

**First Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

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

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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:

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

HOUSE
3rd Reading Unamended
May 6, 2023

HOUSE
Amended 2nd Reading
May 4, 2023

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.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2

3 **SECTION 1.** In Colorado Revised Statutes, **add 34-60-134**

4 as follows:

5 **34-60-134. Methane seepage in Raton basin - study of best**

6 **management practices and water quality required - repeal.** (1) **THE**

7 COMMISSION AND THE WATER QUALITY CONTROL DIVISION IN THE

8 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, IN CONSULTATION

9 WITH LOCAL GOVERNMENTS, SHALL PERFORM A STUDY THAT:

10 (a) IDENTIFIES BEST MANAGEMENT PRACTICES FOR CAPTURING
11 METHANE SEEPAGE IN THE RATON BASIN OF SOUTHERN COLORADO;

12 (b) EVALUATES THE QUALITY OF WATER RESULTING FROM SUCH
13 METHANE CAPTURE OPERATIONS; AND

14 (c) EVALUATES THE POTENTIAL TO PRESERVE AND MAKE
15 BENEFICIAL USE OF SUCH WATER.

16 (2) THE PRIMARY OBJECTIVES OF THE STUDY DESCRIBED IN
17 SUBSECTION (1) OF THIS SECTION ARE TO:

18 (a) PROACTIVELY AND SYSTEMATICALLY LOCATE AND SURVEY

1 METHANE GAS SEEPAGE IN THE RATON 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 [REDACTED] 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 24-38.5-101;
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 [REDACTED] BOARDS OF COUNTY COMMISSIONERS IN LAS ANIMAS AND

1 HUERFANO COUNTIES.

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 (6) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2025.

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11 **SECTION 2. Appropriation.** (1) For the 2023-24 state fiscal
12 year, \$558,500 is appropriated to the department of natural resources for
13 use by the oil and gas conservation commission. This appropriation is
14 from the oil and gas conservation and environmental response fund
15 created in section 34-60-122 (5), C.R.S. To implement this act, the
16 commission may use this appropriation for program costs.

17 (2) For the 2023-24 state fiscal year, \$85,361 is appropriated to
18 the department of public health and environment. This appropriation is
19 from the general fund and is based on an assumption that the department
20 will require an additional 0.2 FTE. To implement this act, the department
21 may use this appropriation for clean water program costs.

22 **SECTION 3. Act subject to petition - effective date.** This act
23 takes effect at 12:01 a.m. on the day following the expiration of the
24 ninety-day period after final adjournment of the general assembly; except
25 that, if a referendum petition is filed pursuant to section 1 (3) of article V
26 of the state constitution against this act or an item, section, or part of this
27 act within such period, then the act, item, section, or part will not take

1 effect unless approved by the people at the general election to be held in
2 November 2024 and, in such case, will take effect on the date of the
3 official declaration of the vote thereon by the governor.