorado would become off limits to new oil and gas development under this measure as a result of 2,500-foot buffers across the state. Most of the available land would be in the sparsely populated Eastern Plains, says COGCC. However, its analysis doesn’t examine the minerals that would be extracted, and given the prevalence of long-range fracking technology, that’s an important caveat. Therefore, it’s somewhat incomplete. A recently released [independent study released by the Colorado School of Mines](#) came to a vastly different conclusion. That study found that only 58 percent of the minerals would be off limits due to the measure, due to the technological ability to access minerals far away from the well head.

Arguments For

- Oil and gas development can be dangerous in both the short and long term. As seen in the Firestone explosion in 2017, oil and gas wells pose a significant danger to people within a short distance. This setback requirement would substantially reduce the possibility of people being hurt or killed in the event of an explosion.
- With the lack of transparency from oil and gas companies, it's hard to know the safety measures being taken. As a result, Coloradans should take precautions to ensure they're safe from any type of malfunction.
- There are many unknown dangers from chemicals used before, during, and after oil and gas development. Even as Colorado has a strong rule regulating the amount of methane leaked from development, it inevitably does occur and that poses a danger, especially to the most vulnerable populations, such as pregnant women and infants. Chemicals used in the process of extracting oil and gas also pose hazards to water sources and agriculture near wells. This setback would better protect our resources and people from harm.

Proponents

Colorado Rising, funded through 350.org and Food and Water Watch, Sierra Club and Colorado People's Alliance.

Arguments Against

- Oil and gas are a significant part of Colorado's economy. It provides good-paying jobs, energy security for the country, and revenue for the state and local governments. Reducing the availability of land for oil and gas development by more than sixfold would put an enormous dent in Colorado's energy economy.
- These setback requirements are nothing more than an attempt to kneecap the oil and gas industry. They are arbitrary and set without the input from industry or mineral rights owners, who stand to lose significantly if this initiative is approved.
- The current requirements were put in place through a collaborative process relying on technical expertise. Current law allows modifications by COGCC if the understanding of hazards or dangers change. That's where the process should remain.

Opponents

Through Protect Colorado, the oil and gas industry is pouring money into the campaign to oppose.

Recommendation: No Position

This proposal doesn't fall within the Bell's mission to promote economic mobility. While it does address health concerns and could have a potential effect on economic growth and jobs, it deals with topics where we have limited expertise. We acknowledge the benefits of this measure on health, but also acknowledge the potential effects on jobs and economic growth. Therefore, we recommend a neutral position.