

**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. 23-0205.01 Jennifer Berman x3286

HOUSE BILL 23-1242

HOUSE SPONSORSHIP

Boesenecker and Joseph,

SENATE SPONSORSHIP

Cutter,

House Committees

Energy & Environment
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING WATER USED IN OIL AND GAS OPERATIONS.**

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 an oil and gas operator in the state (operator), on or before January 31, 2024, and at least annually thereafter, to report information to the Colorado oil and gas conservation commission (commission) regarding the operator's use of water entering, utilized at, or exiting each of the operator's oil and gas locations.

The bill also requires the commission to adopt rules requiring that:

- When issuing an operator a new or renewed oil and gas permit on or after June 1, 2024, the commission include as

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.

a condition of the permit a requirement that the operator use a decreasing percentage of fresh water and a corresponding increasing percentage of recycled or reused water in the operator's oil and gas operations; and

- Each oil and gas operator, on and after January 1, 2024, report on a monthly basis to the commission about the daily vehicle miles traveled for any trucks hauling water to, within, or from the operator's oil and gas operations in the state.

From the information reported to the commission under the bill, the commission is required to:

- Include the information as part of the commission's annual reporting on cumulative impacts of oil and gas operations;
- Report to the division of administration (division) in the department of public health and environment, on a per-incident basis, any indication of technologically enhanced naturally occurring radioactive material or PFAS chemicals present in produced water; and
- On a quarterly basis, submit a cumulative report to the division and the department of transportation on reported vehicle miles traveled and public roads traveled.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 34-60-134 and
3 34-60-135 as follows:

4 **34-60-134. Reporting of water used in oil and gas operations**
5 **- cumulative reporting - definitions - rules - repeal. (1) Definitions.**

6 AS USED IN THIS SECTION AND IN SECTION 34-60-135, UNLESS THE
7 CONTEXT OTHERWISE REQUIRES:

8 (a) "CONSORTIUM" MEANS THE COLORADO PRODUCED WATER
9 CONSORTIUM CREATED IN SECTION 34-60-135 (2)(a).

10 (b) "DISPROPORTIONATELY IMPACTED COMMUNITY" HAS THE
11 MEANING SET FORTH IN SECTION 24-4-109 (2)(b)(II).

12 (c) (I) "PRODUCED WATER" MEANS WATER, INCLUDING THE
13 WATER'S MINERAL AND CHEMICAL COMPONENTS, IN OR INTRODUCED TO A

1 GEOLOGICAL FORMATION, THAT IS COPRODUCED WITH OIL OR NATURAL
2 GAS.

3 (II) "PRODUCED WATER" INCLUDES FLOWBACK WATER, EXCLUDING
4 PROPPANTS RETURNED TO THE SURFACE.

5 (d) "RECYCLED OR REUSED PRODUCED WATER" MEANS PRODUCED
6 WATER THAT IS RECONDITIONED INTO A REUSABLE FORM OR THAT IS
7 REUSED WITHOUT RECONDITIONING.

8 (2) **Well reporting - rules.** BEGINNING SEPTEMBER 1, 2023,
9 OPERATORS SHALL REPORT TO THE COMMISSION ON A MONTHLY BASIS, IN
10 A MANNER THAT PROVIDES FOR CONCURRENT REPORTING WITH REQUIRED
11 PRODUCTION REPORTING, FOR EACH OIL AND GAS WELL:

12 (a) THE VOLUME, EXPRESSED IN BARRELS, OF ALL FRESH WATER
13 USED DOWNHOLE;

14 (b) THE VOLUME, EXPRESSED IN BARRELS, OF ALL RECYCLED OR
15 REUSED PRODUCED WATER USED DOWNHOLE;

16 (c) THE VOLUME, EXPRESSED IN BARRELS, OF ALL PRODUCED
17 WATER THAT IS PRODUCED FROM THE WELL AND REMOVED FROM THE OIL
18 AND GAS LOCATION FOR DISPOSAL, INCLUDING:

19 (I) THE DISPOSAL METHOD, AS DEFINED BY THE COMMISSION BY
20 RULE; AND

21 (II) THE DISPOSAL LOCATION, INCLUDING FACILITY
22 IDENTIFICATION, IF APPLICABLE; AND

23 (d) THE VOLUME, EXPRESSED IN BARRELS, OF ALL PRODUCED
24 WATER THAT IS PRODUCED FROM THE WELL AND:

