

First Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 23-0205.01 Jennifer Berman x3286

**HOUSE BILL 23-1242**

**HOUSE SPONSORSHIP**

**Boesenecker and Joseph**, Amabile, Bacon, Brown, deGruy Kennedy, Dickson, Froelich, Gonzales-Gutierrez, Hamrick, Kipp, Lindsay, Lindstedt, McCormick, Michaelson Jenet, Sirota, Story, Valdez, Velasco, Weissman

**SENATE SPONSORSHIP**

Cutter,

**House Committees**

Energy & Environment  
Appropriations

**Senate Committees**

Transportation & Energy  
Appropriations

**A BILL FOR AN ACT**

101 **CONCERNING WATER USED IN OIL AND GAS OPERATIONS, AND, IN**  
102 **CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

**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 in the state (operator), on or before January 31, 2024, and at least annually thereafter, to report information to the Colorado oil and gas conservation commission (commission) regarding the operator's use of water entering, utilized at, or exiting each of the operator's oil and gas locations.

The bill also requires the commission to adopt rules requiring 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.*

HOUSE  
3rd Reading Unamended  
April 21, 2023

HOUSE  
Amended 2nd Reading  
April 20, 2023

- When issuing an operator a new or renewed oil and gas permit on or after June 1, 2024, the commission include as a condition of the permit a requirement that the operator use a decreasing percentage of fresh water and a corresponding increasing percentage of recycled or reused water in the operator's oil and gas operations; and
- Each oil and gas operator, on and after January 1, 2024, report on a monthly basis to the commission about the daily vehicle miles traveled for any trucks hauling water to, within, or from the operator's oil and gas operations in the state.

From the information reported to the commission under the bill, the commission is required to:

- Include the information as part of the commission's annual reporting on cumulative impacts of oil and gas operations;
- Report to the division of administration (division) in the department of public health and environment, on a per-incident basis, any indication of technologically enhanced naturally occurring radioactive material or PFAS chemicals present in produced water; and
- On a quarterly basis, submit a cumulative report to the division and the department of transportation on reported vehicle miles traveled and public roads traveled.

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

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

4 (a) Since the year 2000, Colorado has experienced a drought that,  
5 according to the Colorado state university's Colorado water institute, is  
6 the most severe drought in the southwestern United States since the year  
7 800;

8 (b) The drought has affected every part of Colorado, and  
9 agricultural operations throughout the state have been negatively  
10 impacted due to reduced water supply for irrigation;

11 (c) In the years 2020 and 2021, the historically dry conditions led  
12 to the four most destructive wildfires in recorded state history; and

1 (d) Compared to twentieth century levels, the flow of the  
2 Colorado river has declined twenty percent since the year 2000.

3 (2) The general assembly further finds and determines that:

4 (a) One way to conserve water is by increasing the recycling of  
5 produced water in oil and gas operations;

6 (b) To reduce the use of fresh water and increase the recycling of  
7 produced water in oil and gas operations, the Colorado oil and gas  
8 conservation commission, referred to in this section as the "commission",  
9 should ensure that it collects robust data regarding the existing use,  
10 recycling, and disposal of water in oil and gas operations;

11 (c) New rules adopted by the commission will also assist in the  
12 reduction of fresh water use and concomitant increase in produced water  
13 recycling; and

14 (d) A produced water consortium, consisting of individuals with  
15 expertise in produced water, environmental impacts, environmental  
16 justice concerns, and community perspectives, would be helpful for  
17 sorting through the issues related to water use in oil and gas operations,  
18 with the primary goal of the consortium being to reduce the use of fresh  
19 water and increase the recycling of produced water in oil and gas  
20 operations.

21 (3) Therefore, the general assembly declares that:

22 (a) The collection of oil and gas operations' water use data is  
23 intended to assist stakeholders, the commission, and the public to  
24 determine the best solutions for reducing the use of fresh water and  
25 increasing the recycling of produced water in oil and gas operations;

26 (b) The commission should adopt new rules to require a rapid and  
27 substantial reduction of the use of fresh water and the increase in the

1 recycling of produced water in oil and gas operations; and

2 (c) To assist the commission and the public, a produced water  
3 consortium should be appointed and should proceed in a collaborative  
4 manner, with efforts to achieve consensus among consortium members  
5 whenever possible. The consortium is intended to be an informational  
6 resource for the commission and the public and is not intended to be a  
7 party participant in any commission rule-making proceedings.

8 **SECTION 2.** In Colorado Revised Statutes, **add** 34-60-134 and  
9 34-60-135 as follows:

10 **34-60-134. Reporting of water used in oil and gas operations**  
11 **- cumulative reporting - definitions - rules - repeal. (1) Definitions.**

12 **AS USED IN THIS SECTION AND IN SECTION 34-60-135, UNLESS THE**  
13 **CONTEXT OTHERWISE REQUIRES:**

14 (a) "CONSORTIUM" MEANS THE COLORADO PRODUCED WATER  
15 CONSORTIUM CREATED IN SECTION 34-60-135 (2)(a).

