

Oil & Gas Industry being a Good Neighbor: Getting a License to Operate Through Proactive Community Engagement

By Wyatt Lindsey and Jim Crompton

In the DJ Basin in Colorado, there has been a collision of industry activities and community development due to the “mini-boom” of O&G development, stemming from hydraulic fracking of the Niobrara Formation and the growing population along the Front Range. This led to a decrease in public support for industry permits starting around 2013 and an increase in operational notification requirements (Turkewitz 2018 & MacKenzie 2016). By 2013, the Front Range communities were pushing for more local control and enacting local bans of operations on O&G development to address distributive injustice and differing vulnerabilities (Turkewitz 2018 & McKenzie). 2019 saw the passage of SB-181 which made a big difference in the permitting process for O&G to emphasize public health, safety, and welfare. Over the next two-year period, the state experienced a significant restructuring of its O&G regulations and regulatory bodies (Jaffe 2022).

After the O&G industry was challenged by regulatory agencies and environmental activists that many traditional practices were no longer going to be accepted, operators had to make a greater effort towards new forms of proactive community and local government engagement to prevent permit delays and operational downtime. At first, there were simple additions such as being required to send notifications of operations to relevant stakeholders and making themselves available to answer questions and concerns. While these additions of engagement were required by the Governor’s Task Force, operators in Colorado started to realize that “going above and beyond” with community engagement could build or rebuild trust when incidents happened. This engagement helps identify what level of transparency is required with respect to O&G operations in communities to reduce

operational, regulatory, and community risks and misperceptions. Regression models produced by Mayer and Malin (2018) demonstrated that trust in O&G is a key variable for local acceptance, making it a key factor in O&G development. A way to build trust with communities is to proactively communicate to understand, listen, and respond to concerns about drilling and production operations. Being proactive is important to combat the view of O&G taking reactive approaches to societal concerns and build early relationships to bring about mutually beneficial relationships.

Community voice and local community governments in Colorado hold an important seat in O&G regulation for operations and site approval. This has led to an increased need for developing relationships in local areas of operations with relevant stakeholders. O&G operators have increased stakeholder engagement by participating in proactive and continued communication with relevant stakeholders, which has led to positive unintended outcomes for operators, communities, and O&G regulators. The reason for increased engagement is that there are many actors who are directly or indirectly impacted by O&G so it is imperative to know how to communicate and address relevant stakeholders for implementing best practices. To do this, a company must understand the participants involved which can be accomplished through continued stakeholder engagement and open communication. Operators, trade groups, elected officials, and regulatory agencies in Colorado have shown how making accommodations in O&G operations to facility design and operational practices can help gain acceptance into the community by addressing the community's concerns and perceptions. Many of these accommodations were not big changes either such as changes in truck scheduling to have different times than local school bus systems or agreeing to active operations within a community-approved time. When the operator upheld these accommodations, the community was more accepting and forgiving of the day-to-day operations of O&G development in their community.

O&G operators based in Colorado are going above and beyond what is expected, not because it is required, but because it is the right thing to do. As an industry, it seems information and opportunities for communities to learn, ask questions, and provide feedback about ongoing or future O&G operations are increasing in Colorado. Operators make time to meet with community members in their homes one-on-one because operators believe people feel better about their individual concerns. In Colorado, O&G operators are willing to be “knocking on the doors” to involve stakeholders of the community and make themselves a resource, a “good neighbor” policy if you will. A positive outcome from operators making themselves a resource is that it gets “rid of the middleman” to reduce regulatory responsibilities, provide quicker response times, and has helped O&G gain or regain trust. Operators expressed enthusiasm when discussing direct contact by communities as it can reduce the number of overall complaints and prevents pushback from the local communities by providing the necessary resources in a timely manner. Reducing the number of complaints that the regulatory agencies might receive provides time back to the agencies to do other tasks, such as permit reviewing or processing. Providing the opportunity to reach O&G operators is beneficial to community members who felt that complaints filed with the state had insufficient response times or felt the complainant was not addressed, they now have the opportunity to get in touch with those directly involved. When operators make themselves a resource it helps community members deliver concerns to those who can address the issues of the complaint and those responsible, putting more emphasis on finding a solution.

Beyond public engagement, there is the need for an online presence due to the increasing role of social media, the push for transparency, and the reduction of participation at community meetings, which is forcing O&G more into the digital world. An online presence gives more voice to common members of society to take part in oil and gas regulation through comments and feedback opportunities publicly. Having an online presence helps show transparency and provides resources to those not directly involved with operation policy processes and operational progress. Industry, regulation, and communities, all agreed on the need for an online presence but also the online resources need to be accessible and understandable for everyday citizens. O&G needs to ditch technical jargon and speak plain English in these conversations and web spaces. Another reason that an online presence is needed for communities is due to the complexity of “overlapping” responsibilities and jurisdictions. The online information allows community members to identify their point of contact to address their own concerns about O&G development in their area.

Citations

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