

Second Regular Session
Seventieth General Assembly
STATE OF COLORADO

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 16-1073.01 Thomas Morris x4218

HOUSE BILL 16-1430

HOUSE SPONSORSHIP

Lebsock,

SENATE SPONSORSHIP

Hodge,

House Committees
Transportation & Energy

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE IMPLEMENTATION OF A RECOMMENDATION OF THE**
102 **OIL AND GAS TASK FORCE REGARDING THE SHARING OF OIL AND**
103 **GAS OPERATORS' DEVELOPMENT PLANS WITH AFFECTED LOCAL**
104 **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://www.leg.state.co.us/billsummaries>.)

The Colorado oil and gas conservation commission recently promulgated several rules to implement 2 of the recommendations of the governor's oil and gas task force. The bill codifies some of the essential

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.

HOUSE
Amended 2nd Reading
April 20, 2016

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, **add** 34-60-131 as
3 follows:

4 **34-60-131. Registration for advance planning - definitions.**

5 (1) **Definitions.** AS USED IN THIS SECTION:

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

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

9 (c) "OIL AND GAS FACILITY" MEANS EQUIPMENT OR IMPROVEMENTS
10 USED OR INSTALLED AT AN OIL AND GAS LOCATION FOR THE EXPLORATION,
11 PRODUCTION, WITHDRAWAL, GATHERING, TREATMENT, OR PROCESSING OF
12 OIL OR NATURAL GAS.

13 (d) "OIL AND GAS LOCATION" MEANS A DEFINABLE AREA WHERE AN
14 OPERATOR HAS DISTURBED OR INTENDS TO DISTURB THE LAND SURFACE IN
15 ORDER TO LOCATE AN OIL AND GAS FACILITY.

16 (2) **Operator registration for advance planning.** (a) EACH
17 OPERATOR SHALL REGISTER WITH THE COMMISSION AND WITH EACH LOCAL
18 GOVERNMENT THAT HAS REGISTERED WITH THE COMMISSION PURSUANT TO
19 PARAGRAPH (b) OF THIS SUBSECTION (2) IN WHOSE JURISDICTION IT HAS AN
20 APPROVED DRILLING UNIT, A PENDING OR APPROVED PERMIT TO DRILL, OR
21 AN APPLICATION FOR A NEW OR AMENDED OIL AND GAS LOCATION.

22 (b) TO BE QUALIFIED TO RECEIVE THE INFORMATION SPECIFIED IN
23 THIS SECTION A LOCAL GOVERNMENT MUST REGISTER WITH THE

1 COMMISSION A STATEMENT OF ITS INTENT TO BE COVERED BY THIS
2 SECTION. A LOCAL GOVERNMENT THAT HAS SO REGISTERED WITH THE
3 COMMISSION MAY FILE A STATEMENT WITH THE COMMISSION TO REVOKE
4 ITS REGISTRATION.

5 (c) AN OPERATOR REGISTERS WITH A LOCAL GOVERNMENT BY:

6 (I) COMPLYING WITH THE REGISTRATION PROCESS ESTABLISHED BY
7 THE LOCAL GOVERNMENT; OR

8 (II) IF A LOCAL REGISTRATION PROCESS DOES NOT EXIST, BY
9 DELIVERING A CURRENT COPY OF ITS COMMISSION REGISTRATION AND
10 DESIGNATION-OF-AGENT FORMS TO THE LOCAL GOVERNMENT.

11 (d) A LOCAL GOVERNMENT THAT IS CURRENTLY REGISTERED WITH
12 THE COMMISSION PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (2)
13 MAY REQUEST AN OPERATOR THAT HAS REGISTERED WITH IT TO PROVIDE
14 THE FOLLOWING INFORMATION TO THE LOCAL GOVERNMENT:

15 (I) BASED ON AN OPERATOR'S CURRENT BUSINESS PLAN AS OF THE
16 DATE OF THE REQUEST, A GOOD-FAITH ESTIMATE OF THE NUMBER OF WELLS
17 THE OPERATOR INTENDS TO DRILL IN THE NEXT FIVE YEARS WITHIN THE
18 LOCAL GOVERNMENT'S JURISDICTION; ■

19 (II) A MAP SHOWING THE LOCATION WITHIN THE LOCAL
20 GOVERNMENT'S JURISDICTION OF THE OPERATOR'S EXISTING WELL SITES
21 AND RELATED PRODUCTION FACILITIES; SITES FOR WHICH THE OPERATOR
22 HAS APPROVED, OR HAS SUBMITTED APPLICATIONS FOR, DRILLING AND
23 SPACING ORDERS; AND SITES THE OPERATOR HAS IDENTIFIED FOR
24 DEVELOPMENT ON ITS CURRENT DRILLING SCHEDULE FOR WHICH IT HAS
25 NOT YET SUBMITTED AN APPLICATION FOR COMMISSION PERMITS; AND

26 (III) AN OPERATOR SHALL PROVIDE THE WELL ESTIMATES
27 REQUESTED PURSUANT TO THIS SECTION USING REASONABLE BUSINESS

1 JUDGMENT BASED ON INFORMATION KNOWN TO THE OPERATOR AS OF THE
2 DATE THE ESTIMATES ARE REQUESTED. WELL ESTIMATES ARE SUBJECT TO
3 CHANGE AT ANY TIME AT THE OPERATOR'S SOLE DISCRETION.

4 **SECTION 2. Applicability.** This act applies to applications for
5 approval of an oil and gas location filed on or after the applicable
6 effective date of this act.

7 **SECTION 3. Safety clause.** The general assembly hereby finds,
8 determines, and declares that this act is necessary for the immediate
9 preservation of the public peace, health, and safety.