

**Second Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO**

**REREVISED**

*This Version Includes All Amendments  
Adopted in the Second House*

LLS NO. 24-1188.01 Jennifer Berman x3286

**SENATE BILL 24-229**

**SENATE SPONSORSHIP**

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**Senate Committees**

Finance  
Appropriations

**House Committees**

Finance  
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**A BILL FOR AN ACT**

101    **CONCERNING MEASURES TO MITIGATE OZONE POLLUTION IN THE**  
102         **STATE, AND, IN CONNECTION THEREWITH, MAKING AN**  
103         **APPROPRIATION.**

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**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>.)*

**Section 2** of the bill requires the division of administration (division) in the department of public health and environment (department) to propose rules to the air quality control commission (commission) to reduce certain emissions of oxides of nitrogen (NOx) generated by upstream oil and gas operations in certain areas of the state

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  
May 6, 2024

HOUSE  
Amended 2nd Reading  
May 5, 2024

SENATE  
3rd Reading Unamended  
May 4, 2024

SENATE  
Amended 2nd Reading  
May 3, 2024

by 50% by 2030 relative to 2017 NOx emission levels.

**Section 3** requires the division to prepare an annual air quality enforcement benchmark report to summarize the division's statewide enforcement actions, including civil penalties assessed.

Under current law, the division or commission, in an enforcement action, cannot obtain a temporary restraining order or preliminary injunction if there is probable cause that the temporary restraining order or preliminary injunction would cause serious harm to the person affected by the temporary restraining order or preliminary injunction or another person or if the source to which the enforcement action pertains has obtained a renewable operating permit and continues operations in compliance with that permit. **Section 4** repeals those limitations on temporary restraining orders and preliminary injunctions. **Section 4** also authorizes a district attorney or the attorney general to seek injunctive relief to reduce the potential for a recurrence of a violation.

**Sections 5 and 6** clarify that the division has authority to impose civil penalties for violations of requirements related to toxic air contaminants, fence-line and community-based monitoring, and, if enacted in House Bill 24-1338, petroleum refinery emissions monitoring.

**Section 8** authorizes the director of the energy and carbon management commission (ECMC) to hire at least 2 community liaisons to serve as dedicated resources for disproportionately impacted communities, and **section 12** authorizes funding of the community liaison positions from the energy and carbon management cash fund.

Under current law, an oil and gas operator (operator) is required to obtain a permit from the ECMC to commence oil and gas drilling operations. **Section 9** requires the operator to also obtain from the ECMC a license to conduct oil and gas operations. **Section 9** also requires operators to take actions in accordance with ECMC rules to reduce certain emissions of NOx generated from oil and gas production and preproduction operations. The ECMC is also required, in consultation with the department, to adopt rules to require enhanced systems and practices to avoid, minimize, and mitigate emissions of ozone precursors from oil and gas operations at newly permitted oil and gas locations in certain parts of the state.

**Section 10** limits a court's authority to postpone the effective date of an ECMC order suspending or revoking an operator's license to conduct oil and gas operations or a certificate of clearance, requiring the court to first consider various factors, including whether the moving party would face real, immediate, and irreparable injury if the effective date is not postponed and the effect that such postponement would have on the public interest.

**Section 11** expands the ECMC's enforcement authority to include revoking an operator's license to conduct oil and gas operations and expands the types of violations that are subject to suspension of all of the

operator's permits and certificates of clearance and the operator's license to conduct oil and gas operations to include violations resulting in a penalty of \$1,000,000 or more, violations that cause a major adverse impact, as defined by the ECMC by rule, and violations that cause death or serious bodily injury.

**Section 13** expands the scope of the orphaned wells mitigation enterprise to help finance the plugging, reclamation, and remediation of marginal wells that are at the highest risk of becoming orphaned.

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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) Emissions of ozone precursors, such as oxides of nitrogen  
5 (NOx) and volatile organic compounds, contribute to the formation of  
6 ozone and to public health impacts for individuals exposed to higher  
7 levels of air pollution;

8 (b) Oil and gas activities are among the largest anthropogenic  
9 contributors to ozone precursor emissions in the ozone nonattainment  
10 area;

11 (c) Sources of NOx from upstream oil and gas operations present  
12 significant opportunities to reduce ozone precursors and improve public  
13 health;

14 (d) Residents of disproportionately impacted communities in the  
15 ozone nonattainment area may be exposed to higher levels of NOx than  
16 other Coloradans;

17 (e) The air quality control commission adopted rules in December  
18 2023 designed to achieve a thirty percent reduction in NOx emissions  
19 generated by upstream oil and gas operations, including preproduction  
20 operations, by 2025;

21 (f) Despite efforts to reduce ozone precursor emissions in the

1 ozone nonattainment area, more work is necessary to protect public  
2 health;

3 (g) State agencies cannot improve air quality through regulations  
4 alone and need more permitting and enforcement authority to ensure  
5 compliance with the state's environmental statutes and rules; and

6 (h) Transparency for the public regarding the state's efforts is  
7 critical.

