

LLS NO. 17-1228.01 Thomas Morris x4218

HOUSE BILL 17-1372

HOUSE SPONSORSHIP
Foote and Lebsock,

SENATE SPONSORSHIP
(None),

House Committees
State, Veterans, & Military Affairs

Senate Committees

A BILL FOR AN ACT

101 CONCERNING ADDITIONAL DISCLOSURES OF INFORMATION BY OIL AND
102 GAS OPERATORS, AND, IN CONNECTION THEREWITH, REQUIRING
103 THE DISCLOSURE OF THE LOCATION OF SUBSURFACE FACILITIES
104 AND THE SHARING OF OIL AND GAS OPERATORS' DEVELOPMENT
105 PLANS WITH AFFECTED LOCAL GOVERNMENTS.

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://leg.colorado.gov>.)

The bill requires an oil and gas operator to give electronic notice, in a format and by a deadline established by the Colorado oil and gas

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.

conservation commission by rule, of the location of each flow line, gathering pipeline, and transmission pipeline installed, owned, or operated by the operator to the director of the commission and each local government within whose jurisdiction the subsurface facility is located. The commission shall post the information on its website in a searchable database.

The commission recently promulgated several rules to implement 2 of the recommendations of the governor's oil and gas task force. The bill also codifies some of the essential elements of one of the 2 recommendations, with the following modifications: The rules require operators to share their development plans with municipalities where the proposed operations will occur; and the bill adds counties where the proposed operations will occur.

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

2 **SECTION 1.** In Colorado Revised Statutes, 34-60-103, **add** (4.1),
3 (5.3), (6.2), and (6.4) as follows:

4 **34-60-103. Definitions.** As used in this article, unless the context
5 otherwise requires:

6 (4.1) "DIRECTOR" MEANS THE DIRECTOR OF THE COMMISSION.

7 (5.3) "LOCAL GOVERNMENT" MEANS A HOME RULE OR STATUTORY
8 CITY, TOWN, TERRITORIAL CHARTER CITY, COUNTY, OR CITY AND COUNTY.

9 (6.2) "OIL AND GAS FACILITY" MEANS EQUIPMENT OR
10 IMPROVEMENTS, WHETHER SURFACE OR SUBSURFACE, USED OR INSTALLED
11 AT AN OIL AND GAS LOCATION FOR THE EXPLORATION, PRODUCTION,
12 WITHDRAWAL, GATHERING, TREATMENT, OR PROCESSING OF OIL OR
13 NATURAL GAS, INCLUDING FLOW LINES AND GATHERING AND
14 TRANSMISSION PIPELINES, REGARDLESS OF WHETHER LOCATED UNDER OR
15 NEAR A WELL PAD, TANK FARM, OR OTHER SURFACE FACILITY.

16 (6.4) "OIL AND GAS LOCATION" MEANS A DEFINABLE AREA WHERE
17 AN OPERATOR HAS DISTURBED OR INTENDS TO DISTURB THE LAND
18 SURFACE IN ORDER TO LOCATE AN OIL AND GAS FACILITY.

1 **SECTION 2.** In Colorado Revised Statutes, add 34-60-131 and
2 34-60-132 as follows:

3 **34-60-131. Disclosure of location of subsurface oil and gas**
4 **facilities - rules - definition.** (1) AN OPERATOR SHALL GIVE ELECTRONIC
5 NOTICE, IN A FORMAT AND BY A DEADLINE ESTABLISHED BY THE
6 COMMISSION BY RULE, OF THE LOCATION OF EACH SUBSURFACE FACILITY
7 INSTALLED, OWNED, OR OPERATED BY THE OPERATOR TO:

8 (a) THE DIRECTOR; AND

9 (b) EACH LOCAL GOVERNMENT WITHIN WHOSE JURISDICTION THE
10 SUBSURFACE FACILITY IS LOCATED.

11 (2) THE RULES MUST:

12 (a) DISTINGUISH BETWEEN SUBSURFACE FACILITIES THAT WERE
13 CONSTRUCTED OR INSTALLED ON OR AFTER THE EFFECTIVE DATE OF THIS
14 SECTION FROM THOSE THAT WERE CONSTRUCTED OR INSTALLED BEFORE
15 THE EFFECTIVE DATE OF THIS SECTION;

16 (b) REQUIRE OPERATORS TO FILE THE NOTICE WITH REGARD TO A
17 SUBSURFACE FACILITY THAT WAS CONSTRUCTED OR INSTALLED ON OR
18 AFTER THE EFFECTIVE DATE OF THIS SECTION WITHIN A DEFINED PERIOD OF
19 TIME AFTER THE CONSTRUCTION OR INSTALLATION OF THE FACILITY;

