

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

ENGROSSED

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

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 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.

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 GROUND AND AIR SURVEY TO IDENTIFY SUSPECTED SEEPAGE
9 AREAS, PREVIOUS SEEPAGE AREAS, AND INCREASES OR DECREASES IN
10 SEEPAGE;
11 (b) DETAILED MAPPING OF SUSPECTED SEEPAGE AREAS;
12 (c) SAMPLING AND ANALYSIS OF GAS COLLECTED FROM SELECTED
13 SEEPAGE AREAS; AND
14 (d) SAMPLING AND ANALYSIS OF WATER FROM SELECTED WATER
15 WELLS AND METHANE CAPTURE WELLS IN THE RATON BASIN.
16 (4) IN PERFORMING THE STUDY DESCRIBED IN SUBSECTION (1) OF
17 THIS SECTION, THE COMMISSION AND THE WATER QUALITY CONTROL
18 DIVISION SHALL COORDINATE WITH:
19 (a) THE COLORADO ENERGY OFFICE CREATED IN SECTION
20 24-38.5-101;
21 (b) THE DIVISION OF WATER RESOURCES CREATED IN THE
22 DEPARTMENT OF NATURAL RESOURCES PURSUANT TO SECTION 24-1-124;
23 (c) THE DIVISION OF MINING, RECLAMATION, AND SAFETY IN THE
24 DEPARTMENT OF NATURAL RESOURCES PURSUANT TO SECTION 34-20-103;
25 (d) THE DIVISION OF PARKS AND WILDLIFE CREATED IN THE
26 DEPARTMENT OF NATURAL RESOURCES PURSUANT TO SECTION 33-9-104;
27 AND

1 (e) LOCAL GOVERNMENTS, INCLUDING THE BOARDS OF COUNTY
2 COMMISSIONERS IN LAS ANIMAS AND HUERFANO COUNTIES.

3 (5) 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 (6) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2024.

11

12 **SECTION 2. Appropriation.** For the 2023-24 state fiscal year,
13 \$424,500 is appropriated to the department of natural resources for use
14 by the oil and gas conservation commission. This appropriation is from
15 the oil and gas conservation and environmental response fund created in
16 section 34-60-122 (5), C.R.S. To implement this act, the commission may
17 use this appropriation for program costs.

18 **SECTION 3. Act subject to petition - effective date.** This act
19 takes effect at 12:01 a.m. on the day following the expiration of the
20 ninety-day period after final adjournment of the general assembly; except
21 that, if a referendum petition is filed pursuant to section 1 (3) of article V
22 of the state constitution against this act or an item, section, or part of this
23 act within such period, then the act, item, section, or part will not take
24 effect unless approved by the people at the general election to be held in
25 November 2024 and, in such case, will take effect on the date of the
26 official declaration of the vote thereon by the governor.