8 (2) Therefore, the general assembly declares that:

9 (a) Both the Colorado department of public health and  
10 environment and the energy and carbon management commission need  
11 to do more, both together and individually, to address the state's ozone  
12 problems;

13 (b) More accountability for sources of pollution and for the state  
14 will build public trust and improve air quality;

15 (c) The Colorado department of public health and environment's  
16 air pollution control division should consider more stringent approaches  
17 in the process of conducting dispersion modeling of proposed sources of  
18 increased NO<sub>x</sub> to better protect residents of disproportionately impacted  
19 communities in the ozone nonattainment area;

20 (d) Further action needs to be taken to require steady, measurable  
21 emission reductions from upstream oil and gas operations, including  
22 preproduction operations, to ensure the oil and gas industry adequately  
23 contributes to ozone precursor pollution reductions; and

24 (e) The energy and carbon management commission should  
25 encourage and facilitate the plugging, abandonment, and remediation of  
26 marginal wells to address emissions of ozone precursors from production  
27 activities, especially in disproportionately impacted communities.

1           **SECTION 2.** In Colorado Revised Statutes, 25-7-109, **add**  
2 (10)(d) as follows:

3           **25-7-109. Commission to promulgate emission control**  
4 **regulations.** (10) (d) ON OR BEFORE AUGUST 31, 2026, THE DIVISION  
5 SHALL PROPOSE RULES DESIGNED TO REDUCE EMISSIONS OF OXIDES OF  
6 NITROGEN (NOX) GENERATED BY UPSTREAM OIL AND GAS OPERATIONS, AS  
7 DEFINED BY THE COMMISSION BY RULE, INCLUDING PREPRODUCTION  
8 OPERATIONS, BETWEEN MAY 1 AND SEPTEMBER 30 IN THE EIGHT-HOUR  
9 OZONE CONTROL AREA AND NORTHERN WELD COUNTY, AS THOSE TERMS  
10 ARE DEFINED BY THE COMMISSION BY RULE, BY FIFTY PERCENT BY 2030  
11 RELATIVE TO 2017 NOX EMISSION LEVELS. NOX EMISSION LEVELS ARE  
12 CHARACTERIZED BY THE MOST RECENT STATE INVENTORY OF NOX  
13 EMISSIONS FOR 2017 THAT THE COMMISSION ADOPTED FOR THE PURPOSE  
14 OF INCLUSION IN THE STATE IMPLEMENTATION PLAN FOR THE 2015  
15 EIGHT-HOUR OZONE NATIONAL AMBIENT AIR QUALITY STANDARD, OR AS  
16 PUBLISHED CONCURRENTLY WITH PROPOSED RULES CONSISTENT WITH THIS  
17 SUBSECTION (10)(d) IN A NOTICE OF PROPOSED RULE-MAKING PUBLISHED  
18 IN ACCORDANCE WITH SECTION 25-7-110 (1).

19           **SECTION 3.** In Colorado Revised Statutes, 25-7-115, **amend**  
20 (3)(b)(III) introductory portion and (3)(b)(III)(C); and **add**  
21 (3)(b)(III)(C.5), (12), and (13) as follows:

22           **25-7-115. Enforcement - civil actions - definitions - reporting**  
23 **- repeal.** (3) (b) (III) The order ISSUED IN ACCORDANCE WITH  
24 SUBSECTION (3)(b)(I) OF THIS SECTION may:

25           (C) In addition to civil penalties, include a requirement to perform  
26 one or more projects to mitigate violations related to excess emissions;  
27 **and**

1 (C.5) IN ADDITION TO CIVIL PENALTIES, INCLUDE A REQUIREMENT  
2 TO PERFORM ONE OR MORE PROJECTS TO REDUCE THE POTENTIAL FOR A  
3 RECURRENCE OF A VIOLATION FOR WHICH THE DIVISION COMMENCED  
4 ENFORCEMENT PURSUANT TO SUBSECTION (2)(c)(I) OF THIS SECTION; AND

5 (12) (a) (I) ON OR BEFORE DECEMBER 31, 2024, THE DIVISION  
6 SHALL PREPARE AN AIR QUALITY ENFORCEMENT BENCHMARK REPORT AND  
7 POST THE REPORT ON THE DIVISION'S WEBSITE. THE REPORT MUST COVER  
8 THE FEDERAL FISCAL YEARS FROM OCTOBER 1, 2019, THROUGH  
9 SEPTEMBER 30, 2023, AND INCLUDE THE FOLLOWING STATEWIDE  
10 INFORMATION:

11 (A) THE TOTAL NUMBER OF ENFORCEMENT ACTIONS THAT THE  
12 DIVISION COMMENCED PURSUANT TO SUBSECTION (2)(c)(I) OF THIS  
13 SECTION;