20 (c) REQUIRE OPERATORS TO FILE THE NOTICE WITH REGARD TO A
21 SUBSURFACE FACILITY THAT WAS CONSTRUCTED OR INSTALLED BEFORE
22 THE EFFECTIVE DATE OF THIS SECTION WITHIN A DEFINED PERIOD OF TIME
23 AFTER THE EFFECTIVE DATE OF THIS SECTION. THE DEADLINE ESTABLISHED
24 PURSUANT TO THIS SUBSECTION (2)(c) MUST BE LATER THAN THE
25 DEADLINE ESTABLISHED PURSUANT TO SUBSECTION (2)(b) OF THIS SECTION
26 AND MAY BE LATER FOR A SUBSURFACE FACILITY THAT AN OPERATOR DID
27 NOT CONSTRUCT OR INSTALL BUT RATHER ACQUIRED FROM ANOTHER

1 OPERATOR.

2 (d) REQUIRE THE OPERATOR TO SPECIFY WHETHER THE
3 SUBSURFACE FACILITY IS ACTIVE, SHUT IN, OR ABANDONED; AND

4 (e) REQUIRE OPERATORS TO MAKE AN AFFIRMATIVE EFFORT TO
5 LOCATE SUBSURFACE FACILITIES THAT THE OPERATOR INSTALLED, OWNS,
6 OR OPERATES, REGARDLESS OF WHETHER:

7 (I) THE OPERATOR CONSTRUCTED OR INSTALLED THE FACILITY OR
8 ACQUIRED IT FROM ANOTHER OPERATOR; OR

9 (II) THE FACILITY IS ACTIVE, SHUT IN, OR ABANDONED.

10 (3) THE DIRECTOR SHALL PROMPTLY POST THE INFORMATION ON
11 THE COMMISSION'S WEBSITE IN A FORMAT THAT ALLOWS LOCAL
12 GOVERNMENTS AND THE PUBLIC TO LOCATE SUBSURFACE FACILITIES
13 THROUGH A SEARCHABLE DATABASE USING MAPPING AND GEOGRAPHIC
14 INFORMATION SYSTEM SOFTWARE.

15 (4) FOR PURPOSES OF THIS SECTION, "SUBSURFACE FACILITY"
16 MEANS AN OIL AND GAS FACILITY THAT IS A FLOW LINE OR A GATHERING
17 AND TRANSMISSION PIPELINE.

18 **34-60-132. Disclosure of development plans.** (1) A LOCAL
19 GOVERNMENT MAY REQUEST AN OPERATOR TO PROVIDE, AND IF SO
20 REQUESTED, THE OPERATOR SHALL PROVIDE, THE FOLLOWING
21 INFORMATION TO THE LOCAL GOVERNMENT:

22 (a) BASED ON AN OPERATOR'S CURRENT BUSINESS PLAN AS OF THE
23 DATE OF THE REQUEST, A GOOD-FAITH ESTIMATE OF THE NUMBER OF
24 WELLS THE OPERATOR INTENDS TO DRILL IN THE NEXT FIVE YEARS WITHIN
25 THE LOCAL GOVERNMENT'S JURISDICTION; AND

26 (b) A MAP SHOWING THE LOCATION WITHIN THE LOCAL
27 GOVERNMENT'S JURISDICTION OF THE OPERATOR'S EXISTING WELL SITES

1 AND RELATED OIL AND GAS FACILITIES; SITES FOR WHICH THE OPERATOR
2 HAS APPROVED, OR HAS SUBMITTED APPLICATIONS FOR, DRILLING AND
3 SPACING ORDERS; AND SITES THE OPERATOR HAS IDENTIFIED FOR
4 DEVELOPMENT ON ITS CURRENT DRILLING SCHEDULE FOR WHICH IT HAS
5 NOT YET SUBMITTED AN APPLICATION FOR COMMISSION PERMITS.

6 (2) AN OPERATOR SHALL PROVIDE THE WELL ESTIMATES
7 REQUESTED PURSUANT TO THIS SECTION USING REASONABLE BUSINESS
8 JUDGMENT BASED ON INFORMATION KNOWN TO THE OPERATOR AS OF THE
9 DATE THE ESTIMATES ARE REQUESTED. WELL ESTIMATES ARE SUBJECT TO
10 CHANGE AT ANY TIME AT THE OPERATOR'S SOLE DISCRETION.

11 **SECTION 3. Applicability.** This act applies to conduct occurring
12 on or after the applicable effective date of this act.

13 **SECTION 4. Safety clause.** The general assembly hereby finds,
14 determines, and declares that this act is necessary for the immediate
15 preservation of the public peace, health, and safety.