

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 18-0266.01 Thomas Morris x4218

HOUSE BILL 18-1157

HOUSE SPONSORSHIP

Becker K. and Singer,

SENATE SPONSORSHIP

Fenberg,

House Committees

Transportation & Energy
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING INCREASED REPORTING OF OIL AND GAS INCIDENTS.**

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>.)

Section 1 of the bill requires oil and gas operators to file written reports with the Colorado oil and gas conservation commission and other affected stakeholders for each major and minor "reportable event". Operators must also give oral notice of major reportable events.

A "major reportable event" includes an incident involving:

- ! The unauthorized release of more than 25 barrels of oil, produced water, oilfield chemicals, or exploration and production waste; and

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

HOUSE
Amended 2nd Reading
April 6, 2018

- ! The unauthorized flaring, venting, or wasting of:
 - ! More than 500,000 cubic feet of gas at any drilling or producing well site or at any injection or disposal facility; or
 - ! More than 1,500,000 cubic feet of gas at any transportation, gathering, or processing facility;
 - ! A fire that consumes at least these volumes of liquid or gas;
 - ! A spill, venting, or fire, regardless of the volume involved, that occurs within 500 feet of:
 - ! A sensitive area, as that term is defined by rule; or
 - ! A park, recreation site, wildlife refuge, lake, reservoir, stream, or urban or suburban area;
 - ! An accident that involves a fatal injury;
 - ! A blowout or loss of control of a well; and
 - ! An uncontrolled release of gas containing 100 or more parts per million of hydrogen sulfide.
- A "minor reportable event" includes an incident involving:
- ! The unauthorized release of more than 5 barrels and up to 25 barrels of oil, produced water, oilfield chemicals, or exploration and production waste;
 - ! The unauthorized flaring, venting, or wasting of more than 50,000 cubic feet and up to 500,000 cubic feet of gas at a drilling or producing well site or at an injection or disposal facility;
 - ! The unauthorized venting or wasting of more than 50,000 cubic feet and up to 1,500,000 cubic feet of gas at a transportation, gathering, or processing facility;
 - ! Any uncontrolled fire or explosion; and
 - ! An accident involving serious bodily injury.

The commission will post the reports, notifications, and an annual summary on its website in a database that is searchable by operator, location, type of event, date, and other criteria established by the commission.

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

2 **SECTION 1.** In Colorado Revised Statutes, **amend** 34-60-130 as
 3 follows:

4 **34-60-130. Incident reporting - definitions - rules.** (1) (a) If AN
 5 OPERATOR OR A CONTRACTOR OF AN OPERATOR SPILLS one barrel or more
 6 of oil or exploration and production waste ~~is spilled~~ outside of ~~terms A~~

1 BERM or other secondary containment, THE OPERATOR SHALL REPORT the
2 spill, ~~shall be reported~~ within twenty-four hours after the discovery of the
3 spill, to:

4 (a) (I) The commission AND THE OWNER OF THE SURFACE WHERE
5 THE SPILL OCCURRED; and

6 (b) (II) The entity with jurisdiction over emergency response
7 within the local municipality AND THE LOCAL MUNICIPALITY, if the spill
8 occurred within a municipality, or the local county if the spill did not
9 occur within a municipality.

10 (2) (b) The spill report must include any available information
11 concerning the type of waste involved in the spill.

12 (2) (a) EACH OPERATOR SHALL NOTIFY THE COMMISSION AND THE
13 ENTITIES SPECIFIED IN SUBSECTION (1)(a)(II) OF THIS SECTION AS
14 SPECIFIED IN THIS SUBSECTION (2) OF EACH MAJOR AND MINOR
15 REPORTABLE EVENT, REGARDLESS OF THE LOCATION OF THE EVENT.

16 (b) NOTIFICATION FOR A MAJOR REPORTABLE EVENT MUST
17 INCLUDE:

18 (I) AN ORAL REPORT SUBMITTED TO THE COMMISSION AS SOON AS
19 PRACTICABLE BUT WITHIN TWENTY-FOUR HOURS AFTER DISCOVERY OF THE
20 EVENT; AND

21 (II) A COMPLETE, WRITTEN REPORT OF THE EVENT, AS SPECIFIED
22 IN SUBSECTION (2)(d) OF THIS SECTION, SUBMITTED ON THE COMMISSION'S
23 WEBSITE ON A REPORTABLE EVENT FORM SPECIFIED BY THE COMMISSION
24 WITHIN FIVE DAYS FOLLOWING THE CONCLUSION, AS DETERMINED BY
25 RULE, OF A MAJOR REPORTABLE EVENT.