14 (B) THE TOTAL NUMBER OF DECISIONS NOT TO IMPOSE A PENALTY  
15 FOR AN ENFORCEMENT ACTION THAT THE DIVISION COMMENCED  
16 PURSUANT TO SUBSECTION (2)(c)(I) OF THIS SECTION;

17 (C) THE TOTAL NUMBER OF ENFORCEMENT ACTIONS THAT THE  
18 DIVISION RESOLVED PURSUANT TO SUBSECTION (3)(b) OF THIS SECTION;  
19 AND

20 (D) WITH RESPECT TO CIVIL PENALTIES ASSESSED PURSUANT TO  
21 SECTION 25-7-122 (1)(b), THE TOTAL AMOUNT OF CIVIL PENALTIES, THE  
22 AVERAGE CIVIL PENALTY, THE MEDIAN CIVIL PENALTY, THE HIGHEST CIVIL  
23 PENALTY, AND THE LOWEST CIVIL PENALTY.

24 (II) THIS SUBSECTION (12)(a) IS REPEALED, EFFECTIVE JULY 1,  
25 2025.

26 (b) ON OR BEFORE APRIL 1, 2025, AND ON OR BEFORE FEBRUARY  
27 1 OF EACH YEAR THEREAFTER, THE DIVISION SHALL PREPARE AN AIR

1 QUALITY ENFORCEMENT REPORT AND POST THE REPORT ON THE DIVISION'S  
2 WEBSITE. THE FIRST REPORT MUST COVER THE FEDERAL FISCAL YEAR  
3 STARTING OCTOBER 1, 2023, THROUGH SEPTEMBER 30, 2024, AND EACH  
4 SUBSEQUENT REPORT MUST COVER THE FEDERAL FISCAL YEAR PERIOD OF  
5 OCTOBER 1 THROUGH SEPTEMBER 30 PRECEDING THE ISSUANCE OF THE  
6 REPORT. THE REPORTS PREPARED PURSUANT TO THIS SUBSECTION (12)(b)  
7 MUST INCLUDE THE FOLLOWING STATEWIDE INFORMATION:

8 (I) THE TOTAL NUMBER OF ENFORCEMENT ACTIONS THAT THE  
9 DIVISION COMMENCED PURSUANT TO SUBSECTION (2)(c)(I) OF THIS  
10 SECTION;

11 (II) THE NUMBER OF COMPLAINTS RECEIVED PURSUANT TO  
12 SUBSECTION (2)(a) OF THIS SECTION THAT RESULTED IN AN ENFORCEMENT  
13 ACTION THAT THE DIVISION COMMENCED UNDER SUBSECTION (2)(c)(I) OF  
14 THIS SECTION AND THE IDENTIFYING CASE NUMBER;

15 (III) THE TOTAL NUMBER OF DECISIONS NOT TO IMPOSE A PENALTY  
16 FOR AN ENFORCEMENT ACTION THAT THE DIVISION COMMENCED  
17 PURSUANT TO SUBSECTION (2)(c)(I) OF THIS SECTION;

18 (IV) THE TOTAL NUMBER OF FORMAL ENFORCEMENT ACTIONS  
19 THAT THE DIVISION RESOLVED PURSUANT TO SUBSECTION (3)(b) OF THIS  
20 SECTION AND THE TOTAL NUMBER OF ACTIONS THAT INCLUDED  
21 VIOLATIONS WITHIN AREAS OF CONCERN, SUCH AS:

22 (A) THE AREA THAT THE UNITED STATES ENVIRONMENTAL  
23 PROTECTION AGENCY HAS DESIGNATED AN OZONE NONATTAINMENT AREA;  
24 AND

25 (B) AN AREA THAT IS IN A DISPROPORTIONATELY IMPACTED  
26 COMMUNITY; AND

27 (V) WITH RESPECT TO CIVIL PENALTIES ASSESSED PURSUANT TO

1 SECTION 25-7-122 (1)(b), THE TOTAL AMOUNT OF CIVIL PENALTIES, THE  
2 AVERAGE CIVIL PENALTY, THE MEDIAN CIVIL PENALTY, THE HIGHEST CIVIL  
3 PENALTY, THE LOWEST CIVIL PENALTY, AND THE TOTAL AMOUNT OF CIVIL  
4 PENALTIES ASSESSED FOR EACH ACTION THAT INCLUDES VIOLATIONS IN  
5 AREAS OF CONCERN, SUCH AS:

6 (A) THE AREA THAT THE UNITED STATES ENVIRONMENTAL  
7 PROTECTION AGENCY HAS DESIGNATED AN OZONE NONATTAINMENT AREA;  
8 AND

9 (B) AN AREA THAT IS IN A DISPROPORTIONATELY IMPACTED  
10 COMMUNITY.