25 (I) RECYCLED OR REUSED IN ANOTHER WELL AT THE SAME OIL AND
26 GAS LOCATION; AND

27 (II) REMOVED FROM THE OIL AND GAS LOCATION FOR RECYCLING

1 OR REUSE IN OIL AND GAS OPERATIONS AT A DIFFERENT OIL AND GAS
2 LOCATION, INCLUDING FOR USE BY ANOTHER OPERATOR.

3 (3) **Oil and gas location reporting - rules.** (a) BEGINNING
4 JANUARY 1, 2024, AN OPERATOR SHALL REPORT TO THE COMMISSION, ON
5 A QUARTERLY BASIS, FOR EACH OIL AND GAS LOCATION AT WHICH THE
6 OPERATOR CONDUCTED OIL AND GAS OPERATIONS IN THE PREVIOUS
7 REPORTING PERIOD:

8 (I) THE VOLUME, EXPRESSED IN BARRELS, AND SOURCE OF ALL
9 FRESH WATER PURCHASED OR OTHERWISE ACQUIRED FOR USE IN OIL AND
10 GAS OPERATIONS AT THE OIL AND GAS LOCATION;

11 (II) THE VOLUME, EXPRESSED IN BARRELS, AND SOURCE OF ALL
12 RECYCLED OR REUSED WATER USED IN OIL AND GAS OPERATIONS AT THE
13 OIL AND GAS LOCATION;

14 (III) THE VOLUME, EXPRESSED IN BARRELS, OF ALL PRODUCED
15 WATER DISPOSED OF FROM THE OIL AND GAS LOCATION, INCLUDING:

16 (A) THE DISPOSAL METHOD, AS DEFINED BY THE COMMISSION BY
17 RULE; AND

18 (B) THE DISPOSAL LOCATION, INCLUDING FACILITY
19 IDENTIFICATION, IF APPLICABLE;

20 (IV) THE VOLUME, EXPRESSED IN BARRELS, OF ALL PRODUCED
21 WATER THAT IS REMOVED FROM THE OIL AND GAS LOCATION FOR
22 RECYCLING OR REUSE IN OIL AND GAS OPERATIONS, INCLUDING BY
23 ANOTHER OIL AND GAS OPERATOR; AND

24 (V) THE TOTAL VOLUME, EXPRESSED IN BARRELS, OF ALL WATER
25 PRODUCED FROM ALL WELLS AT THE OIL AND GAS LOCATION IN EACH
26 MONTH OF THE REPORTING PERIOD.

27 (b) AN OPERATOR SHALL:

1 (I) FILE THE REPORT REQUIRED UNDER SUBSECTION (3)(a) OF THIS
2 SECTION NO LATER THAN FORTY-FIVE DAYS AFTER THE END OF THE
3 PREVIOUS CALENDAR QUARTER; AND

4 (II) INCLUDE IN EACH REPORT FILED PURSUANT TO SUBSECTION
5 (3)(a) OF THIS SECTION THE TOTAL AMOUNTS OF ALL FRESH WATER,
6 PRODUCED WATER, AND RECYCLED OR REUSED PRODUCED WATER
7 MANAGED AT THE OIL AND GAS LOCATION FOR ANY PURPOSE.
8 INFORMATION REPORTED UNDER THIS SUBSECTION (3)(b)(II) DOES NOT
9 INCLUDE STORM WATER.

10 (4) **Scope of report - operational lifetime of a well.** AN
11 OPERATOR'S PRODUCED WATER REPORTS DESCRIBED IN SUBSECTIONS (2)
12 AND (3) OF THIS SECTION MUST DESCRIBE ALL WATER PRODUCED OR USED
13 THROUGHOUT THE OPERATIONAL LIFETIME OF A WELL, BEGINNING WITH
14 SITE CONSTRUCTION, DRILLING, COMPLETION, STIMULATION AND
15 PRODUCTION OPERATIONS, ASSOCIATED PLUGGING AND ABANDONMENT,
16 FACILITY DECOMMISSIONING, REMEDIATION, AND RECLAMATION.