16 (b) "DISPROPORTIONATELY IMPACTED COMMUNITY" HAS THE  
17 MEANING SET FORTH IN SECTION 24-4-109 (2)(b)(II).

18 (c) (I) "PRODUCED WATER" MEANS WATER, INCLUDING THE  
19 WATER'S MINERAL AND CHEMICAL COMPONENTS, IN OR INTRODUCED TO A  
20 GEOLOGICAL FORMATION, THAT IS COPRODUCED WITH OIL OR NATURAL  
21 GAS.

22 (II) "PRODUCED WATER" INCLUDES FLOWBACK WATER, EXCLUDING  
23 PROPPANTS RETURNED TO THE SURFACE.

24 (d) "RECYCLED OR REUSED PRODUCED WATER" MEANS PRODUCED  
25 WATER THAT IS RECONDITIONED INTO A REUSABLE FORM OR THAT IS  
26 REUSED WITHOUT RECONDITIONING.

27 (2) **Well reporting - rules.** BEGINNING SEPTEMBER 1, 2023,

1 OPERATORS SHALL REPORT TO THE COMMISSION ON A MONTHLY BASIS, IN  
2 A MANNER THAT PROVIDES FOR CONCURRENT REPORTING WITH REQUIRED  
3 PRODUCTION REPORTING, FOR EACH OIL AND GAS WELL:

4 (a) THE VOLUME, EXPRESSED IN BARRELS, OF ALL FRESH WATER  
5 USED DOWNHOLE;

6 (b) THE VOLUME, EXPRESSED IN BARRELS, OF ALL RECYCLED OR  
7 REUSED PRODUCED WATER USED DOWNHOLE;

8 (c) THE VOLUME, EXPRESSED IN BARRELS, OF ALL PRODUCED  
9 WATER THAT IS PRODUCED FROM THE WELL AND THE VOLUME, EXPRESSED  
10 IN BARRELS, OF THE PRODUCED WATER REMOVED FROM THE OIL AND GAS  
11 LOCATION FOR DISPOSAL, INCLUDING:

12 (I) THE DISPOSAL METHOD, AS DEFINED BY THE COMMISSION BY  
13 RULE; AND

14 (II) THE DISPOSAL LOCATION, INCLUDING FACILITY  
15 IDENTIFICATION, IF APPLICABLE; AND

16 (d) THE VOLUME, EXPRESSED IN BARRELS, OF ALL PRODUCED  
17 WATER THAT IS PRODUCED FROM THE WELL AND:

18 (I) RECYCLED OR REUSED IN ANOTHER WELL AT THE SAME OIL AND  
19 GAS LOCATION; AND

20 (II) REMOVED FROM THE OIL AND GAS LOCATION FOR RECYCLING  
21 OR REUSE IN OIL AND GAS OPERATIONS AT A DIFFERENT OIL AND GAS  
22 LOCATION, INCLUDING FOR USE BY ANOTHER OPERATOR.

23 (3) **Oil and gas location reporting - rules.** (a) BEGINNING  
24 JANUARY 1, 2024, AN OPERATOR SHALL REPORT TO THE COMMISSION, ON  
25 A QUARTERLY BASIS, FOR EACH OIL AND GAS LOCATION AT WHICH THE  
26 OPERATOR CONDUCTED OIL AND GAS OPERATIONS IN THE PREVIOUS  
27 REPORTING PERIOD:

1 (I) THE VOLUME, EXPRESSED IN BARRELS, AND WHETHER THE  
2 FRESH WATER WAS ACQUIRED FROM INDUSTRIAL, COMMERCIAL,  
3 MUNICIPAL, OR AGRICULTURAL WATER SOURCES FOR USE IN OIL AND GAS  
4 OPERATIONS AT THE OIL AND GAS LOCATION;

5 (II) THE VOLUME, EXPRESSED IN BARRELS, AND SOURCE OF ALL  
6 RECYCLED OR REUSED WATER USED IN OIL AND GAS OPERATIONS AT THE  
7 OIL AND GAS LOCATION;

8 (III) THE VOLUME, EXPRESSED IN BARRELS, OF ALL PRODUCED  
9 WATER DISPOSED OF FROM THE OIL AND GAS LOCATION, INCLUDING:

10 (A) THE DISPOSAL METHOD, AS DEFINED BY THE COMMISSION BY  
11 RULE; AND

12 (B) THE DISPOSAL LOCATION, INCLUDING FACILITY  
13 IDENTIFICATION, IF APPLICABLE;

14 (IV) THE VOLUME, EXPRESSED IN BARRELS, OF ALL PRODUCED  
15 WATER THAT IS REMOVED FROM THE OIL AND GAS LOCATION FOR  
16 RECYCLING OR REUSE IN OIL AND GAS OPERATIONS, INCLUDING BY  
17 ANOTHER OIL AND GAS OPERATOR; AND

18 (V) THE TOTAL VOLUME, EXPRESSED IN BARRELS, OF ALL WATER  
19 PRODUCED FROM ALL WELLS AT THE OIL AND GAS LOCATION IN EACH  
20 MONTH OF THE REPORTING PERIOD.