11 (13) THE DIVISION SHALL IMPLEMENT AN AIR QUALITY  
12 ENFORCEMENT E-MAIL MAILING GROUP OR A SIMILAR COMMUNICATION  
13 FUNCTION TO SHARE ENFORCEMENT-RELATED UPDATES WITH INTERESTED  
14 PARTIES THAT OPT IN TO THE E-MAIL MAILING GROUP OR SIMILAR  
15 COMMUNICATION FUNCTION. THE DIVISION MAY SHARE INFORMATION  
16 THROUGH THE E-MAIL MAILING GROUP OR SIMILAR COMMUNICATION  
17 FUNCTION THAT INCLUDES:

18 (a) A NOTICE OF VIOLATION OR NONCOMPLIANCE SENT PURSUANT  
19 TO SUBSECTION (2)(c)(I) OF THIS SECTION;

20 (b) A SETTLEMENT OR OTHER ORDER ISSUED PURSUANT TO  
21 SUBSECTION (3)(b) OF THIS SECTION TO RESOLVE A CASE; AND

22 (c) A LINK TO THE ANNUAL AIR QUALITY ENFORCEMENT  
23 BENCHMARK REPORT THAT THE DIVISION PREPARES PURSUANT TO  
24 SUBSECTION (12) OF THIS SECTION.

25 **SECTION 4.** In Colorado Revised Statutes, **amend** 25-7-121 as  
26 follows:

27 **25-7-121. Injunctions.** (1) In the event any person fails to



1 comply with a final order of the division or the commission that is not  
2 subject to stay pending administrative or judicial review or in the event  
3 any person violates any emission control regulation of the commission,  
4 the requirements of the state implementation plan, or any provision of OR  
5 COMMISSION RULE ADOPTED PURSUANT TO parts 1 to 4 of this ~~article~~  
6 ARTICLE 7, including any term or condition contained in any permit  
7 required under this ~~article~~ ARTICLE 7, the division or the commission, as  
8 the case may be, may request the district attorney for the district in which  
9 the alleged violation occurs or the attorney general to bring, and if so  
10 requested it is ~~his or her~~ THE DISTRICT ATTORNEY'S OR THE ATTORNEY  
11 GENERAL'S duty to bring, a suit for an injunction to:

12 (a) Prevent any further or continued violation;

13 (b) REDUCE THE POTENTIAL FOR A RECURRENCE OF A VIOLATION  
14 FOR WHICH THE DIVISION HAS PREVIOUSLY COMMENCED ENFORCEMENT  
15 PURSUANT TO SECTION 25-7-115 (2)(c)(I); OR

16 (c) OBTAIN ANY PERMIT REQUIRED TO CONSTRUCT OR OPERATE.

17 ~~(2) In any proceedings brought pursuant to this section to enforce~~  
18 ~~an order of the division or the commission, a temporary restraining order~~  
19 ~~or preliminary injunction, if sought, shall not issue if there is probable~~  
20 ~~cause to believe that granting such temporary restraining order or~~  
21 ~~preliminary injunction will cause serious harm to the affected person or~~  
22 ~~any other person and:~~

23 ~~(a) That the alleged violation or activity to which the order~~  
24 ~~pertains will not continue or be repeated; or~~

25 ~~(b) That granting such temporary restraining order or preliminary~~  
26 ~~injunction would be without sufficient corresponding public benefit.~~

27 ~~(3) Notwithstanding any other provision in this section, no action~~

1 ~~for injunction may be taken where the source has obtained a renewable~~  
2 ~~operating permit and conducts its operations in compliance with the~~  
3 ~~permit terms, as provided in section 25-7-114.4 (3).~~

4 **SECTION 5.** In Colorado Revised Statutes, 25-7-122, **amend**  
5 (1)(b) introductory portion, (1)(c), (2)(a)(I), (2)(a)(II), (2)(a)(III),  
6 (2)(a)(VIII), (2)(a)(IX), (2)(b) introductory portion, and (2)(b)(IV);  
7 **repeal** (2)(b)(V) and (3); and **add** (2)(a)(X) as follows:

8 **25-7-122. Civil penalties - rules - definitions.** (1) Upon  
9 application of the division, the division may collect penalties as  
10 determined under this article 7 by instituting an action in the district court  
11 for the district in which the air pollution source affected is located, in  
12 accordance with the following provisions:

13 (b) Any person who violates any requirement or prohibition of A  
14 FINAL ORDER OF THE DIVISION OR COMMISSION, an applicable emission  
15 control regulation of the commission, the state implementation plan, a  
16 construction permit, any provision for the prevention of significant  
17 deterioration under part 2 of this article 7, any provision related to  
18 attainment under part 3 of this article 7, or ANY PROVISION OF OR  
19 COMMISSION RULE ADOPTED PURSUANT TO section 25-7-105, 25-7-106,  
20 25-7-106.3, 25-7-108, 25-7-109, **25-7-109.5**, 25-7-111, 25-7-112,  
21 25-7-113, 25-7-114.2, 25-7-114.5, 25-7-118, **25-7-141**, 25-7-206,  
22 25-7-403, 25-7-404, 25-7-405, 25-7-407, 42-4-403, 42-4-404, 42-4-405,  
23 42-4-406, 42-4-407, 42-4-409, 42-4-410, or 42-4-414 is subject to a civil  
24 penalty of not more than forty-seven thousand three hundred fifty-seven  
25 dollars per day for each day of the violation; except that:

26 (c) Any person failing to comply with the provisions of section  
27 25-7-114.1 shall be subject to a civil penalty of not more than ~~five~~

1 ~~hundred~~ ONE THOUSAND dollars PER DAY PER VIOLATION.