26 (c) NOTIFICATION FOR A MINOR REPORTABLE EVENT MUST
27 INCLUDE A COMPLETE, WRITTEN REPORT OF THE EVENT, AS SPECIFIED IN

1 SUBSECTION (2)(d) OF THIS SECTION, SUBMITTED ON THE COMMISSION'S
2 WEBSITE ON A REPORTABLE EVENT FORM SPECIFIED BY THE COMMISSION
3 WITHIN FIVE DAYS FOLLOWING THE CONCLUSION, AS DETERMINED BY
4 RULE, OF A MINOR REPORTABLE EVENT.

5 (d) A COMPLETE WRITTEN REPORT OF A MAJOR OR MINOR
6 REPORTABLE EVENT MUST INCLUDE, TO THE EXTENT KNOWN AT THE TIME
7 OF THE REPORT:

8 (I) THE DATE AND TIME OF THE EVENT AND THE DATE AND TIME
9 THE EVENT WAS REPORTED TO THE COMMISSION;

10 (II) THE LOCATION WHERE THE EVENT OCCURRED, DESCRIBED BY
11 SECTION, TOWNSHIP, RANGE, AND COUNTY;

12 (III) A DETAILED TOPOGRAPHICAL MAP OR AERIAL PHOTOGRAPH,
13 SIZED AT LEAST EIGHT AND ONE-HALF INCHES BY ELEVEN INCHES, OF THE
14 LOCATION OF THE REPORTABLE EVENT, SHOWING AT A MINIMUM:

15 (A) THE SURVEY SECTION AND THE EXTENT OR LOCATION OF THE
16 REPORTABLE EVENT;

17 (B) WHETHER THE LOCATION IS IN A SENSITIVE AREA;

18 (C) THE PROXIMITY OF THE CLOSEST RESIDENCE; AND

19 (D) THE OIL AND GAS FACILITY LOCATION NUMBER, IF ANY,
20 ASSOCIATED WITH THE EVENT;

21 (IV) THE SPECIFIC NATURE AND CAUSE OF THE EVENT AND, TO THE
22 EXTENT PRACTICABLE, A DESCRIPTION OF MEASURES TO PREVENT FUTURE
23 MAJOR OR MINOR REPORTABLE EVENTS DUE TO SIMILAR CAUSES AND A
24 PLAN FOR IMPLEMENTING THE MEASURES;

25 (V) A DESCRIPTION OF THE RESULTANT DAMAGE OR INJURY;

26 (VI) THE EXTENT THAT EMERGENCY MANAGEMENT RESPONSES
27 WERE REQUIRED, THE SPECIFIC ACTION TAKEN, THE LENGTH OF TIME

1 REQUIRED FOR CONTROL OR CONTAINMENT OF THE EVENT, AND THE
2 LENGTH OF TIME REQUIRED FOR SUBSEQUENT CLEANUP;

3 (VII) AN ESTIMATE OF THE VOLUMES DISCHARGED AND THE
4 VOLUMES NOT RECOVERED;

5 (VIII) WHETHER EACH WORKER INVOLVED IN THE INCIDENT HAD
6 THE APPROPRIATE CREDENTIALS BASED ON THE WORKER'S SCOPE OF WORK,
7 AND IN PARTICULAR WHETHER EACH WELDER INVOLVED IN THE INCIDENT
8 HAD THE NECESSARY CERTIFICATION AS SPECIFIED BY RULE OF THE
9 COMMISSION;

10 (IX) IF THE INCIDENT INVOLVED A WELD ON STEEL PIPES, WHETHER
11 THE PIPES WERE TESTED BY USING NONDESTRUCTIVE METHODS AS
12 SPECIFIED BY RULE OF THE COMMISSION TO ENSURE THAT EACH WELD WAS
13 PERFORMED PROPERLY AND FREE OF DEFECTS;

14 (X) THE CAUSE OF DEATH OR INJURY, IF ANY; AND

15 (XI) OTHER INFORMATION AS REQUIRED BY THE COMMISSION'S
16 REPORTABLE EVENT FORM.

