

SENATE COMMITTEE OF REFERENCE REPORT

Chair of Committee

Date

March 5, 2019

Committee on Transportation & Energy.

After consideration on the merits, the Committee recommends the following:

SB19-181 be amended as follows, and as so amended, be referred to the Committee on Finance with favorable recommendation:

1 Amend printed bill, page 6, strike lines 9 through 17 and substitute
2 "EMISSIONS OF METHANE AND OTHER HYDROCARBONS, VOLATILE ORGANIC
3 COMPOUNDS, AND OXIDES OF NITROGEN FROM FACILITIES IN ALL
4 SEGMENTS OF THE OIL AND NATURAL GAS SUPPLY CHAIN.

5 (b) (I) THE COMMISSION SHALL REVIEW ITS LEAK DETECTION AND
6 REPAIR RULES FOR OIL AND NATURAL GAS WELL PRODUCTION FACILITIES
7 AND COMPRESSOR STATIONS AND SPECIFICALLY CONSIDER ADOPTING
8 MORE STRINGENT PROVISIONS, INCLUDING:

9 (A) A REQUIREMENT THAT ALL OIL AND NATURAL GAS WELL
10 PRODUCTION FACILITIES MUST CONDUCT, AT A MINIMUM, SEMI-ANNUAL
11 LEAK DETECTION AND REPAIR INSPECTIONS;

12 (B) A REQUIREMENT THAT OWNERS AND OPERATORS OF OIL AND
13 GAS TRANSMISSION PIPELINES AND COMPRESSOR STATIONS MUST INSPECT
14 AND MAINTAIN ALL EQUIPMENT AND PIPELINES ON A REGULAR BASIS; AND

15 (C) A REQUIREMENT THAT OIL AND NATURAL GAS OPERATORS
16 MUST INSTALL AND OPERATE CONTINUOUS METHANE EMISSIONS MONITORS
17 AT FACILITIES WITH LARGE EMISSIONS POTENTIAL, AT MULTI-WELL
18 FACILITIES, AND AT FACILITIES IN CLOSE PROXIMITY TO OCCUPIED
19 DWELLINGS."

20 Page 7, strike lines 14 through 17 and substitute:

21 "(g) Regulating the use of land on the basis of the impact thereof
22 OF THE USE on the community or surrounding areas; and".

1 Page 16, line 27, strike "and (19)" and substitute "(19), and (20)".

2 Page 22, strike lines 10 through 13 and substitute:

3 "(18) THE COMMISSION SHALL PROMULGATE RULES TO ENSURE
4 PROPER WELLBORE INTEGRITY OF ALL OIL AND GAS PRODUCTION WELLS.
5 IN PROMULGATING THE RULES, THE COMMISSION SHALL CONSIDER
6 INCORPORATING RECOMMENDATIONS FROM THE STATE OIL AND GAS
7 REGULATORY EXCHANGE AND SHALL INCLUDE PROVISIONS TO:

8 (a) ADDRESS THE PERMITTING, CONSTRUCTION, OPERATION, AND
9 CLOSURE OF PRODUCTION WELLS;

10 (b) REQUIRE THAT WELLS ARE CONSTRUCTED USING CURRENT
11 PRACTICES AND STANDARDS THAT PROTECT WATER ZONES AND PREVENT
12 BLOWOUTS;

13 (c) ENHANCE SAFETY AND ENVIRONMENTAL PROTECTIONS DURING
14 OPERATIONS SUCH AS DRILLING AND HYDRAULIC FRACTURING;

15 (d) REQUIRE REGULAR INTEGRITY ASSESSMENTS FOR ALL OIL AND
16 GAS PRODUCTION WELLS, SUCH AS PRESSURE MONITORING DURING
17 PRODUCTION; AND

18 (e) ADDRESS THE USE OF NONDESTRUCTIVE TESTING OF WELL
19 JOINTS."

20 Page 22, line 14, strike "AND, IF NECESSARY," and substitute "AND".

21 Page 22, line 16, before "TO" insert "TO THE EXTENT NECESSARY".

22 Page 22, after line 24 insert:

23 "(20) THE COMMISSION SHALL ADOPT RULES TO REQUIRE
24 CERTIFICATION FOR WORKERS IN THE FOLLOWING FIELDS:

25 (a) COMPLIANCE OFFICERS WITH REGARD TO THE FEDERAL
26 "OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970", 29 U.S.C. SEC. 651
27 ET SEQ., INCLUDING SPECIFICALLY WORKING IN CONFINED SPACES;

28 (b) COMPLIANCE OFFICERS WITH REGARD TO CODES PUBLISHED BY
29 THE AMERICAN PETROLEUM INSTITUTE AND AMERICAN SOCIETY OF
30 MECHANICAL ENGINEERS, OR THEIR SUCCESSOR ORGANIZATIONS;

31 (c) THE HANDLING OF HAZARDOUS MATERIALS;

32 (d) WELDERS WORKING ON OIL AND GAS PROCESS LINES,
33 INCLUDING:

34 (I) KNOWLEDGE OF THE FLOWLINE RULES PROMULGATED
35 PURSUANT TO SUBSECTION (19) OF THIS SECTION;

1 (II) A MINIMUM OF SEVEN THOUSAND HOURS OF DOCUMENTED
2 ON-THE-JOB TRAINING; AND
3 (III) PASSAGE OF THE INTERNATIONAL CODE COUNCIL EXAM F31,
4 NATIONAL STANDARD JOURNEYMAN MECHANICAL, OR AN ANALOGOUS
5 SUCCESSOR EXAM, FOR ANY PERSON WORKING ON PRESSURIZED PROCESS
6 LINES IN UPSTREAM AND MIDSTREAM OPERATIONS."

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