

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

INTRODUCED

LLS NO. 13-0737.01 Thomas Morris x4218

SENATE BILL 13-202

SENATE SPONSORSHIP

Jones,

HOUSE SPONSORSHIP

Singer,

Senate Committees

Agriculture, Natural Resources, & Energy

House Committees

A BILL FOR AN ACT

101 **CONCERNING ADDITIONAL INSPECTIONS OF OIL AND GAS FACILITIES.**

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://www.leg.state.co.us/billsummaries>.)

The bill requires the Colorado oil and gas conservation commission to use a risk-based strategy for inspecting oil and gas locations that targets the operational phases that are most likely to experience spills, excess emissions, and other types of violations. The number of commission inspectors must be equivalent to that needed to ensure that each oil and gas location is inspected at least once per year.

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.*

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 hereby:

4 (a) Finds that the substantial increase in oil and gas development
5 in Colorado, while very beneficial to Colorado's economy:

6 (I) Has led to increased risks to Colorado's natural environment
7 and public health; and

8 (II) Has not been accompanied by a proportionate increase in the
9 inspections staff of the Colorado oil and gas conservation commission;

10 (b) Determines that:

11 (I) Timely inspections of new oil and gas wells, including those
12 that are hydraulically fractured, are critical to protecting public health,
13 minimizing environmental contamination, detecting spills before they
14 worsen, and ensuring public trust; and

15 (II) Given the limitations of its current authorization for only
16 sixteen inspectors, the inspection staff of the Colorado oil and gas
17 conservation commission can inspect the more than fifty thousand active
18 wells in Colorado, on average, only about once every four years, with
19 each staff member inspecting more than three thousand wells per year;
20 and

21 (c) Declares that this act to increase the frequency of inspections
22 of oil and gas wells is necessary for the immediate preservation of the
23 public peace, health, and safety.

24 **SECTION 2.** In Colorado Revised Statutes, 34-60-106, **amend**
25 (15) as follows:

26 **34-60-106. Additional powers of commission - rules.**

1 (15) (a) The commission may, as it deems appropriate, assign its
2 inspection and monitoring function, but not its enforcement authority,
3 through intergovernmental agreement or by private contract; except that
4 ~~no such~~ AN assignment ~~shall~~ DOES NOT allow for the imposition of any
5 new tax or fee by the assignee in order to conduct ~~such~~ THE assigned
6 inspection and monitoring and ~~no such assignment shall~~ MUST NOT
7 provide for compensation contingent on the number or nature of alleged
8 violations referred to the commission by the assignee. ~~No~~ A local
9 government ~~may~~ SHALL NOT charge a tax or fee to conduct inspections or
10 monitoring of oil and gas operations with regard to matters that are
11 subject to rule, ~~regulation~~, order, or permit condition administered by the
12 commission. Nothing in this subsection (15) ~~shall affect~~ AFFECTS the
13 ability of a local government to charge a reasonable and
14 nondiscriminatory fee for inspection and monitoring for road damage and
15 compliance with local fire codes, land use permit conditions, and local
16 building codes.

17 (b) THE COMMISSION SHALL USE A RISK-BASED STRATEGY FOR
18 INSPECTING OIL AND GAS LOCATIONS THAT TARGETS THE OPERATIONAL
19 PHASES THAT ARE MOST LIKELY TO EXPERIENCE SPILLS, EXCESS EMISSIONS,
20 AND OTHER TYPES OF VIOLATIONS. THE NUMBER OF INSPECTORS
21 EMPLOYED BY THE COMMISSION MUST BE EQUIVALENT TO THAT NEEDED
22 TO ENSURE THAT EACH OIL AND GAS LOCATION IS INSPECTED ONCE PER
23 YEAR.

24 **SECTION 3. Applicability.** This act applies to conduct occurring
25 on or after the effective date of this act.

26 **SECTION 4. 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.