17 (e) THE COMMISSION SHALL MAKE THE FOLLOWING PUBLICLY
18 AVAILABLE ON ITS WEBSITE IN A DATABASE THAT IS SEARCHABLE BY
19 OPERATOR, LOCATION, TYPE OF EVENT, DATE, AND OTHER CRITERIA
20 ESTABLISHED BY THE COMMISSION:

21 (I) ALL NOTIFICATIONS AND REPORTS MADE OR FILED PURSUANT
22 TO THIS SECTION; AND

23 (II) AN ANNUAL SUMMARY OF ALL NOTIFICATIONS AND REPORTS
24 MADE OR FILED PURSUANT TO THIS SECTION.

25 (3) FOR PURPOSES OF THIS SECTION:

26 (a) "MAJOR REPORTABLE EVENT" INCLUDES AN INCIDENT
27 INVOLVING:

1 (I) THE UNAUTHORIZED RELEASE OF MORE THAN TWENTY-FIVE
2 BARRELS OF OIL, PRODUCED WATER, OILFIELD CHEMICALS, OR
3 EXPLORATION AND PRODUCTION WASTE; AND

4 (II) THE UNAUTHORIZED FLARING, VENTING, OR WASTING OF:

5 (A) MORE THAN FIVE HUNDRED THOUSAND CUBIC FEET OF GAS AT
6 ANY DRILLING OR PRODUCING WELL SITE OR AT ANY INJECTION OR
7 DISPOSAL FACILITY; OR

8 (B) MORE THAN ONE MILLION FIVE HUNDRED THOUSAND CUBIC
9 FEET OF GAS AT ANY TRANSPORTATION, GATHERING, OR PROCESSING
10 FACILITY;

11 (III) A FIRE THAT CONSUMES AT LEAST THE VOLUME OF LIQUID OR
12 GAS SPECIFIED IN SUBSECTION (3)(a)(I) OR (3)(a)(II) OF THIS SECTION;

13 (IV) A SPILL, VENTING, OR FIRE, REGARDLESS OF THE VOLUME
14 INVOLVED, THAT OCCURS WITHIN FIVE HUNDRED FEET OF:

15 (A) A SENSITIVE AREA, AS THAT TERM IS DEFINED BY RULE; OR

16 (B) A PARK, RECREATION SITE, WILDLIFE REFUGE, LAKE,
17 RESERVOIR, STREAM, OR URBAN OR SUBURBAN AREA;

18 (V) AN ACCIDENT THAT INVOLVES A FATAL INJURY;

19 (VI) A BLOWOUT OR LOSS OF CONTROL OF A WELL; AND

20 (VII) A RELEASE OF GAS CONTAINING ONE HUNDRED OR MORE
21 PARTS PER MILLION OF HYDROGEN SULFIDE THAT IS NOT CONTROLLED.

22 (b) "MINOR REPORTABLE EVENT" INCLUDES AN INCIDENT
23 INVOLVING:

24 (I) THE UNAUTHORIZED RELEASE OF MORE THAN FIVE BARRELS
25 AND UP TO TWENTY-FIVE BARRELS OF OIL, PRODUCED WATER, OILFIELD
26 CHEMICALS, OR EXPLORATION AND PRODUCTION WASTE;

27 (II) THE UNAUTHORIZED FLARING, VENTING, OR WASTING OF MORE

1 THAN FIFTY THOUSAND CUBIC FEET AND UP TO FIVE HUNDRED THOUSAND
2 CUBIC FEET OF GAS AT A DRILLING OR PRODUCING WELL SITE OR AT AN
3 INJECTION OR DISPOSAL FACILITY;

4 (III) THE UNAUTHORIZED VENTING OR WASTING OF MORE THAN
5 FIFTY THOUSAND CUBIC FEET AND UP TO ONE MILLION FIVE HUNDRED
6 THOUSAND CUBIC FEET OF GAS AT A TRANSPORTATION, GATHERING, OR
7 PROCESSING FACILITY;

8 (IV) ANY UNCONTROLLED FIRE OR EXPLOSION; AND

9 (V) AN ACCIDENT INVOLVING SERIOUS BODILY INJURY, AS THAT
10 TERM IS DEFINED IN SECTION 18-1-901 (3)(p).

11 ~~(3)~~ (4) The commission ~~may~~ SHALL promulgate rules to
12 implement this section.

13 **SECTION 2. Applicability.** This act applies to conduct or
14 conditions occurring on or after the effective date of this act.

15 **SECTION 3. Safety clause.** The general assembly hereby finds,
16 determines, and declares that this act is necessary for the immediate
17 preservation of the public peace, health, and safety.