21 (b) AN OPERATOR SHALL:

22 (I) FILE THE REPORT REQUIRED UNDER SUBSECTION (3)(a) OF THIS  
23 SECTION NO LATER THAN FORTY-FIVE DAYS AFTER THE END OF THE  
24 PREVIOUS CALENDAR QUARTER; AND

25 (II) INCLUDE IN EACH REPORT FILED PURSUANT TO SUBSECTION  
26 (3)(a) OF THIS SECTION THE TOTAL AMOUNTS OF ALL FRESH WATER,  
27 PRODUCED WATER, AND RECYCLED OR REUSED PRODUCED WATER

1 MANAGED AT THE OIL AND GAS LOCATION FOR ANY PURPOSE.  
2 INFORMATION REPORTED UNDER THIS SUBSECTION (3)(b)(II) DOES NOT  
3 INCLUDE STORM WATER.

4 (4) **Scope of report - operational lifetime of a well.** AN  
5 OPERATOR'S PRODUCED WATER REPORTS DESCRIBED IN SUBSECTIONS (2)  
6 AND (3) OF THIS SECTION MUST DESCRIBE ALL WATER PRODUCED OR USED  
7 THROUGHOUT THE OPERATIONAL LIFETIME OF A WELL, BEGINNING WITH  
8 SITE CONSTRUCTION, DRILLING, COMPLETION, STIMULATION AND  
9 PRODUCTION OPERATIONS, ASSOCIATED PLUGGING AND ABANDONMENT,  
10 FACILITY DECOMMISSIONING, REMEDIATION, AND RECLAMATION.

11 (5) **Rules.** (a) FOR THE PURPOSE OF COLLECTING THE DATA  
12 REQUIRED BY SUBSECTIONS (2) AND (3) OF THIS SECTION, THE COMMISSION  
13 MAY ADOPT RULES AUTHORIZING OPERATORS TO INCLUDE INFORMATION  
14 IN THEIR REPORTS THAT IS NOT OTHERWISE REPORTED PURSUANT TO  
15 EXISTING COMMISSION RULES.

16 (b) THE COMMISSION SHALL NOT ADOPT A RULE DESIGNATING THE  
17 DATA REQUIRED PURSUANT TO SUBSECTION (5)(a) OF THIS SECTION AS  
18 CONFIDENTIAL INFORMATION THAT AN OPERATOR MAY REDACT WHEN  
19 REPORTING THE INFORMATION TO THE COMMISSION.

20 (c) (I) ON OR BEFORE DECEMBER 31, 2024, THE COMMISSION  
21 SHALL ADOPT RULES TO REQUIRE A STATEWIDE REDUCTION IN FRESH  
22 WATER USAGE, AND A CORRESPONDING INCREASE IN USAGE OF RECYCLED  
23 OR REUSED PRODUCED WATER, AT OIL AND GAS LOCATIONS. THE RULES  
24 MUST NOT APPLY TO ACTIVITIES OCCURRING WITHIN THE EXTERIOR  
25 BOUNDARIES OF AN INDIAN RESERVATION LOCATED WITHIN THE STATE.

26 (II) IN ADOPTING RULES PURSUANT TO SUBSECTION (5)(c)(I) OF  
27 THIS SECTION, THE COMMISSION SHALL CONSIDER:

1 (A) THE DATA IN REPORTS FILED WITH THE COMMISSION PURSUANT  
2 TO SUBSECTIONS (2) AND (3) OF THIS SECTION; AND

3 (B) RECOMMENDATIONS THAT THE CONSORTIUM DEVELOPS.

4 (d) THE RULES ADOPTED PURSUANT TO THIS SUBSECTION (5) MUST  
5 INCLUDE:

6 (I) REQUIREMENTS FOR NEW OIL AND GAS DEVELOPMENT PLANS  
7 AND SUBSTANTIAL MODIFICATIONS TO PREVIOUSLY APPROVED PERMITS TO  
8 INCLUDE A PLAN SPECIFYING THE METHODS AND LOCATIONS FOR  
9 TREATMENT OF THE PRODUCED WATER, QUANTIFYING RECYCLED OR  
10 REUSED PRODUCED WATER USED IN PLACE OF FRESH WATER, DESCRIBING  
11 EMISSION CONTROLS ASSOCIATED WITH PRODUCED WATER TREATMENT,  
12 AND INCLUDING ANY OTHER REQUIREMENTS THE COMMISSION  
13 DETERMINES ARE NECESSARY FOR IMPLEMENTATION OF THIS SECTION;

14 (II) A PROHIBITION AGAINST PLACEMENT OF A NEW CENTRALIZED  
15 PRODUCED WATER STORAGE OR TREATMENT FACILITY IN A  
16 DISPROPORTIONATELY IMPACTED COMMUNITY;

17 (III) A REQUIREMENT THAT AN OPERATOR QUANTIFY AND REPORT,  
18 FOR EACH OIL AND GAS LOCATION, THE VEHICLE MILES TRAVELED IN  
19 RELATION TO FRESH WATER AND PRODUCED WATER MANAGEMENT,  
20 INCLUDING VEHICLE MILES TRAVELED FOR THE RECYCLING AND REUSE OF  
21 PRODUCED WATER.