17 (5) **Rules.** (a) FOR THE PURPOSE OF COLLECTING THE DATA
18 REQUIRED BY SUBSECTIONS (2) AND (3) OF THIS SECTION, THE COMMISSION
19 MAY ADOPT RULES AUTHORIZING OPERATORS TO INCLUDE INFORMATION
20 IN THEIR REPORTS THAT IS NOT OTHERWISE REPORTED PURSUANT TO
21 EXISTING COMMISSION RULES.

22 (b) THE COMMISSION SHALL NOT ADOPT A RULE DESIGNATING THE
23 DATA REQUIRED PURSUANT TO SUBSECTION (5)(a) OF THIS SECTION AS
24 CONFIDENTIAL INFORMATION THAT AN OPERATOR MAY REDACT WHEN
25 REPORTING THE INFORMATION TO THE COMMISSION.

26 (c) (I) ON OR BEFORE JULY 1, 2024, THE COMMISSION SHALL
27 ADOPT RULES TO REQUIRE A STATEWIDE REDUCTION IN FRESH WATER

1 USAGE, AND A CORRESPONDING INCREASE IN USAGE OF RECYCLED OR
2 REUSED PRODUCED WATER, AT OIL AND GAS LOCATIONS.

3 (II) IN ADOPTING RULES PURSUANT TO SUBSECTION (5)(c)(I) OF
4 THIS SECTION, THE COMMISSION SHALL CONSIDER:

5 (A) THE DATA IN REPORTS FILED WITH THE COMMISSION PURSUANT
6 TO SUBSECTIONS (2) AND (3) OF THIS SECTION; AND

7 (B) RECOMMENDATIONS THAT THE CONSORTIUM DEVELOPS.

8 (d) THE RULES ADOPTED PURSUANT TO THIS SUBSECTION (5) MUST
9 INCLUDE:

10 (I) REQUIREMENTS FOR NEW OIL AND GAS DEVELOPMENT PLANS
11 AND SUBSTANTIAL MODIFICATIONS TO PREVIOUSLY APPROVED PERMITS TO
12 INCLUDE A PLAN SPECIFYING THE METHODS AND LOCATIONS FOR
13 TREATMENT OF THE PRODUCED WATER, QUANTIFYING RECYCLED OR
14 REUSED PRODUCED WATER USED IN PLACE OF FRESH WATER, DESCRIBING
15 EMISSION CONTROLS ASSOCIATED WITH PRODUCED WATER TREATMENT,
16 AND INCLUDING ANY OTHER REQUIREMENTS THE COMMISSION
17 DETERMINES ARE NECESSARY FOR IMPLEMENTATION OF THIS SECTION;

18 (II) A PROHIBITION AGAINST PLACEMENT OF A NEW CENTRALIZED
19 PRODUCED WATER STORAGE OR TREATMENT FACILITY IN A
20 DISPROPORTIONATELY IMPACTED COMMUNITY;

21 (III) A REQUIREMENT THAT AN OPERATOR QUANTIFY AND REPORT,
22 FOR EACH OIL AND GAS LOCATION, THE VEHICLE MILES TRAVELED IN
23 RELATION TO FRESH WATER AND PRODUCED WATER MANAGEMENT,
24 INCLUDING VEHICLE MILES TRAVELED FOR THE RECYCLING AND REUSE OF
25 PRODUCED WATER.

26 (e) THE RULES ADOPTED PURSUANT TO SUBSECTION (5)(c) OF THIS
27 SECTION:

