

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

**REREVISED**

*This Version Includes All Amendments  
Adopted in the Second House*

LLS NO. 13-0737.01 Thomas Morris x4218

**SENATE BILL 13-202**

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**SENATE SPONSORSHIP**

**Jones,**

**HOUSE SPONSORSHIP**

**Singer,**

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**Senate Committees**

Agriculture, Natural Resources, & Energy  
Appropriations

**House Committees**

Transportation & Energy  
Appropriations

HOUSE  
3rd Reading Unamended  
May 1, 2013

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**A BILL FOR AN ACT**

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

HOUSE  
2nd Reading Unamended  
April 30, 2013

**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>.)*

SENATE  
3rd Reading Unamended  
April 17, 2013

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

SENATE  
Amended 2nd Reading  
April 16, 2013

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.*

ensure that each oil and gas location is inspected at least once per year.

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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 and producing oil and gas wells,  
12 including those that are hydraulically fractured, are critical to protecting  
13 public health, minimizing environmental contamination, detecting spills  
14 before they 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, **add**  
25 **(15.5)**      as follows:

1           **34-60-106. Additional powers of commission - rules - repeal.**

2           (15.5) THE COMMISSION SHALL USE A RISK-BASED STRATEGY FOR  
3           INSPECTING OIL AND GAS LOCATIONS THAT TARGETS THE OPERATIONAL  
4           PHASES THAT ARE MOST LIKELY TO EXPERIENCE SPILLS, EXCESS EMISSIONS,  
5           AND OTHER TYPES OF VIOLATIONS AND THAT PRIORITIZES MORE IN-DEPTH  
6           INSPECTIONS. THE COMMISSION SHALL:

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

12          (II) THIS PARAGRAPH (a) IS REPEALED, EFFECTIVE SEPTEMBER 1,  
13          2014.

14          (b) IMPLEMENT THE SYSTEMATIC RISK-BASED STRATEGY BY JULY  
15          1, 2014. THE COMMISSION MAY USE A PILOT PROJECT TO TEST THE  
16          RISK-BASED STRATEGY. \_\_\_

17          **SECTION 3. Appropriation.** In addition to any other  
18          appropriation, there is hereby appropriated, out of any moneys in the oil  
19          and gas conservation and environmental response fund created in section  
20          34-60-122 (5), Colorado Revised Statutes, not otherwise appropriated, to  
21          the department of natural resources, for the fiscal year beginning July 1,  
22          2013, the sum of \$100,000, or so much thereof as may be necessary, for  
23          allocation to the oil and gas conservation commission for a risk-based  
24          inspection study related to the implementation of this act.

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

27          **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.