

**First Regular Session
Sixty-sixth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 07-0503.03 Thomas Morris

HOUSE BILL 07-1298

HOUSE SPONSORSHIP

Gibbs,

SENATE SPONSORSHIP

Tochtrop,

House Committees

Agriculture, Livestock, & Natural Resources
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE CONSERVATION OF WILDLIFE HABITAT IN**
102 **CONNECTION WITH THE DEVELOPMENT OF OIL AND GAS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Requires the Colorado oil and gas conservation commission (commission) to administer the oil and gas conservation law so as to minimize adverse impacts to wildlife resources affected by oil and gas operations. Directs the commission to:

Consult with the wildlife commission and division of wildlife on decision-making that impacts wildlife resources;

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

Implement, to the maximum extent practicable, best management practices and other reasonable measures to conserve wildlife resources; and

Promulgate rules by July 1, 2008, in consultation with the wildlife commission, to establish standards for minimizing adverse impacts to wildlife resources affected by oil and gas operations and to ensure the proper reclamation of wildlife habitat during and following such operations. Specifies elements to be addressed in the rules.

Makes a legislative declaration.

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

2 **SECTION 1.** 34-60-102 (1), Colorado Revised Statutes, is
3 amended to read:

4 **34-60-102. Legislative declaration.** (1) (a) It is declared to be
5 in the public interest to:

6 (I) Foster, encourage, and promote the development, production,
7 and utilization of the natural resources of oil and gas in the state of
8 Colorado in a manner consistent with protection of public health, safety,
9 and welfare; ~~to~~

10 (II) Protect the public and private interests against the evils of
11 waste in the production and utilization of oil and gas by prohibiting
12 waste; ~~to~~

13 (III) Safeguard, protect, and enforce the coequal and correlative
14 rights of owners and producers in a common source or pool of oil and gas
15 to the end that each such owner and producer in a common pool or source
16 of supply of oil and gas may obtain a just and equitable share of
17 production therefrom; AND

18 (IV) PLAN AND MANAGE OIL AND GAS OPERATIONS IN A MANNER
19 THAT BALANCES DEVELOPMENT WITH WILDLIFE CONSERVATION IN
20 RECOGNITION OF THE STATE'S OBLIGATION TO PROTECT WILDLIFE

1 RESOURCES AND THE HUNTING, FISHING, AND RECREATION TRADITIONS
2 THEY SUPPORT, WHICH ARE AN IMPORTANT PART OF COLORADO'S
3 ECONOMY AND CULTURE. PURSUANT TO SECTION 33-1-101, C.R.S., IT IS
4 THE POLICY OF THE STATE OF COLORADO THAT WILDLIFE AND THEIR
5 ENVIRONMENT ARE TO BE PROTECTED, PRESERVED, ENHANCED, AND
6 MANAGED FOR THE USE, BENEFIT, AND ENJOYMENT OF THE PEOPLE OF THIS
7 STATE AND ITS VISITORS.

8 (b) It is not the intent nor the purpose of this article to require or
9 permit the proration or distribution of the production of oil and gas among
10 the fields and pools of Colorado on the basis of market demand. It is the
11 intent and purpose of this article to permit each oil and gas pool in
12 Colorado to produce up to its maximum efficient rate of production,
13 subject to the prohibition of waste, and subject further to the enforcement
14 and protection of the coequal and correlative rights of the owners and
15 producers of a common source of oil and gas, so that each common owner
16 and producer may obtain a just and equitable share of production
17 therefrom.

18 **SECTION 2.** 34-60-103, Colorado Revised Statutes, is amended
19 BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS to
20 read:

21 **34-60-103. Definitions.** As used in this article, unless the context
22 otherwise requires:

23 (4.3) "DIVISION OF WILDLIFE" MEANS THE DIVISION OF WILDLIFE
24 IDENTIFIED IN ARTICLE 1 OF TITLE 33, C.R.S.

25 (5.5) "MINIMIZE ADVERSE IMPACTS" MEANS TO, WHEREVER
26 REASONABLY PRACTICABLE:

27 (a) AVOID ADVERSE IMPACTS FROM OIL AND GAS OPERATIONS ON

1 WILDLIFE RESOURCES;

2 (b) MINIMIZE THE EXTENT AND SEVERITY OF THOSE IMPACTS THAT
3 CANNOT BE AVOIDED;

4 (c) MITIGATE THE EFFECTS OF UNAVOIDABLE REMAINING IMPACTS;
5 AND

6 (d) TAKE INTO CONSIDERATION COST-EFFECTIVENESS AND
7 TECHNICAL FEASIBILITY WITH REGARD TO ACTIONS AND DECISIONS TAKEN
8 TO MINIMIZE ADVERSE IMPACTS TO WILDLIFE RESOURCES.