1 (I) MUST:
2 (A) REQUIRE FOR EACH OIL AND GAS PRODUCTION BASIN AN
3 ITERATIVE AND CONSISTENT INCREASE IN THE USE OF RECYCLED OR
4 REUSED PRODUCED WATER WITHOUT INCREASING EMISSIONS ASSOCIATED
5 WITH OIL AND GAS OPERATIONS; AND
6 (B) ESTABLISH DATES BY WHICH, FOR ALL WATER USED IN
7 HYDRAULIC FRACTURING OPERATIONS IN THE STATE, STATEWIDE TARGETS
8 FOR USAGE OF RECYCLED OR REUSED PRODUCED WATER MUST BE MET,
9 WITH A TARGET OF AT LEAST NINETY PERCENT BY 2030, UNLESS AT LEAST
10 TWO-THIRDS OF THE MEMBERS OF THE CONSORTIUM DETERMINE THAT IT
11 WOULD NOT BE FEASIBLE TO MEET THAT TARGET BY 2030; AND
12 (II) MAY INCLUDE OIL-AND-GAS-BASIN-SPECIFIC BENCHMARKS TO
13 COMPLY WITH THE REQUIREMENTS ESTABLISHED BY RULE PURSUANT TO
14 SUBSECTION (5)(e)(I) OF THIS SECTION.
15 (6) **Cumulative impacts reporting.** THE COMMISSION SHALL
16 INCLUDE IN ITS ANNUAL REPORTING ON CUMULATIVE IMPACTS OF OIL AND
17 GAS OPERATIONS IN THE STATE INFORMATION REPORTED PURSUANT TO
18 THIS SECTION.
19 (7) (a) ON OR BEFORE MARCH 31, 2025, THE COMMISSION SHALL
20 SUBMIT A REPORT TO THE HOUSE OF REPRESENTATIVES ENERGY AND
21 ENVIRONMENT COMMITTEE AND THE SENATE TRANSPORTATION AND
22 ENERGY COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, SUMMARIZING
23 THE REPORTS DEVELOPED PURSUANT TO THIS SECTION.
24 (b) THIS SUBSECTION (7) IS REPEALED, EFFECTIVE JULY 1, 2025.
25 **34-60-135. Colorado produced water consortium - created -**
26 **membership - recommendations - definitions.** (1) (a) AS USED IN THIS
27 SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1 (I) "BENEFICIAL USE" HAS THE MEANING SET FORTH IN SECTION
2 37-92-103 (4).

3 (II) "DEPARTMENT" MEANS THE DEPARTMENT OF NATURAL
4 RESOURCES.

5 (III) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF
6 THE DEPARTMENT.

7 (IV) "GOVERNING BODY" MEANS THE GOVERNING BODY OF THE
8 CONSORTIUM APPOINTED PURSUANT TO SUBSECTION (3)(a) OF THIS
9 SECTION TO APPOINT MEMBERS OF THE CONSORTIUM.

10 (V) "LOCAL GOVERNMENT" MEANS A STATUTORY OR HOME RULE
11 CITY, CITY AND COUNTY, OR COUNTY.

12 (VI) "NONTRIBUTARY GROUNDWATER" HAS THE MEANING SET
13 FORTH IN SECTION 37-90-103 (10.5).

14 (VII) "STATE INSTITUTION OF HIGHER EDUCATION" HAS THE
15 MEANING SET FORTH IN SECTION 23-18-102 (10).

16 (VIII) "WATER RIGHT" HAS THE MEANING SET FORTH IN SECTION
17 37-92-103 (12).

18 (b) DEFINITIONS IN SECTION 34-60-134 (1) APPLY TO TERMS AS
19 THEY ARE USED IN THIS SECTION.

20 (2) (a) THERE IS CREATED IN THE DEPARTMENT THE COLORADO
21 PRODUCED WATER CONSORTIUM TO RECOMMEND AN INFORMED PATH FOR
22 THE RECYCLING AND REUSE OF PRODUCED WATER WITHIN, AND
23 POTENTIALLY OUTSIDE OF, OIL AND GAS LOCATIONS IN THE STATE AND
24 MEASURES TO ADDRESS BARRIERS ASSOCIATED WITH THE UTILIZATION OF
25 PRODUCED WATER.

26 (b) THE PRIMARY GOAL OF THE CONSORTIUM IS TO HELP REDUCE
27 THE CONSUMPTION OF FRESH WATER WITHIN OIL AND GAS OPERATIONS.

1 THE CONSORTIUM SHALL BRING TOGETHER THE FOLLOWING GROUPS TO
2 COLLABORATE ON WORKING TOWARD THAT GOAL:

- 3 (I) STATE AND FEDERAL AGENCIES;
- 4 (II) RESEARCH INSTITUTIONS;
- 5 (III) STATE INSTITUTIONS OF HIGHER EDUCATION;
- 6 (IV) AFFECTED AND INTERESTED NONGOVERNMENTAL
7 ORGANIZATIONS;
- 8 (V) LOCAL GOVERNMENTS;
- 9 (VI) AFFECTED INDUSTRIES; AND
- 10 (VII) OTHER INTERESTED PARTIES.

