

**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.,

HOUSE SPONSORSHIP

Winter T. and Willford,

Senate Committees

Transportation & Energy
Appropriations

House Committees

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 ESTABLISH A NEW REGULATORY CATEGORY.**

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.

- 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 and
4 34-60-135 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, IN CONSULTATION WITH LOCAL GOVERNMENTS, SHALL
8 PERFORM A STUDY THAT:

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

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

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

15 (2) IN PERFORMING THE STUDY DESCRIBED IN SUBSECTION (1) OF
16 THIS SECTION, THE COMMISSION SHALL CONSULT WITH THE COLORADO
17 ENERGY OFFICE CREATED IN SECTION 24-38.5-101 REGARDING HOW
18 METHANE CAPTURE IN THE RATON BASIN MAY AFFECT COLORADO'S

1 GREENHOUSE GAS EMISSION REDUCTION GOALS, AS SET FORTH IN SECTION
2 25-7-102 (2)(g).

3 (3) THE COMMISSION, IN CONSULTATION WITH LOCAL
4 GOVERNMENTS, SHALL COMPLETE THE STUDY DESCRIBED IN SUBSECTION
5 (1) OF THIS SECTION AND SUBMIT THE STUDY TO THE AGRICULTURE,
6 WATER, AND NATURAL RESOURCES COMMITTEE OF THE HOUSE OF
7 REPRESENTATIVES AND THE AGRICULTURE AND NATURAL RESOURCES
8 COMMITTEE OF THE SENATE, OR TO ANY SUCCESSOR COMMITTEES, ON OR
9 BEFORE DECEMBER 1, 2023.

10 (4) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2024.

11 **34-60-135. Methane seepage in Raton basin - commission to**
12 **create new regulatory category.** DUE TO THE UNIQUE NATURE OF THE
13 PROCESSES INVOLVED IN CAPTURING METHANE AND REDUCING OR
14 ELIMINATING METHANE SEEPAGE IN THE RATON BASIN, ON OR BEFORE
15 DECEMBER 1, 2023, THE COMMISSION SHALL IMPLEMENT A REGULATORY
16 CATEGORY FOR METHANE RECOVERY IN THE RATON BASIN, WHICH
17 CATEGORY INCLUDES CONSIDERATION OF ENFORCEMENT, FINANCIAL
18 ASSURANCE, FLOW LINES, FORMS, OPERATOR GUIDANCE, ORPHAN WELL
19 PROGRAMS, RULES, AND POLICIES.

20 **SECTION 2. Act subject to petition - effective date.** This act
21 takes effect at 12:01 a.m. on the day following the expiration of the
22 ninety-day period after final adjournment of the general assembly; except
23 that, if a referendum petition is filed pursuant to section 1 (3) of article V
24 of the state constitution against this act or an item, section, or part of this
25 act within such period, then the act, item, section, or part will not take
26 effect unless approved by the people at the general election to be held in

- 1 November 2024 and, in such case, will take effect on the date of the
- 2 official declaration of the vote thereon by the governor.