9 (14) "WILDLIFE COMMISSION" MEANS THE WILDLIFE COMMISSION
10 CREATED IN SECTION 33-1-103, C.R.S.

11 (15) "WILDLIFE RESOURCES" MEANS FISH, WILDLIFE, AND THEIR
12 AQUATIC AND TERRESTRIAL HABITATS.

13 **SECTION 3.** Article 60 of title 34, Colorado Revised Statutes, is
14 amended BY THE ADDITION OF A NEW SECTION to read:

15 **34-60-127. Habitat stewardship - rules.** (1) THIS SECTION
16 SHALL BE KNOWN AND MAY BE CITED AS THE "COLORADO HABITAT
17 STEWARDSHIP ACT OF 2007".

18 (2) THE COMMISSION SHALL ADMINISTER THIS ARTICLE SO AS TO
19 MINIMIZE ADVERSE IMPACTS TO WILDLIFE RESOURCES AFFECTED BY OIL
20 AND GAS OPERATIONS.

21 (3) IN ORDER TO MINIMIZE ADVERSE IMPACTS TO WILDLIFE
22 RESOURCES, THE COMMISSION SHALL:

23 (a) CONSULT WITH THE WILDLIFE COMMISSION AND DIVISION OF
24 WILDLIFE ON DECISION-MAKING THAT IMPACTS WILDLIFE RESOURCES;

25 (b) IMPLEMENT, **WHENEVER REASONABLY** PRACTICABLE, BEST
26 MANAGEMENT PRACTICES AND OTHER REASONABLE MEASURES TO
27 CONSERVE WILDLIFE RESOURCES;

1 (c) PROMULGATE RULES BY JULY 1, 2008, IN CONSULTATION WITH
2 THE WILDLIFE COMMISSION, TO ESTABLISH STANDARDS FOR MINIMIZING
3 ADVERSE IMPACTS TO WILDLIFE RESOURCES AFFECTED BY OIL AND GAS
4 OPERATIONS AND TO ENSURE THE PROPER RECLAMATION OF WILDLIFE
5 HABITAT DURING AND FOLLOWING SUCH OPERATIONS. AT A MINIMUM, THE
6 RULES SHALL ADDRESS:

7 (I) DEVELOPING A CONSULTATION PROCESS WITH THE DIVISION OF
8 WILDLIFE GOVERNING NOTIFICATION AND CONSULTATION ON MINIMIZING
9 ADVERSE IMPACTS, AND OTHER ISSUES RELATING TO WILDLIFE RESOURCES;

10 (II) ENCOURAGING OPERATORS TO UTILIZE COMPREHENSIVE
11 DRILLING PLANS AND GEOGRAPHIC AREA ANALYSIS STRATEGIES TO
12 PROVIDE FOR ORDERLY DEVELOPMENT OF OIL AND GAS FIELDS;

13 (III) MINIMIZING SURFACE DISTURBANCE AND FRAGMENTATION IN
14 IMPORTANT WILDLIFE HABITAT BY INCORPORATING APPROPRIATE
15 BEST MANAGEMENT PRACTICES:

16 (A) IN ORDERS OR RULES ESTABLISHING DRILLING UNITS OR
17 ALLOWING THE DRILLING OF ADDITIONAL WELLS IN DRILLING UNITS
18 PURSUANT TO SECTION 34-60-116;

19 (B) IN ORDERS APPROVING AGREEMENTS FOR DEVELOPMENT OR
20 UNIT OPERATIONS PURSUANT TO SECTION 34-60-118; AND

21 (C) ON A SITE-SPECIFIC BASIS, AS CONDITIONS OF APPROVAL TO A
22 PERMIT TO DRILL PURSUANT TO SECTION 34-60-106 (1) (f).

23 **SECTION 4. Effective date - applicability.** This act shall take
24 effect July 1, 2007, and shall apply to acts of the Colorado oil and gas
25 conservation commission on or after said date.

26 **SECTION 5. Safety clause.** The general assembly hereby finds,

- 1 determines, and declares that this act is necessary for the immediate
- 2 preservation of the public peace, health, and safety.