2 (2) (a) In determining the amount of any civil penalty, the division  
3 shall consider the following factors:

4 (I) The violator's compliance history, INCLUDING THE COMPLIANCE  
5 HISTORY OF THE VIOLATOR'S CORPORATE AFFILIATES, SUBSIDIARIES, AND  
6 PARENT ORGANIZATIONS;

7 (II) LACK OF good faith efforts on behalf of the violator to  
8 comply;

9 (III) ~~Payment by the violator of penalties previously assessed for~~  
10 ~~the same violation~~ WHETHER THE VIOLATOR PREVIOUSLY COMMITTED THE  
11 SAME OR A SIMILAR VIOLATION, REGARDLESS OF WHETHER THE DIVISION  
12 OR COMMISSION COMMENCED AN ENFORCEMENT ACTION PURSUANT TO  
13 SECTION 25-7-115 FOR ANY SUCH VIOLATION;

14 (VIII) Whether legal and factual theories were advanced for  
15 purposes of delay; ~~and~~

16 (IX) The severity of the violation or noncompliance; AND

17 (X) WHETHER THE VIOLATION OCCURRED WITHIN OR IMPACTED A  
18 DISPROPORTIONATELY IMPACTED COMMUNITY.

19 (b) In addition to the factors set forth in ~~paragraph (a) of this~~  
20 ~~subsection (2)~~ SUBSECTION (2)(a) OF THIS SECTION, THE DIVISION SHALL  
21 CONSIDER the following circumstances ~~shall be considered~~ as grounds for  
22 reducing or eliminating civil penalties:

23 (IV) Substantial economic impact of a penalty on the violator;  
24 AND

25 (V) ~~Nonfeasance; and~~

26 (3) ~~Notwithstanding any other provision in this section, no action~~  
27 ~~for civil enforcement of this article may be taken where the source has~~

1 ~~obtained a renewable operating permit and conducts its operations in~~  
2 ~~compliance with the permit terms, as provided in section 25-7-114.4 (3).~~

3 **SECTION 6.** In Colorado Revised Statutes, 25-7-122, **amend**  
4 (1)(b) introductory portion, (1)(c), (2)(a)(I), (2)(a)(II), (2)(a)(III),  
5 (2)(a)(VIII), (2)(a)(IX), (2)(b) introductory portion, and (2)(b)(IV);  
6 **repeal** (2)(b)(V) and (3); and **add** (2)(a)(X) as follows:

7 **25-7-122. Civil penalties - rules - definitions.** (1) Upon  
8 application of the division, the division may collect penalties as  
9 determined under this article 7 by instituting an action in the district court  
10 for the district in which the air pollution source affected is located, in  
11 accordance with the following provisions:

12 (b) Any person who violates any requirement or prohibition of A  
13 FINAL ORDER OF THE DIVISION OR COMMISSION, an applicable emission  
14 control regulation of the commission, the state implementation plan, a  
15 construction permit, any provision for the prevention of significant  
16 deterioration under part 2 of this article 7, any provision related to  
17 attainment under part 3 of this article 7, or ANY PROVISION OF OR  
18 COMMISSION RULE ADOPTED PURSUANT TO section 25-7-105, 25-7-106,  
19 25-7-106.3, 25-7-108, 25-7-109, **25-7-109.5**, 25-7-111, 25-7-112,  
20 25-7-113, 25-7-114.2, 25-7-114.5, 25-7-118, **25-7-141**, **25-7-146**,  
21 25-7-206, 25-7-403, 25-7-404, 25-7-405, 25-7-407, 42-4-403, 42-4-404,  
22 42-4-405, 42-4-406, 42-4-407, 42-4-409, 42-4-410, or 42-4-414 is subject  
23 to a civil penalty of not more than forty-seven thousand three hundred  
24 fifty-seven dollars per day for each day of the violation; except that:

25 (c) Any person failing to comply with the provisions of section  
26 25-7-114.1 shall be subject to a civil penalty of not more than ~~five~~  
27 ~~hundred~~ ONE THOUSAND dollars PER DAY PER VIOLATION.

