First Regular Session Seventy-fourth General Assembly STATE OF COLORADO

PREAMENDED

This Unofficial Version Includes Committee Amendments Not Yet Adopted on Second Reading

LLS NO. 23-0772.01 Richard Sweetman x4333

SENATE BILL 23-186

SENATE SPONSORSHIP

Pelton R. and Winter F., Bridges, Buckner, Coleman, Cutter, Danielson, Exum, Fields, Hansen, Hinrichsen, Jaquez Lewis, Marchman, Priola, Will

HOUSE SPONSORSHIP

Winter T. and Willford,

Senate Committees

Transportation & Energy Appropriations

House Committees

Energy & Environment Appropriations

A BILL FOR AN ACT

101	CONCERNING METHANE SEEPAGE IN THE RATON BASIN OF COLORADO
102	AND, IN CONNECTION THEREWITH, REQUIRING THE COLORADO
103	OIL AND GAS CONSERVATION COMMISSION TO COMPLETE A
104	STUDY AND MAKING AN APPROPRIATION.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov.)

The bill requires the Colorado oil and gas conservation commission (commission), in consultation with local governments, to perform a study that:

SENATE 3rd Reading Unamended April 10, 2023

SENATE Amended 2nd Reading April 6, 2023

- Recognizes best management practices for capturing methane seepage in the Raton basin;
- Confirms the high quality of water resulting from such methane capture operations; and
- Confirms the high potential to preserve and make beneficial use of such water.

The commission must complete the study and submit it to legislative committees of reference by December 1, 2023.

The bill also requires the commission to implement a regulatory category for methane recovery in the Raton basin, which category includes consideration of enforcement, financial assurance, flow lines, forms, operator guidance, orphan well programs, rules, and policies and allows for beneficial uses deemed prudent by local governments.

	Be it enacted by the General Assembly of the State of Colorado:
)	
,	SECTION 1. In Colorado Revised Statutes, add 34-60-134
ļ	as follows:
;	34-60-134. Methane seepage in Raton basin - study of best
)	management practices and water quality required - repeal. (1) THE
,	COMMISSION AND THE WATER QUALITY CONTROL DIVISION IN THE
3	DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, IN CONSULTATION
)	WITH LOCAL GOVERNMENTS, SHALL PERFORM A STUDY THAT:
)	(a) <u>IDENTIFIES</u> BEST MANAGEMENT PRACTICES FOR CAPTURING
	METHANE SEEPAGE IN THE RATON BASIN OF SOUTHERN COLORADO;
	(b) EVALUATES THE QUALITY OF WATER RESULTING FROM SUCH
	METHANE CAPTURE OPERATIONS; AND
	(c) <u>Evaluates the</u> potential to preserve and make
	BENEFICIAL USE OF SUCH WATER.
	(2) The primary objectives of the study described in
	SUBSECTION (1) OF THIS SECTION ARE TO:
	(a) Proactively and systematically locate and survey

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1	METHANE GAS SEEPAGE IN THE KATON BASIN;
2	(b) DOCUMENT PREVIOUS AREAS OF SEEPAGE;
3	(c) CALCULATE ANY DIFFERENCES IN SEEPAGE AMOUNTS; AND
4	(d) Assess the potential for methane to create hazardous
5	CONDITIONS.
6	(3) The study described in subsection (1) of this section
7	MUST INCLUDE:
8	(a) A SURVEY TO IDENTIFY SUSPECTED SEEPAGE AREAS,
9	PREVIOUS SEEPAGE AREAS, AND INCREASES OR DECREASES IN SEEPAGE;
10	(b) DETAILED MAPPING OF SUSPECTED SEEPAGE AREAS;
11	(c) SAMPLING AND ANALYSIS OF GAS COLLECTED FROM SELECTED
12	SEEPAGE AREAS; AND
13	(d) SAMPLING AND ANALYSIS OF WATER FROM SELECTED WATER
14	WELLS AND METHANE CAPTURE WELLS IN THE RATON BASIN.
15	(4) IN PERFORMING THE STUDY DESCRIBED IN SUBSECTION (1) OF
16	THIS SECTION, THE COMMISSION AND THE WATER QUALITY CONTROL
17	DIVISION SHALL COORDINATE WITH:
18	(a) The Colorado energy office created in section
19	<u>24-38.5-101;</u>
20	(b) The division of water resources created in the
21	DEPARTMENT OF NATURAL RESOURCES PURSUANT TO SECTION 24-1-124;
22	(c) THE DIVISION OF MINING, RECLAMATION, AND SAFETY IN THE
23	DEPARTMENT OF NATURAL RESOURCES PURSUANT TO SECTION 34-20-103;
24	(d) The division of parks and wildlife created in the
25	DEPARTMENT OF NATURAL RESOURCES PURSUANT TO SECTION 33-9-104;
26	AND
27	(e) THE BOARDS OF COUNTY COMMISSIONERS IN LAS ANIMAS AND

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I	<u>HUERFANO COUNTIES.</u>
2	(5) The commission, in consultation with local
3	GOVERNMENTS, SHALL COMPLETE THE STUDY DESCRIBED IN SUBSECTION
4	(1) OF THIS SECTION AND SUBMIT THE STUDY TO THE AGRICULTURE,
5	WATER, AND NATURAL RESOURCES COMMITTEE OF THE HOUSE OF
6	REPRESENTATIVES AND THE AGRICULTURE AND NATURAL RESOURCES
7	COMMITTEE OF THE SENATE, OR TO ANY SUCCESSOR COMMITTEES, ON OR
8	BEFORE JUNE 30, 2025.
9	$(\underline{6})$ This section is repealed, effective July 1, 2025.
10	
11	SECTION 2. Appropriation. For the 2023-24 state fiscal year,
12	\$424,500 is appropriated to the department of natural resources for use
13	by the oil and gas conservation commission. This appropriation is from
14	the oil and gas conservation and environmental response fund created in
15	section 34-60-122 (5), C.R.S. To implement this act, the commission may
16	use this appropriation for program costs.
17	SECTION 3. Act subject to petition - effective date. This act
18	takes effect at 12:01 a.m. on the day following the expiration of the
19	ninety-day period after final adjournment of the general assembly; except
20	that, if a referendum petition is filed pursuant to section 1 (3) of article V
21	of the state constitution against this act or an item, section, or part of this
22	act within such period, then the act, item, section, or part will not take
23	effect unless approved by the people at the general election to be held in
24	November 2024 and, in such case, will take effect on the date of the
25	official declaration of the vote thereon by the governor.

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