

First Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 23-0772.01 Richard Sweetman x4333

SENATE BILL 23-186

SENATE SPONSORSHIP

Pelton R. and Winter F.,

HOUSE SPONSORSHIP

Winter T. and Willford,

Senate Committees
Transportation & Energy

House Committees

A BILL FOR AN ACT

101 CONCERNING METHANE SEEPAGE IN THE RATON BASIN OF COLORADO,
102 AND, IN CONNECTION THEREWITH, REQUIRING THE COLORADO
103 OIL AND GAS CONSERVATION COMMISSION TO COMPLETE A
104 STUDY AND ESTABLISH A NEW REGULATORY CATEGORY.

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 the Colorado oil and gas conservation commission (commission), in consultation with local governments, to perform a study that:

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

- Recognizes best management practices for capturing methane seepage in the Raton basin;
- Confirms the high quality of water resulting from such methane capture operations; and
- Confirms the high potential to preserve and make beneficial use of such water.

The commission must complete the study and submit it to legislative committees of reference by December 1, 2023.

The bill also requires the commission to implement a regulatory category for methane recovery in the Raton basin, which category includes consideration of enforcement, financial assurance, flow lines, forms, operator guidance, orphan well programs, rules, and policies and allows for beneficial uses deemed prudent by local governments.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds that:

4 (a) In the Raton basin in southern Colorado, there are more than
5 three hundred abandoned or closed coal mines;

6 (b) Due to the substantial coal reserves remaining in these
7 historically improperly closed mines, methane is constantly being
8 organically generated and emitted from the mines;

9 (c) Although Colorado has worked to reduce greenhouse gases,
10 it has not specifically focused on greenhouse gas reduction in the Raton
11 basin;

12 (d) By focusing on the Raton basin, the state can work together
13 with local governments to reduce methane seepages and emissions to the
14 atmosphere and prevent methane emissions as much as possible; and

15 (e) Although the Raton basin is made up of ephemeral canyons
16 and is regularly drought ridden, the water from recovered methane is
17 abundant and has many beneficial uses.

18 (2) Therefore, the general assembly declares that it is in the

1 interest of the state to require the Colorado oil and gas conservation
2 commission to:

3 (a) Perform a study that:

4 (I) Identifies best management practices for capturing methane
5 seepage in the Raton basin;

6 (II) Confirms the high quality of water resulting from such
7 methane capture operations; and

8 (III) Confirms the high potential to preserve and make beneficial
9 use of such water; and

10 (b) Implement a regulatory category for methane recovery in the
11 Raton basin, which category includes consideration of enforcement,
12 financial assurance, flow lines, forms, operator guidance, orphan well
13 programs, rules, and policies and allows for beneficial uses deemed
14 prudent by local governments.

15 **SECTION 2.** In Colorado Revised Statutes, **add** 34-60-134 and
16 34-60-135 as follows:

17 **34-60-134. Methane seepage in Raton basin - study of best**
18 **management practices and water quality required - repeal.** (1) THE
19 COMMISSION, IN CONSULTATION WITH LOCAL GOVERNMENTS, SHALL
20 PERFORM A STUDY THAT:

21 (a) RECOGNIZES BEST MANAGEMENT PRACTICES FOR CAPTURING
22 METHANE SEEPAGE IN THE RATON BASIN OF SOUTHERN COLORADO;

23 (b) CONFIRMS THE HIGH QUALITY OF WATER RESULTING FROM
24 SUCH METHANE CAPTURE OPERATIONS; AND

25 (c) CONFIRMS THE HIGH POTENTIAL TO PRESERVE AND MAKE
26 BENEFICIAL USE OF SUCH WATER.

27 (2) THE COMMISSION, IN CONSULTATION WITH LOCAL

1 GOVERNMENTS, SHALL COMPLETE THE STUDY DESCRIBED IN SUBSECTION
2 (1) OF THIS SECTION AND SUBMIT THE STUDY TO THE AGRICULTURE,
3 WATER, AND NATURAL RESOURCES COMMITTEE OF THE HOUSE OF
4 REPRESENTATIVES AND THE AGRICULTURE AND NATURAL RESOURCES
5 COMMITTEE OF THE SENATE, OR TO ANY SUCCESSOR COMMITTEES, ON OR
6 BEFORE DECEMBER 1, 2023.

7 (3) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2024.

8 **34-60-135. Methane seepage in Raton basin - commission to**
9 **create new regulatory category.** DUE TO THE UNIQUE NATURE OF THE
10 PROCESSES INVOLVED IN CAPTURING METHANE IN THE RATON BASIN, ON
11 OR BEFORE DECEMBER 1, 2023, THE COMMISSION SHALL IMPLEMENT A
12 REGULATORY CATEGORY FOR METHANE RECOVERY IN THE RATON BASIN,
13 WHICH CATEGORY INCLUDES CONSIDERATION OF ENFORCEMENT,
14 FINANCIAL ASSURANCE, FLOW LINES, FORMS, OPERATOR GUIDANCE,
15 ORPHAN WELL PROGRAMS, RULES, AND POLICIES AND ALLOWS FOR
16 BENEFICIAL USES DEEMED PRUDENT BY LOCAL GOVERNMENTS.

17 **SECTION 3. Act subject to petition - effective date.** This act
18 takes effect at 12:01 a.m. on the day following the expiration of the
19 ninety-day period after final adjournment of the general assembly; except
20 that, if a referendum petition is filed pursuant to section 1 (3) of article V
21 of the state constitution against this act or an item, section, or part of this
22 act within such period, then the act, item, section, or part will not take
23 effect unless approved by the people at the general election to be held in
24 November 2024 and, in such case, will take effect on the date of the
25 official declaration of the vote thereon by the governor.