1 (2) (a) In determining the amount of any civil penalty, the division  
2 shall consider the following factors:

3 (I) The violator's compliance history, INCLUDING THE COMPLIANCE  
4 HISTORY OF THE VIOLATOR'S CORPORATE AFFILIATES, SUBSIDIARIES, AND  
5 PARENT ORGANIZATIONS;

6 (II) LACK OF good faith efforts on behalf of the violator to  
7 comply;

8 (III) ~~Payment by the violator of penalties previously assessed for~~  
9 ~~the same violation~~ WHETHER THE VIOLATOR PREVIOUSLY COMMITTED THE  
10 SAME OR A SIMILAR VIOLATION, REGARDLESS OF WHETHER THE DIVISION  
11 OR COMMISSION COMMENCED AN ENFORCEMENT ACTION PURSUANT TO  
12 SECTION 25-7-115 FOR ANY SUCH VIOLATION;

13 (VIII) Whether legal and factual theories were advanced for  
14 purposes of delay; and

15 (IX) The severity of the violation or noncompliance; AND

16 (X) WHETHER THE VIOLATION OCCURRED WITHIN OR IMPACTED A  
17 DISPROPORTIONATELY IMPACTED COMMUNITY.

18 (b) In addition to the factors set forth in ~~paragraph (a) of this~~  
19 ~~subsection (2)~~ SUBSECTION (2)(a) OF THIS SECTION, THE DIVISION SHALL  
20 CONSIDER the following circumstances ~~shall be considered~~ as grounds for  
21 reducing or eliminating civil penalties:

22 (IV) Substantial economic impact of a penalty on the violator;  
23 AND

24 (V) ~~Nonfeasance; and~~

25 (3) ~~Notwithstanding any other provision in this section, no action~~  
26 ~~for civil enforcement of this article may be taken where the source has~~  
27 ~~obtained a renewable operating permit and conducts its operations in~~

1 ~~compliance with the permit terms, as provided in section 25-7-114.4 (3).~~

2 **SECTION 7.** In Colorado Revised Statutes, 25-7-114.5, **amend**  
3 (3) as follows:

4 **25-7-114.5. Application review - public participation.** (3) The  
5 division shall also determine whether applications are for a new source  
6 activity that may have an impact upon areas which, as of the projected  
7 new source start-up date, are in compliance with national ambient air  
8 quality standards as of the date of the permit application, or for new  
9 source activity that may have an impact upon areas which, as of the  
10 projected new source start-up date, are not in compliance with national  
11 ambient air quality standards as of the date of the permit application. **IN**  
12 **IMPLEMENTING THIS SUBSECTION (3), THE DIVISION MAY CONSIDER MORE**  
13 **STRINGENT METHODS FOR NEW SOURCES OF OXIDES OF NITROGEN IN**  
14 **DISPROPORTIONATELY IMPACTED COMMUNITIES IN THE AREA DESIGNATED**  
15 **NONATTAINMENT FOR OZONE BY THE UNITED STATES ENVIRONMENTAL**  
16 **PROTECTION AGENCY.**

17 **SECTION 8.** In Colorado Revised Statutes, 34-60-103, **add** (4.2)  
18 as follows:

19 **34-60-103. Definitions.** As used in this article 60, unless the  
20 context otherwise requires:

21 (4.2) "DISPROPORTIONATELY IMPACTED COMMUNITY" HAS THE  
22 MEANING SET FORTH IN SECTION 24-4-109 (2)(b)(II).

23 **SECTION 9.** In Colorado Revised Statutes, 34-60-104.5, **amend**  
24 (2)(d)(I); and **add** (2)(d)(III) as follows:

25 **34-60-104.5. Director of commission - duties.** (2) The director  
26 of the commission shall:

27 (d) (I) Appoint, pursuant to section 13 of article XII of the state

1 constitution, such clerical and professional staff and consultants as may  
2 be necessary for the efficient and effective operation of the commission,  
3 including ~~at least one and up to~~ OR two deputy directors; ~~and~~

4 (III) APPOINT AT LEAST TWO COMMUNITY LIAISONS TO SERVE AS  
5 DEDICATED RESOURCES FOR DISPROPORTIONATELY IMPACTED  
6 COMMUNITIES REGARDING COMMISSION REGULATION. THE COMMUNITY  
7 LIAISONS SHALL PERFORM DUTIES INCLUDING:

8 (A) SERVING AS AN ADVOCATE FOR DISPROPORTIONATELY  
9 IMPACTED COMMUNITIES IN A NONLEGAL CAPACITY AND, WHILE TAKING  
10 INTO CONSIDERATION THE ENGAGEMENT PRACTICES DESCRIBED IN  
11 SECTION 24-4-109 (3)(b), ACTING AS A LIAISON BETWEEN  
12 DISPROPORTIONATELY IMPACTED COMMUNITY MEMBERS AND THE  
13 COMMISSION, INCLUDING WITH RESPECT TO COMMUNICATIONS REGARDING  
14 THE PERMITTING PROCESS;

15 (B) PROVIDING COMMUNITY MEMBERS WITH RELEVANT  
16 INFORMATION REGARDING THIRD-PARTY RESOURCES SUCH AS LEGAL  
17 ASSISTANCE TO ASSIST COMMUNITY MEMBERS IN PRESENTING THEIR VIEWS  
18 TO THE COMMISSION;

19 (C) WORKING TO IMPROVE THE RELATIONSHIPS AND INTERACTIONS  
20 BETWEEN DISPROPORTIONATELY IMPACTED COMMUNITIES AND THE  
21 COMMISSION;

22 (D) ACTING AS A RESOURCE FOR SHARING INFORMATION BETWEEN  
23 THE COMMISSION AND DISPROPORTIONATELY IMPACTED COMMUNITIES;

24 (E) ENGAGING IN OUTREACH TO DISPROPORTIONATELY IMPACTED  
25 COMMUNITIES; AND

26 (F) ORGANIZING AND ATTENDING IN-PERSON MEETINGS WITHIN  
27 DISPROPORTIONATELY IMPACTED COMMUNITIES.