22 (e) THE RULES ADOPTED PURSUANT TO SUBSECTION (5)(c) OF THIS  
23 SECTION:

24 (I) MUST:

25 (A) REQUIRE FOR EACH OIL AND GAS PRODUCTION BASIN AN  
26 ITERATIVE AND CONSISTENT INCREASE IN THE USE OF RECYCLED OR  
27 REUSED PRODUCED WATER WITHOUT INCREASING EMISSIONS ASSOCIATED

1 WITH OIL AND GAS OPERATIONS; AND

2 (B) ESTABLISH, BASED ON RECOMMENDATIONS OF THE  
3 CONSORTIUM, AN ITERATIVE AND CONSISTENT SCHEDULE OF DATES THAT  
4 WILL SIGNIFICANTLY INCREASE THE USAGE OF RECYCLED OR REUSED  
5 PRODUCED WATER AND DECREASE THE AMOUNT OF FRESH WATER  
6 UTILIZED IN OIL AND GAS OPERATIONS IN THE STATE, WHILE ENSURING THE  
7 PROTECTION OF PUBLIC HEALTH, SAFETY, AND WELFARE; THE  
8 ENVIRONMENT; AND WILDLIFE RESOURCES. THE CONSORTIUM SHALL  
9 REVIEW THE DATES ANNUALLY TO ENSURE THAT THE DATES CONTINUE TO  
10 REPRESENT SIGNIFICANT ADVANCEMENT OF THE GOALS OF THIS SECTION,  
11 TAKING INTO CONSIDERATION POPULATION DYNAMICS, IMPROVEMENTS IN  
12 TECHNOLOGY, RESEARCH, BEST MANAGEMENT PRACTICES, AND  
13 INFRASTRUCTURE DEVELOPMENT AROUND PRODUCED WATER.

14 (II) MAY INCLUDE OIL-AND-GAS-BASIN-SPECIFIC BENCHMARKS TO  
15 COMPLY WITH THE REQUIREMENTS ESTABLISHED BY RULE PURSUANT TO  
16 SUBSECTION (5)(e)(I) OF THIS SECTION.

17 (6) **Cumulative impacts reporting.** THE COMMISSION SHALL  
18 INCLUDE IN ITS ANNUAL REPORTING ON CUMULATIVE IMPACTS OF OIL AND  
19 GAS OPERATIONS IN THE STATE INFORMATION REPORTED PURSUANT TO  
20 THIS SECTION.

21 (7) (a) ON OR BEFORE APRIL 1, 2025, THE COMMISSION SHALL  
22 SUBMIT A REPORT TO THE HOUSE OF REPRESENTATIVES ENERGY AND  
23 ENVIRONMENT COMMITTEE AND THE SENATE TRANSPORTATION AND  
24 ENERGY COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, SUMMARIZING  
25 THE REPORTS DEVELOPED PURSUANT TO THIS SECTION.

26 (b) THIS SUBSECTION (7) IS REPEALED, EFFECTIVE JULY 1, 2025.

27 **34-60-135. Colorado produced water consortium - created -**

1 **membership - recommendations - definitions - review of functions -**

2 **repeal.** (1) (a) AS USED IN THIS SECTION, UNLESS THE CONTEXT  
3 OTHERWISE REQUIRES:

4 (I) "BENEFICIAL USE" HAS THE MEANING SET FORTH IN SECTION  
5 37-92-103 (4).

6 (II) "DEPARTMENT" MEANS THE DEPARTMENT OF NATURAL  
7 RESOURCES.

8 (III) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF  
9 THE DEPARTMENT.

10 (IV) "GOVERNING BODY" MEANS THE GOVERNING BODY OF THE  
11 CONSORTIUM APPOINTED PURSUANT TO SUBSECTION (3)(a) OF THIS  
12 SECTION TO APPOINT MEMBERS OF THE CONSORTIUM.

13 (V) "LOCAL GOVERNMENT" MEANS A STATUTORY OR HOME RULE  
14 CITY, CITY AND COUNTY, OR COUNTY.

15 (VI) "NONTRIBUTARY GROUNDWATER" HAS THE MEANING SET  
16 FORTH IN SECTION 37-90-103 (10.5).

17 (VII) "STATE INSTITUTION OF HIGHER EDUCATION" HAS THE  
18 MEANING SET FORTH IN SECTION 23-18-102 (10).

19 (VIII) "WATER RIGHT" HAS THE MEANING SET FORTH IN SECTION  
20 37-92-103 (12).