11 (3) (a) (I) A GOVERNING BODY OF THE CONSORTIUM SHALL MAKE
12 APPOINTMENTS TO THE CONSORTIUM IN ACCORDANCE WITH THIS
13 SUBSECTION (3). THE MEMBERS OF THE GOVERNING BODY ALSO SERVE AS
14 MEMBERS OF THE CONSORTIUM.

15 (II) THE EXECUTIVE DIRECTOR OR THE EXECUTIVE DIRECTOR'S
16 DESIGNEE SHALL APPOINT THE FOLLOWING THREE INDIVIDUALS TO SERVE
17 AS THE GOVERNING BODY OF THE CONSORTIUM:

- 18 (A) ONE REPRESENTATIVE OF THE COMMISSION;
- 19 (B) ONE REPRESENTATIVE OF THE DIVISION OF WATER RESOURCES
20 IN THE DEPARTMENT; AND
- 21 (C) ONE REPRESENTATIVE FROM THE COLORADO DEPARTMENT OF
22 PUBLIC HEALTH AND ENVIRONMENT.

23 (III) THE GOVERNING BODY SHALL APPOINT THE FOLLOWING
24 TWENTY-SIX MEMBERS OF THE CONSORTIUM:

- 25 (A) FOUR REPRESENTATIVES FROM A STATE OR FEDERAL AGENCY
26 ASSOCIATED WITH THE REGULATION OF PRODUCED WATER, INCLUDING AT
27 LEAST ONE MEMBER FROM THE COLORADO DEPARTMENT OF PUBLIC

1 HEALTH AND ENVIRONMENT;

2 (B) FOUR REPRESENTATIVES FROM RESEARCH INSTITUTIONS OR
3 STATE INSTITUTIONS OF HIGHER EDUCATION WITH EXPERIENCE IN
4 PRODUCED WATER;

5 (C) FOUR REPRESENTATIVES FROM NONGOVERNMENTAL
6 ORGANIZATIONS THAT ENGAGE IN WORK AND ADVOCATE FOR POLICIES
7 RELATED TO PRODUCED WATER;

8 (D) FOUR REPRESENTATIVES FROM INDUSTRIES ASSOCIATED WITH
9 PRODUCED WATER;

10 (E) TWO REPRESENTATIVES WHO SERVE ON A GOVERNING BODY OF
11 A LOCAL GOVERNMENT;

12 (F) FOUR REPRESENTATIVES WITH EXPERTISE AND EXPERIENCE IN
13 PRODUCED WATER; AND

14 (G) FOUR REPRESENTATIVES SELECTED FOR THEIR
15 REPRESENTATION OF DISPROPORTIONATELY IMPACTED COMMUNITIES OR
16 THEIR EXPERTISE IN ENVIRONMENTAL JUSTICE AND INTEREST IN PRODUCED
17 WATER MANAGEMENT AS AN ISSUE FOR THE COMMUNITIES THEY
18 REPRESENT.

19 (b) ANY VACANCY IN MEMBERSHIP OF THE CONSORTIUM SHALL BE
20 FILLED AS SOON AS PRACTICABLE IN ACCORDANCE WITH THE APPOINTMENT
21 PROCESS SET FORTH IN SUBSECTION (3)(a)(III) OF THIS SECTION.

22 (c) (I) THE GOVERNING BODY SHALL CALL THE FIRST MEETING OF
23 THE CONSORTIUM, AT WHICH MEETING THE MEMBERS OF THE CONSORTIUM
24 SHALL ELECT A MEMBER TO SERVE AS CHAIR OF THE CONSORTIUM. THE
25 CHAIR OF THE CONSORTIUM SERVES FOR TWO YEARS, AND THE MEMBERS
26 OF THE CONSORTIUM ELECT A NEW CHAIR AS NEEDED.