1           **SECTION 10.** In Colorado Revised Statutes, 34-60-106, **amend**  
2 (1)(f)(I)(B), (3), and (11)(c)(I); and **add** (1)(f)(I.5), (11)(c)(III), and (20.5)  
3 as follows:

4           **34-60-106. Additional powers of commission - rules -**  
5 **definitions - repeal.** (1) The commission also shall require:

6           (f) (I) That no operations for the drilling of a well for oil and gas  
7 shall be commenced without first:

8           (B) Obtaining a permit from the commission, under rules  
9 prescribed by the commission; **and**

10           (I.5) THAT OIL AND GAS OPERATIONS SHALL NOT OCCUR WITHOUT  
11 THE OPERATOR OBTAINING AND MAINTAINING ANY NECESSARY PERMITS  
12 AND A LICENSE TO CONDUCT OIL AND GAS OPERATIONS FROM THE  
13 COMMISSION, IN ACCORDANCE WITH RULES PROMULGATED BY THE  
14 COMMISSION; AND

15           (3) The commission also has the authority to:

16           (a) Limit the production of oil or gas, or both, from any pool or  
17 field for the prevention of waste, and to limit and to allocate the  
18 production from such pool or field among or between tracts of land  
19 having separate ownerships ~~therein~~ IN THE TRACTS OF LAND, on a fair and  
20 equitable basis so that each such tract will be permitted to produce no  
21 more than its just and equitable share from the pool and so as to prevent,  
22 insofar as is practicable, reasonably avoidable drainage from each such  
23 tract ~~which~~ THAT is not equalized by counter-drainage; **and**

24           (b) Classify wells as oil or gas wells for purposes material to the  
25 interpretation or enforcement of this ~~article~~ ARTICLE 60;

26           (c) AFTER CONSULTATION WITH THE DIVISION OF ADMINISTRATION  
27 IN THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, REQUIRE



1 OPERATORS TO TAKE SUCH ACTIONS BETWEEN MAY 1 AND SEPTEMBER 30  
2 OF EACH YEAR TO REDUCE EMISSIONS OF OXIDES OF NITROGEN (NOX)  
3 GENERATED FROM PRODUCTION AND PREPRODUCTION OPERATIONS AS THE  
4 COMMISSION DEEMS APPROPRIATE TO ASSURE COMPLIANCE WITH:

5 (I) NOX INTENSITY TARGETS; AND

6 (II) OTHER NOX RULES THAT THE AIR QUALITY CONTROL  
7 COMMISSION ADOPTS BY RULE TO ACHIEVE SECTOR-WIDE COMPLIANCE  
8 WITH THE STATE'S 2030 GOALS FOR NOX EMISSION REDUCTIONS; AND

9 (d) WHEN REQUIRING OPERATORS TO TAKE ACTION PURSUANT TO  
10 SUBSECTION (3)(c) OF THIS SECTION, PRIORITIZE ACTIONS BY THOSE  
11 OPERATORS THAT DO NOT DEMONSTRATE COMPLIANCE WITH ANY  
12 APPLICABLE NOX INTENSITY TARGETS OR OTHER NOX RULES THAT THE  
13 AIR QUALITY CONTROL COMMISSION ADOPTS TO ACHIEVE SECTOR-WIDE  
14 COMPLIANCE WITH THE STATE'S 2030 GOALS FOR NOX EMISSION  
15 REDUCTIONS.

16 (11) (c) The commission shall adopt rules that:

17 (I) Adopt an alternative location analysis process and specify  
18 criteria used to identify oil and gas locations and facilities proposed to be  
19 located near populated areas that will be subject to the alternative location  
20 analysis process; ~~and~~

21 (III) IN CONSULTATION WITH THE DEPARTMENT OF PUBLIC HEALTH  
22 AND ENVIRONMENT, REQUIRE ENHANCED SYSTEMS AND PRACTICES TO  
23 AVOID, MINIMIZE, AND MITIGATE EMISSIONS OF OZONE PRECURSORS FROM  
24 OPERATIONS AT NEWLY PERMITTED OIL AND GAS LOCATIONS IN THE  
25 EIGHT-HOUR OZONE CONTROL AREA AND NORTHERN WELD COUNTY, AS  
26 THOSE TERMS ARE DEFINED BY THE AIR QUALITY CONTROL COMMISSION BY  
27 RULE. IN ADOPTING THE RULES PURSUANT TO THIS SUBSECTION