21 (b) DEFINITIONS IN SECTION 34-60-134 (1) APPLY TO TERMS AS  
22 THEY ARE USED IN THIS SECTION.

23 (2) (a) THERE IS CREATED IN THE DEPARTMENT THE COLORADO  
24 PRODUCED WATER CONSORTIUM TO MAKE RECOMMENDATIONS THAT ARE  
25 PROTECTIVE OF PUBLIC HEALTH, SAFETY, AND WELFARE; THE  
26 ENVIRONMENT; AND WILDLIFE WITH REGARD TO:

27 (I) AN INFORMED PATH FOR THE RECYCLING AND REUSE OF

1 PRODUCED WATER WITHIN, AND POTENTIALLY OUTSIDE OF, OIL AND GAS  
2 OPERATIONS IN THE STATE; AND

3 (II) MEASURES TO ADDRESS BARRIERS ASSOCIATED WITH THE  
4 UTILIZATION OF PRODUCED WATER.

5 (b) THE CONSORTIUM HAS NO ROLE WITHIN THE EXTERIOR  
6 BOUNDARIES OF AN INDIAN RESERVATION LOCATED WITHIN THE STATE.

7 (c) THE PRIMARY GOAL OF THE CONSORTIUM IS TO HELP REDUCE  
8 THE CONSUMPTION OF FRESH WATER WITHIN OIL AND GAS OPERATIONS.

9 THE CONSORTIUM SHALL BRING TOGETHER THE FOLLOWING GROUPS TO  
10 COLLABORATE ON WORKING TOWARD THAT GOAL:

11 (I) STATE AND FEDERAL AGENCIES;

12 (II) RESEARCH INSTITUTIONS;

13 (III) STATE INSTITUTIONS OF HIGHER EDUCATION;

14 (IV) AFFECTED AND INTERESTED NONGOVERNMENTAL  
15 ORGANIZATIONS;

16 (V) LOCAL GOVERNMENTS;

17 (VI) AFFECTED INDUSTRIES;

18 (VII) ENVIRONMENTAL JUSTICE ORGANIZATIONS;

19 (VIII) DISPROPORTIONATELY IMPACTED COMMUNITY MEMBERS;

20 AND

21 (XI) OTHER INTERESTED PARTIES.

22 (3) (a) (I) EXCEPT AS PROVIDED IN SUBSECTION (3)(a)(IV) OF THIS  
23 SECTION, A GOVERNING BODY OF THE CONSORTIUM SHALL MAKE  
24 APPOINTMENTS TO THE CONSORTIUM IN ACCORDANCE WITH THIS  
25 SUBSECTION (3). THE MEMBERS OF THE GOVERNING BODY ALSO SERVE AS  
26 MEMBERS OF THE CONSORTIUM.

27 (II) THE EXECUTIVE DIRECTOR OR THE EXECUTIVE DIRECTOR'S

1 DESIGNEE SHALL APPOINT THE FOLLOWING THREE INDIVIDUALS TO SERVE  
2 AS THE GOVERNING BODY AND MEMBERS OF THE CONSORTIUM:

3 (A) ONE REPRESENTATIVE OF THE COMMISSION;

4 (B) ONE REPRESENTATIVE OF THE DIVISION OF WATER RESOURCES  
5 IN THE DEPARTMENT; AND

6 (C) ONE REPRESENTATIVE FROM THE COLORADO DEPARTMENT OF  
7 PUBLIC HEALTH AND ENVIRONMENT.

8 (III) THE GOVERNING BODY SHALL APPOINT THE FOLLOWING  
9 TWENTY-TWO MEMBERS OF THE CONSORTIUM:

10 (A) FOUR REPRESENTATIVES FROM A STATE OR FEDERAL AGENCY,  
11 OTHER THAN A COMMISSIONER OF THE COMMISSION, ASSOCIATED WITH  
12 THE REGULATION OF PRODUCED WATER, INCLUDING AT LEAST ONE  
13 MEMBER FROM THE COLORADO DEPARTMENT OF PUBLIC HEALTH AND  
14 ENVIRONMENT. A STAFF PERSON FOR THE COMMISSION MAY BE APPOINTED  
15 PURSUANT TO THIS SUBSECTION (3)(a)(III)(A).

16 (B) FOUR REPRESENTATIVES FROM RESEARCH INSTITUTIONS OR  
17 STATE INSTITUTIONS OF HIGHER EDUCATION WITH EXPERIENCE IN  
18 PRODUCED WATER;

19 (C) FOUR REPRESENTATIVES FROM ENVIRONMENTAL  
20 NONGOVERNMENTAL ORGANIZATIONS THAT ENGAGE IN WORK AND  
21 ADVOCATE FOR POLICIES RELATED TO PRODUCED WATER;

22 (D) FOUR REPRESENTATIVES FROM THE OIL AND GAS INDUSTRY,  
23 WITH ONE MEMBER APPOINTED FROM EACH OF THE FOLLOWING BASINS:  
24 THE DENVER-JULESBURG OIL AND GAS BASIN; THE PICEANCE OIL AND GAS  
25 BASIN; THE SAN JUAN OIL AND GAS BASIN; AND THE RATON OIL AND GAS  
26 BASIN;

