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In Colorado, Local Governments Test Their Oil Drilling-Regulating Limits.

City leaders on Tuesday approved a set of oil and gas regulations that exceed what the state requires of energy-extraction firms, setting the stage for potential legal challenges as tensions between Front Range communities and drilling companies mount.

Thornton's new rules, which the city has been working on for more than a year, establish a 750-foot buffer between wells and homes, more than the 500-foot setback required by the state. They also go tougher on abandoned flowlines than rules from the Colorado Oil and Gas Conservation Commission stipulate.

Thornton also would require operators to maintain \$5 million in general liability insurance for property damage and bodily injury, while the state requires only \$1 million in insurance coverage.

Councilman Joshua Zygielbaum called the new rules a reasonable balance between encouraging economic development in Thornton and protecting citizens' health and welfare.

The final vote was 7-2. There was no public comment taken on the issue.

"I hope the oil industry sees the flexibility of these regulations and can meet us at the table," Zygielbaum said.

But two council members voted against the rules, with Mayor Heidi Williams warning her colleagues that "we have opened ourselves up for a lawsuit."

Councilwoman Jan Kulmann said "we've overstepped in some areas" and "put ourselves at risk for no reason," especially because no drilling permits have been issued in Thornton for at least a decade.

The new rules immediately prompted negative reaction from the industry. Colorado Oil and Gas Association president Dan Haley called some of Thornton's regulations illegal and said the city disregarded a warning from the COGCC not to contravene state rules.

Local control over oil and gas development has been a fiery topic lately, with cities and counties across the metro area trying to put tighter controls on operations. The issue of safety around drilling in populated areas took on a critical tone this spring when gas seeping from a cut-off underground pipeline led to a home explosion in Firestone that killed two and injured one.

But efforts by several Colorado cities to outright ban drilling near homes repeatedly have failed when challenged in court, including a ruling from the Colorado Supreme Court last year that said oil and gas bans are not the purview of local government.

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