

NOTE: The governor signed this measure on 5/24/2013.

An Act

SENATE BILL 13-202

BY SENATOR(S) Jones, Aguilar, Carroll, Giron, Guzman, Heath, Jahn, Kefalas, Kerr, Newell, Nicholson, Schwartz, Todd, Ulibarri, Morse; also REPRESENTATIVE(S) Singer, Fields, Fischer, Ginal, Hamner, Hullinghorst, Labuda, Melton, Rosenthal, Ryden, Schafer, Williams.

CONCERNING ADDITIONAL INSPECTIONS OF OIL AND GAS FACILITIES, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

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

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

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

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

(b) Determines that:

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

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

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

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

SECTION 2. In Colorado Revised Statutes, 34-60-106, **add** (15.5) as follows:

34-60-106. Additional powers of commission - rules - repeal.
(15.5) THE COMMISSION SHALL 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 AND THAT PRIORITIZES MORE IN-DEPTH INSPECTIONS. THE COMMISSION SHALL:

(a) (I) SUBMIT A REPORT BY FEBRUARY 1, 2014, TO THE GENERAL ASSEMBLY'S JOINT BUDGET COMMITTEE AND THE SENATE AND HOUSE OF REPRESENTATIVES COMMITTEES OF REFERENCE WITH JURISDICTION OVER ENERGY THAT INCLUDES FINDINGS, RECOMMENDATIONS, AND A PLAN, INCLUDING STAFFING AND EQUIPMENT NEEDS.

(II) THIS PARAGRAPH (a) IS REPEALED, EFFECTIVE SEPTEMBER 1, 2014.

(b) IMPLEMENT THE SYSTEMATIC RISK-BASED STRATEGY BY JULY 1, 2014. THE COMMISSION MAY USE A PILOT PROJECT TO TEST THE RISK-BASED STRATEGY.

SECTION 3. Appropriation. In addition to any other

appropriation, there is hereby appropriated, out of any moneys in the oil and gas conservation and environmental response fund created in section 34-60-122 (5), Colorado Revised Statutes, not otherwise appropriated, to the department of natural resources, for the fiscal year beginning July 1, 2013, the sum of \$100,000, or so much thereof as may be necessary, for allocation to the oil and gas conservation commission for a risk-based inspection study related to the implementation of this act.

SECTION 4. Applicability. This act applies to conduct occurring on or after the effective date of this act.

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

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

John P. Morse
PRESIDENT OF
THE SENATE

Mark Ferrandino
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____

John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO