

There is no conflict of interest in the concept of the COGCC fostering oil and gas mineral development in a safe manner while protecting public health.

The IOGCC (Interstate Oil and Gas Compact Commission) was established by six producing states in 1935 and authorized by a vote of Congress. Nearly every state in the Nation now participates in the compact.

The Compact's Mission Statement

The Interstate Oil and Gas Compact Commission is a multi-state government agency that promotes the conservation and efficient recovery of domestic oil and natural gas resources while protecting health, safety and the environment.

One of the duties undertaken by the Compact was to establish a model act which each State uses to craft its own.

The Model Act's Declaration of Purpose

Because of the economic and strategic importance of oil and gas, the prevention of waste of oil and gas, the promotion of oil and gas conservation, and the protection of correlative rights, public health, public safety, and the environment are declared to be in the public interest. Accordingly, the purpose of this Act is the prevention of waste, the promotion of conservation, and the protection of correlative rights, public health, public safety, and the environment.

These concepts are not in conflict with each other, they are in concert with each other.

Colorado will be the only state in the compact that forsakes these concepts if this bill becomes law.

If the Commission has the mission of fostering development taken from it, why not just disband it, and defund it. Because if this bill becomes law the commission's purpose will be to deny permits.

If this bill becomes law waste and correlative rights are redefined in a way that relieves the state of the financial burden of compensating a mineral owner when the state determines that their minerals should not be developed. That is a taking.

Members of NARO were assured that legislators in the house would work with the sponsors of the bill to revise it so this would not happen. In the amended version, with the addition of language pertaining to correlative rights it got much worse.

Now, with this language not only will a mineral owner have his private property taken from him, but all of his neighbors whose land also overlies the mineral pool will have their minerals taken. A mineral pool potentially worth tens or hundreds of millions of dollars will have been effectively condemned by regulatory whim. That is a taking.

If this bill becomes law there will be no regulatory certainty for industry. Without regulatory certainty industry will not explore, will not negotiate leases, will not pay land bonuses, will not apply for permits to drill.

Today others will speak to the issue of the makeup of the commission. But if this bill becomes law, what commission?

Respectfully,

Neil Ray
Past President, National Association of Royalty Owners Rockies Chapter