27 (II) MEMBERS:

1 (A) SHALL BE REIMBURSED FOR ACTUAL AND NECESSARY
2 EXPENSES INCURRED WHILE PERFORMING OFFICIAL DUTIES, TOGETHER
3 WITH MILEAGE, AT THE RATE AT WHICH MEMBERS OF THE GENERAL
4 ASSEMBLY ARE REIMBURSED PURSUANT TO SECTION 2-2-317; AND

5 (B) RECEIVE A PERDIEM ALLOWANCE OF FIFTY DOLLARS FOR EACH
6 DAY SPENT IN ATTENDANCE AT A CONSORTIUM MEETING OR HEARING.
7 CONSORTIUM MEMBERS REPRESENTING DISPROPORTIONATELY IMPACTED
8 COMMUNITIES OR COMMUNITY GROUPS COMMITTED TO ADVANCING
9 ENVIRONMENTAL JUSTICE ARE ALSO ELIGIBLE TO RECEIVE HOURLY
10 COMPENSATION IN AN AMOUNT EQUAL TO THE STATE MINIMUM WAGE FOR
11 ATTENDANCE AT CONSORTIUM MEETINGS OR HEARINGS.

12 (d) THE EXECUTIVE DIRECTOR SHALL HIRE A DIRECTOR AND A
13 DIRECTOR OF RESEARCH TO ASSIST THE CONSORTIUM AS FOLLOWS:

14 (I) THE DIRECTOR OF THE CONSORTIUM SHALL PROVIDE
15 ADMINISTRATIVE SUPPORT; COORDINATE MEETINGS AND MEMBERSHIP;
16 WRITE GRANTS; PREPARE THE CONSORTIUM BUDGET; CONTRACT FOR
17 ANALYSES AND STUDIES; AND INTERACT WITH AND REPORT TO AGENCIES
18 AND THE GENERAL ASSEMBLY REGARDING POLICIES, RULE-MAKING
19 PROCEEDINGS, AND LEGISLATION REGARDING REUSE, RECYCLING, AND
20 BENEFICIAL USE OF PRODUCED WATER.

21 (II) THE DIRECTOR OF RESEARCH FOR THE CONSORTIUM SHALL
22 MANAGE ACADEMIC ANALYSES, RESEARCH, PILOT PROJECTS, AND CASE
23 STUDIES FOR THE CONSORTIUM.

24 (4) THE CONSORTIUM SHALL:

25 (a) PROVIDE RECOMMENDATIONS TO STATE AGENCIES AND THE
26 GENERAL ASSEMBLY AS FOLLOWS:

27 (I) ON OR BEFORE APRIL 15, 2024, HOW STATE AND FEDERAL

1 AGENCIES CAN BETTER COORDINATE REGULATORY POLICIES RELATED TO
2 PRODUCED WATER;

3 (II) ON OR BEFORE APRIL 15, 2024, TOPICS RELATED TO PRODUCED
4 WATER;

5 (III) ON OR BEFORE OCTOBER 31, 2024, ANY AGENCY RULES OR
6 LEGISLATION NEEDED TO REMOVE REGULATORY OR LEGAL BARRIERS TO
7 THE REUSE AND RECYCLING OF PRODUCED WATER IN THE STATE, TAKING
8 INTO CONSIDERATION ANY ENVIRONMENTAL JUSTICE ISSUES. THESE
9 BARRIERS MIGHT INCLUDE:

10 (A) ANY LEGAL ISSUES THAT MAY AFFECT THE RECYCLING AND
11 REUSE OF PRODUCED WATER;

12 (B) TESTING STANDARDS AND PROCEDURES FOR TREATMENT OF
13 PRODUCED WATER FOR BOTH CONVENTIONAL AND NONCONVENTIONAL OIL
14 AND GAS EXPLORATION AND DEVELOPMENT;

15 (C) RESEARCH GAPS ASSOCIATED WITH THE TREATMENT OF
16 PRODUCED WATER, INCLUDING GAPS IN ADDRESSING EMISSIONS FROM
17 PRODUCED WATER TREATMENT AND STORAGE;

18 (D) WATER SHARING AGREEMENTS; AND

19 (E) INFRASTRUCTURE AND STORAGE FOR PRODUCED WATER REUSE
20 AND RECYCLING, AND SPECIFICALLY INFRASTRUCTURE AND STORAGE FOR
21 ADDRESSING NEW OR EXISTING PITS.