27 (E) TWO REPRESENTATIVES WHO SERVE ON A GOVERNING BODY OF

1 A LOCAL GOVERNMENT, WHO SHALL BE APPOINTED WITH CONSIDERATION  
2 OF THE NEED FOR GEOGRAPHIC REPRESENTATION OF AREAS OF THE STATE  
3 THAT HAVE CURRENT OR ANTICIPATED RECYCLED OR REUSED PRODUCED  
4 WATER; AND

5 (F) FOUR REPRESENTATIVES WITH EXPERTISE AND EXPERIENCE IN  
6 PRODUCED WATER.

7 (IV) THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE  
8 HOUSE OF REPRESENTATIVES SHALL APPOINT SIX MEMBERS OF THE  
9 CONSORTIUM AS FOLLOWS:

10 (A) THREE MEMBERS, EACH FROM A NONGOVERNMENTAL  
11 ORGANIZATION IN THE STATE THAT WORKS ON AND ADVOCATES FOR  
12 POLICIES RELATED TO ENVIRONMENTAL JUSTICE AND CONSERVATION, TWO  
13 OF WHOM ARE APPOINTED BY THE PRESIDENT OF THE SENATE AND ONE OF  
14 WHOM IS APPOINTED BY THE SPEAKER OF THE HOUSE OF  
15 REPRESENTATIVES; AND

16 (B) THREE MEMBERS, EACH OF WHOM MUST BE FROM A  
17 NONGOVERNMENTAL ORGANIZATION IN THE STATE THAT WORKS WITH AND  
18 ADVOCATES FOR DISPROPORTIONATELY IMPACTED COMMUNITIES AND  
19 COMMUNITIES OF COLOR OR MUST RESIDE IN A DISPROPORTIONATELY  
20 IMPACTED COMMUNITY, ONE OF WHOM IS APPOINTED BY THE PRESIDENT  
21 OF THE SENATE AND TWO OF WHOM ARE APPOINTED BY THE SPEAKER OF  
22 THE HOUSE OF REPRESENTATIVES.

23 (b) ANY VACANCY IN MEMBERSHIP OF THE CONSORTIUM SHALL BE  
24 FILLED AS SOON AS PRACTICABLE IN ACCORDANCE WITH THE APPOINTMENT  
25 PROCESS SET FORTH IN SUBSECTION (3)(a)(III) OR (3)(a)(IV) OF THIS  
26 SECTION.

27 (c) (I) THE GOVERNING BODY SHALL CALL THE FIRST MEETING OF

1 THE CONSORTIUM, AT WHICH MEETING THE MEMBERS OF THE CONSORTIUM  
2 SHALL ELECT A MEMBER TO SERVE AS CHAIR OF THE CONSORTIUM. THE  
3 CHAIR OF THE CONSORTIUM SERVES FOR TWO YEARS, AND THE MEMBERS  
4 OF THE CONSORTIUM ELECT A NEW CHAIR AS NEEDED.

5 (II) MEMBERS:

6 (A) SHALL BE REIMBURSED FOR ACTUAL AND NECESSARY  
7 EXPENSES INCURRED WHILE PERFORMING OFFICIAL DUTIES, TOGETHER  
8 WITH MILEAGE, AT THE RATE AT WHICH MEMBERS OF THE GENERAL  
9 ASSEMBLY ARE REIMBURSED PURSUANT TO SECTION 2-2-317; AND

10 (B) RECEIVE A PER DIEM ALLOWANCE OF FIFTY DOLLARS FOR EACH  
11 DAY SPENT IN ATTENDANCE AT A CONSORTIUM MEETING OR HEARING.  
12 CONSORTIUM MEMBERS REPRESENTING DISPROPORTIONATELY IMPACTED  
13 COMMUNITIES OR COMMUNITY GROUPS COMMITTED TO ADVANCING  
14 ENVIRONMENTAL JUSTICE ARE ALSO ELIGIBLE TO RECEIVE ADDITIONAL  
15 COMPENSATION IN AN AMOUNT EQUAL TO THE STATE MINIMUM WAGE FOR  
16 ATTENDANCE AT CONSORTIUM MEETINGS OR HEARINGS.

17 (d) THE EXECUTIVE DIRECTOR SHALL HIRE A DIRECTOR AND A  
18 DIRECTOR OF RESEARCH TO ASSIST THE CONSORTIUM AS FOLLOWS:

19 (I) THE DIRECTOR OF THE CONSORTIUM SHALL PROVIDE  
20 ADMINISTRATIVE SUPPORT; COORDINATE MEETINGS AND MEMBERSHIP;  
21 WRITE GRANTS; PREPARE THE CONSORTIUM BUDGET; CONTRACT FOR  
22 ANALYSES AND STUDIES; AND INTERACT WITH AND REPORT TO AGENCIES  
23 AND THE GENERAL ASSEMBLY REGARDING POLICIES, RULE-MAKING  
24 PROCEEDINGS, AND LEGISLATION REGARDING REUSE, RECYCLING, AND  
25 BENEFICIAL USE OF PRODUCED WATER.

