A BILL FOR AN ACT

CONCERNING THE REDUCTION OF CONFLICTS OF INTEREST WITHIN THE COLORADO OIL AND GAS CONSERVATION COMMISSION.

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.)

Under current law, the Colorado oil and gas conservation commission:

- Has mandates to reduce waste and to foster the development of oil and gas resources in a manner consistent with the protection of public health, the
environment, and wildlife resources; and
Can include at least 3 commissioners who are employed by
the industry.

Section 1 of the bill amends the commission's mandate to ensure
that the development of oil and gas resources protects public health, the
environment, and wildlife resources. Section 2 redefines "waste" to
exclude reduced production that results from compliance with
government regulation.

Section 3 prohibits a newly appointed commissioner from being
an employee, officer, or director of an oil and gas operator or oil and gas
service company while serving on the commission.

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

SECTION 1. In Colorado Revised Statutes, 34-60-102, amend
(1) (a) (I) and (1) (a) (IV) as follows:

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

(I) Foster ENSURE THAT the responsible, balanced development,
production, and utilization of the natural resources of oil and gas in the
state of Colorado in a manner consistent with protection of
public health, safety, and welfare, including protection of the environment
and wildlife resources;

(IV) Plan and manage oil and gas operations in a manner that
balances development with wildlife conservation in recognition of the
state's obligation to protect PROTECTS wildlife resources and the hunting,
fishing, and recreation traditions they support, which are an important
part of Colorado's economy and culture. Pursuant to section 33-1-101,
C.R.S., it is the policy of the state of Colorado that wildlife and their
environment are to be protected, preserved, enhanced, and managed for
the use, benefit, and enjoyment of the people of this state and its visitors.
SECTION 2. In Colorado Revised Statutes, 34-60-104, add (5) as follows:

34-60-104. Oil and gas conservation commission - report - publication - disclosure. (5) Each commissioner shall annually disclose the following information, which the commission shall post on its web site:

(a) The identity of each operator and oil and gas service company of which the commissioner is an employee, officer, or director or in which the commissioner has a direct or substantial financial interest;

(b) The nature of the commissioner's direct or substantial financial interest and position with each such operator or oil and gas service company and the commissioner's duties in connection with the position; and

(c) A listing of each such operator's or oil and gas service company's business interests in Colorado.

SECTION 3. In Colorado Revised Statutes, 34-60-117, add (5) as follows:

34-60-117. Prevention of waste - protection of correlative rights. (5) The prevention of waste and the protection of correlative rights does not supersede regulation by the commission of the impacts of oil and gas exploration or production on public health, safety, and welfare or the environment.

SECTION 4. In Colorado Revised Statutes, 34-60-104, add (6) as follows:

34-60-104. Oil and gas conservation commission - report -
publication - disclosure - conflict of interest. (6) (a) A COMMISSIONER HAS A POTENTIAL CONFLICT OF INTEREST WITH REGARD TO A MATTER BEFORE THE COMMISSION IF ANY OF THE CIRCUMSTANCES LISTED IN SUBPARAGRAPHS (I) THROUGH (III) OF THIS PARAGRAPH (a) APPLY OR IF THERE IS AN APPEARANCE OF IMPROPRIETY DUE TO THE REASONABLE BELIEF THAT:

(I) THE COMMISSIONER HAS A DIRECT OR SUBSTANTIAL FINANCIAL INTEREST IN AN OPERATOR OR OIL AND GAS SERVICE COMPANY INVOLVED IN THE MATTER AND THE MATTER MAY HAVE A DIRECT ECONOMIC BENEFIT OR DETRIMENT ON THE OPERATOR OR OIL AND GAS SERVICE COMPANY;

(II) THE COMMISSIONER IS NOT CAPABLE OF JUDGING A MATTER FAIRLY ON THE BASIS OF ITS OWN CIRCUMSTANCES OR HAS AN UNALTERABLY CLOSED MIND ON AN ISSUE CRITICAL TO THE DISPOSITION OF THE MATTER; OR

(III) THE COMMISSIONER HAS A PERSONAL OR FINANCIAL INTEREST THAT PREJUDICES THAT COMMISSIONER'S ABILITY TO PARTICIPATE OBJECTIVELY IN THE MATTER.

(b) IF A COMMISSIONER HAS A POTENTIAL CONFLICT OF INTEREST WITH REGARD TO A MATTER, THE COMMISSIONER SHALL DISCLOSE THE POTENTIAL CONFLICT AND MAY WITHDRAW FROM PARTICIPATION IN THE MATTER. IF THE COMMISSIONER DOES NOT AGREE TO WITHDRAW, THE OTHER COMMISSIONERS, AFTER DISCUSSION AND COMMENTS FROM ANY MEMBER OF THE PUBLIC, SHALL VOTE ON WHETHER THE COMMISSIONER MUST WITHDRAW FROM PARTICIPATION IN THE MATTER.

SECTION 5. Applicability. This act applies to conduct occurring on or after the effective date of this act.

SECTION 6. 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.