22 (IV) ON OR BEFORE DECEMBER 31, 2024, SHORT- AND LONG-TERM
23 PRODUCED WATER REUSE AND RECYCLING GOALS FOR THE STATE AND
24 CONTEMPORANEOUS DECREASES IN FRESH WATER USE;

25 (b) PARTICIPATE IN RELEVANT STATE AGENCY RULE-MAKING
26 PROCEEDINGS REGARDING PRODUCED WATER;

27 (c) ON OR BEFORE JANUARY 1, 2024, DEVELOP GUIDANCE

1 DOCUMENTS AND CASE STUDIES TO PROMOTE BEST PRACTICES FOR
2 IN-FIELD RECYCLING AND REUSE OF PRODUCED WATER THROUGHOUT THE
3 STATE;

4 (d) ON OR BEFORE MARCH 1, 2024, BASED ON DATA REPORTED
5 UNDER SECTION 34-60-134, ANALYZE AND REPORT ON CURRENT
6 PRODUCED WATER INFRASTRUCTURE, STORAGE, AND TREATMENT
7 FACILITIES WITHIN THE DIFFERENT OIL AND GAS PRODUCTION BASINS IN
8 THE STATE, WITH SPECIFIC EMPHASIS ON OPPORTUNITIES WITHIN THE
9 DENVER-JULESBURG OIL AND GAS PRODUCTION BASIN;

10 (e) ON OR BEFORE MARCH 1, 2024, ANALYZE AND REPORT ON THE
11 VOLUME OF PRODUCED WATER PRODUCED IN THE DIFFERENT OIL AND GAS
12 PRODUCTION BASINS AVAILABLE FOR REUSE AND RECYCLING IN
13 COMPARISON TO THE TOTAL VOLUME OF WATER NECESSARY FOR
14 COMPLETION ACTIVITIES IN NEW OIL AND GAS OPERATIONS;

15 (f) ON OR BEFORE APRIL 15, 2024, ANALYZE AND REPORT ON THE
16 INFRASTRUCTURE, STORAGE, AND TECHNOLOGY NECESSARY TO ACHIEVE
17 DIFFERENT LEVELS OF RECYCLING AND REUSE OF PRODUCED WATER IN OIL
18 AND GAS PRODUCTION BASINS THROUGHOUT THE STATE, WITH SPECIFIC
19 EMPHASIS ON OPPORTUNITIES WITHIN THE DENVER-JULESBURG OIL AND
20 GAS PRODUCTION BASIN;

21 (g) ON OR BEFORE JULY 1, 2025, EVALUATE ANALYTICAL AND
22 TOXICOLOGICAL METHODS EMPLOYED DURING PRODUCED WATER
23 TREATMENT AND ASSESS TOOLS USED TO EVALUATE PRODUCED WATER
24 AND ITS POTENTIAL FOR USE OUTSIDE THE OIL FIELD; AND

25 (h) BEGINNING IN THE 2024 LEGISLATIVE SESSION AND ANNUALLY
26 THEREAFTER, AND NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I),
27 THROUGH THE DIRECTOR OF THE CONSORTIUM, UPDATE THE HOUSE OF

1 REPRESENTATIVES ENERGY AND ENVIRONMENT COMMITTEE AND THE
2 SENATE TRANSPORTATION AND ENERGY COMMITTEE, OR THEIR SUCCESSOR
3 COMMITTEES, ON THE CONSORTIUM'S WORK PURSUANT TO THIS SECTION.

4 (5) (a) ON OR BEFORE JULY 1, 2023, THE GOVERNING BODY AND
5 MEMBERSHIP OF THE CONSORTIUM SHALL BE APPOINTED PURSUANT TO
6 SUBSECTION (3) OF THIS SECTION.

7 (b) THE CONSORTIUM SHALL MEET ON A MONTHLY BASIS DURING
8 THE CONSORTIUM'S FIRST YEAR AND ON A QUARTERLY BASIS IN
9 SUBSEQUENT YEARS, OR MORE OFTEN IF NEEDED AS DETERMINED BY THE
10 CHAIR OF THE CONSORTIUM.

11 **SECTION 2. Safety clause.** The general assembly hereby finds,
12 determines, and declares that this act is necessary for the immediate
13 preservation of the public peace, health, or safety.