26 (II) THE DIRECTOR OF RESEARCH FOR THE CONSORTIUM SHALL  
27 MANAGE ACADEMIC ANALYSES, RESEARCH, PILOT PROJECTS, AND CASE

1 STUDIES FOR THE CONSORTIUM.

2 (4) THE CONSORTIUM SHALL:

3 (a) PROVIDE RECOMMENDATIONS TO STATE AGENCIES AND THE

4 GENERAL ASSEMBLY AS FOLLOWS:

5 (I) ON OR BEFORE MAY 1, 2024, HOW STATE AND FEDERAL

6 AGENCIES CAN BETTER COORDINATE REGULATORY POLICIES RELATED TO

7 PRODUCED WATER;

8 (II) ON OR BEFORE SEPTEMBER 1, 2024, TOPICS RELATED TO

9 PRODUCED WATER;

10 (III) ON OR BEFORE NOVEMBER 1, 2024, ANY LEGISLATION OR

11 AGENCY RULES NEEDED TO REMOVE BARRIERS TO THE SAFE RECYCLING

12 AND REUSE OF PRODUCED WATER IN THE STATE, TAKING INTO

13 CONSIDERATION:

14 (A) ENVIRONMENTAL JUSTICE ISSUES;

15 (B) ANY LEGAL ISSUES THAT MAY AFFECT THE RECYCLING AND

16 REUSE OF PRODUCED WATER;

17 (C) TESTING STANDARDS AND PROCEDURES FOR TREATMENT OF

18 PRODUCED WATER FOR BOTH CONVENTIONAL AND NONCONVENTIONAL OIL

19 AND GAS EXPLORATION AND DEVELOPMENT;

20 (D) RESEARCH GAPS ASSOCIATED WITH THE TREATMENT OF

21 PRODUCED WATER, INCLUDING GAPS IN ADDRESSING EMISSIONS FROM

22 PRODUCED WATER TREATMENT AND STORAGE AND ANY OTHER

23 DEFICIENCIES IN THE TREATMENT OF PRODUCED WATER;

24 (E) WATER SHARING AGREEMENTS; AND

25 (F) INFRASTRUCTURE AND STORAGE FOR PRODUCED WATER REUSE

26 AND RECYCLING, SPECIFICALLY ADDRESSING NEW OR EXISTING PITS.

27 (IV) ON OR BEFORE DECEMBER 1, 2024, SHORT- AND LONG-TERM

1 PRODUCED WATER REUSE AND RECYCLING GOALS FOR THE STATE AND  
2 CONTEMPORANEOUS DECREASES IN FRESH WATER USE;

3 (b) PARTICIPATE IN RELEVANT STATE AGENCY RULE-MAKING  
4 PROCEEDINGS REGARDING PRODUCED WATER; EXCEPT THAT THE  
5 CONSORTIUM SHALL NOT PARTICIPATE AS A PARTY IN ANY RULE-MAKING  
6 PROCEEDING;

7 (c) ON OR BEFORE MARCH 1, 2024, DEVELOP GUIDANCE  
8 DOCUMENTS AND CASE STUDIES TO PROMOTE BEST PRACTICES FOR  
9 IN-FIELD RECYCLING AND REUSE OF PRODUCED WATER THROUGHOUT THE  
10 STATE;

11 (d) ON OR BEFORE JULY 1, 2024, BASED ON DATA REPORTED  
12 UNDER SECTION 34-60-134, ANALYZE AND REPORT ON CURRENT  
13 PRODUCED WATER INFRASTRUCTURE, STORAGE, AND TREATMENT  
14 FACILITIES WITHIN THE DIFFERENT OIL AND GAS PRODUCTION BASINS IN  
15 THE STATE, WITH SPECIFIC EMPHASIS ON OPPORTUNITIES WITHIN THE  
16 DENVER-JULESBURG OIL AND GAS PRODUCTION BASIN;

17 (e) ON OR BEFORE AUGUST 1, 2024, ANALYZE AND REPORT ON THE  
18 VOLUME OF PRODUCED WATER PRODUCED IN THE DIFFERENT OIL AND GAS  
19 PRODUCTION BASINS AVAILABLE FOR REUSE AND RECYCLING IN  
20 COMPARISON TO THE TOTAL VOLUME OF WATER NECESSARY FOR  
21 COMPLETION ACTIVITIES IN NEW OIL AND GAS OPERATIONS;

22 (f) ON OR BEFORE SEPTEMBER 1, 2024, ANALYZE AND REPORT ON  
23 THE INFRASTRUCTURE, STORAGE, AND TECHNOLOGY NECESSARY TO  
24 ACHIEVE DIFFERENT LEVELS OF RECYCLING AND REUSE OF PRODUCED  
25 WATER IN OIL AND GAS PRODUCTION BASINS THROUGHOUT THE STATE,  
26 WITH SPECIFIC EMPHASIS ON OPPORTUNITIES WITHIN THE  
27 DENVER-JULESBURG OIL AND GAS PRODUCTION BASIN;

1 (g) ON OR BEFORE JULY 1, 2025, EVALUATE ANALYTICAL AND  
2 TOXICOLOGICAL METHODS EMPLOYED DURING PRODUCED WATER  
3 TREATMENT AND ASSESS TOOLS USED TO EVALUATE PRODUCED WATER  
4 AND ITS POTENTIAL FOR USE OUTSIDE THE OIL FIELD; AND

5 (h) ON OR BEFORE APRIL 1, 2024, IN THE 2024 LEGISLATIVE  
6 SESSION AND ANNUALLY THEREAFTER, AND NOTWITHSTANDING SECTION  
7 24-1-136 (11)(a)(I), THROUGH THE DIRECTOR OF THE CONSORTIUM,  
8 UPDATE THE HOUSE OF REPRESENTATIVES ENERGY AND ENVIRONMENT  
9 COMMITTEE AND THE SENATE TRANSPORTATION AND ENERGY COMMITTEE,  
10 OR THEIR SUCCESSOR COMMITTEES, ON THE CONSORTIUM'S WORK  
11 PURSUANT TO THIS SECTION.

12 (5) (a) ON OR BEFORE JULY 1, 2023, THE GOVERNING BODY AND  
13 MEMBERSHIP OF THE CONSORTIUM SHALL BE APPOINTED PURSUANT TO  
14 SUBSECTION (3) OF THIS SECTION.

15 (b) THE CONSORTIUM SHALL MEET ON A MONTHLY BASIS DURING  
16 THE CONSORTIUM'S FIRST YEAR AND ON A QUARTERLY BASIS IN  
17 SUBSEQUENT YEARS, OR MORE OFTEN IF NEEDED AS DETERMINED BY THE  
18 CHAIR OF THE CONSORTIUM.

19 (6) (a) REPORTS AND ANALYSES THAT THE CONSORTIUM PROVIDES  
20 TO BOTH STATE AGENCIES AND THE GENERAL ASSEMBLY MUST BE  
21 INCLUSIVE OF ALL OF THE OPINIONS OF MEMBERS OF THE CONSORTIUM ON  
22 THE REPORTED TOPICS.

23 (b) NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), THE  
24 EXECUTIVE DIRECTOR OR THE EXECUTIVE DIRECTOR'S DESIGNEE SHALL  
25 INCLUDE IN THE ANNUAL "SMART ACT" DEPARTMENTAL PRESENTATION,  
26 MADE TO A JOINT COMMITTEE OF THE GENERAL ASSEMBLY, PURSUANT TO  
27 SECTION 2-7-203 (2) A SUMMARY OF THE CONSORTIUM'S WORK, INCLUDING

1 THE CONSORTIUM'S RECOMMENDATIONS MADE TO THE COMMISSION AND  
2 REPORTS PREPARED PURSUANT TO THIS SECTION.

3 (7) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2030.  
4 BEFORE THE REPEAL, THIS SECTION IS SCHEDULED FOR REVIEW IN  
5 ACCORDANCE WITH SECTION 24-34-104.

6 SECTION 3. In Colorado Revised Statutes, 24-34-104, add  
7 (31)(a)(VIII) as follows:

8 24-34-104. General assembly review of regulatory agencies  
9 and functions for repeal, continuation, or reestablishment - legislative  
10 declaration - repeal. (31) (a) The following agencies, functions, or both,  
11 are scheduled for repeal on September 1, 2030:

12 (VIII) THE COLORADO PRODUCED WATER CONSORTIUM CREATED  
13 IN SECTION 34-60-135 (2)(a).

14 SECTION 4. Appropriation. (1) For the 2023-24 state fiscal  
15 year, \$464,512 is appropriated to the department of natural resources for  
16 use by the Colorado oil and gas conservation commission. This  
17 appropriation is from the oil and gas conservation and environmental  
18 response fund created in section 34-60-122 (5)(a), C.R.S., and is based on  
19 an assumption that the commission will require an additional 4.0 FTE. To  
20 implement this act, the commission may use this appropriation for  
21 program costs.

22 (2) For the 2023-24 state fiscal year, \$30,169 is appropriated to  
23 the department of public health and environment for use by the water  
24 quality control division. This appropriation is from the perfluoroalkyl and  
25 polyfluoroalkyl substances cash fund created in section 8-20-206.5 (7)(a),  
26 C.R.S., and is based on an assumption that the division will require an  
27 additional 0.3 FTE. To implement this act, the division may use this

1 appropriation for personal services related to the drinking water program.

2 **SECTION 5. Safety clause.** The general assembly hereby finds,

3 determines, and declares that this act is necessary for the immediate

4 preservation of the public peace, health, or safety.