1 (11)(c)(III), THE COMMISSION SHALL:

2 (A) BY SEPTEMBER 30, 2024, ADOPT AN INITIAL LIST OF ENHANCED  
3 SYSTEMS AND PRACTICES CONSIDERING THE BEST MANAGEMENT  
4 PRACTICES THAT HAVE BEEN RECOMMENDED BY THE DEPARTMENT OF  
5 PUBLIC HEALTH AND ENVIRONMENT IN CONSULTATION WITH OPERATORS;

6 (B) CONSIDER A PROPOSED OIL AND GAS LOCATION'S POTENTIAL  
7 TO CONTRIBUTE TO ADVERSE IMPACTS THROUGH EMISSIONS OF OZONE  
8 PRECURSORS;

9 (C) CONSIDER ANY AVAILABLE PHOTOCHEMICAL SENSITIVITY  
10 MODELING ANALYSES CONDUCTED BY THE DEPARTMENT OF PUBLIC  
11 HEALTH AND ENVIRONMENT; AND

12 (D) EVALUATE THE POTENTIAL FOR UPDATES TO THE REQUIRED  
13 ENHANCED SYSTEMS AND PRACTICES PERIODICALLY TO ACCOUNT FOR  
14 EVOLVING DESIGN, OPERATIONAL PROCEDURES, AND TECHNOLOGIES TO  
15 REDUCE OZONE PRECURSORS.

16 (20.5) THE COMMISSION SHALL ADMINISTER THIS ARTICLE 60 IN A  
17 MANNER TO MINIMIZE ADVERSE IMPACTS TO DISPROPORTIONATELY  
18 IMPACTED COMMUNITIES THAT ARE NEGATIVELY AFFECTED BY OIL AND  
19 GAS OPERATIONS.

20 **SECTION 11.** In Colorado Revised Statutes, **amend** 34-60-111  
21 as follows:

22 **34-60-111. Judicial review.** (1) EXCEPT AS PROVIDED IN  
23 SUBSECTION (2) OF THIS SECTION, any rule, regulation, or final order of the  
24 commission ~~shall be~~ IS subject to judicial review in accordance with ~~the~~  
25 ~~provisions of~~ section 24-4-106. ~~C.R.S.~~ The commission ~~shall~~ IS not ~~be~~  
26 required to post bond in any proceeding for judicial review.

27 (2) NOTWITHSTANDING SECTION 24-4-106 (5), A COURT OF

1 COMPETENT JURISDICTION MAY POSTPONE THE EFFECTIVE DATE OF A  
2 COMMISSION ORDER SUSPENDING OR REVOKING AN OPERATOR'S LICENSE  
3 TO CONDUCT OIL AND GAS OPERATIONS OR A CERTIFICATE OF CLEARANCE  
4 AND SUBJECT TO REVIEW AS A FINAL AGENCY ACTION PURSUANT TO  
5 SECTION 24-4-106 ONLY UPON A DEMONSTRATION BY THE MOVING PARTY  
6 THAT:

7 (a) THE MOVING PARTY HAS A REASONABLE PROBABILITY OF  
8 SUCCESS ON THE MERITS IN THE UNDERLYING JUDICIAL PROCEEDING;

9 (b) REAL, IMMEDIATE, AND IRREPARABLE INJURY TO THE MOVING  
10 PARTY WOULD OTHERWISE RESULT;

11 (c) POSTPONING THE EFFECTIVE DATE OF THE COMMISSION ORDER  
12 WILL NOT DISSERVE THE PUBLIC INTEREST; AND

13 (d) IN CONSIDERATION OF THE BALANCE OF EQUITIES, INCLUDING  
14 CONSIDERATION OF POTENTIAL ADVERSE IMPACTS ON PUBLIC HEALTH,  
15 SAFETY, AND WELFARE AND THE PROTECTION OF THE ENVIRONMENT AND  
16 WILDLIFE RESOURCES, THE BALANCE FAVORS THE POSTPONEMENT.

17 **SECTION 12.** In Colorado Revised Statutes, 34-60-121, **amend**  
18 (5)(a), (6), and (7) as follows:

19 **34-60-121. Violations - investigations - penalties - rules -**  
20 **definition - legislative declaration.** (5) (a) If an operator fails to take  
21 corrective action required pursuant to subsection (4) of this section, or  
22 whenever the commission or the director has evidence that a violation of  
23 ~~any provision of this article~~ ARTICLE 60, or of any rule, regulation, or  
24 order of the commission, or of any permit has occurred, under  
25 circumstances deemed to constitute an emergency situation OR UNDER  
26 CIRCUMSTANCES THAT CAUSE OR THREATEN TO CAUSE A SIGNIFICANT  
27 ADVERSE IMPACT TO PUBLIC HEALTH, SAFETY, WELFARE, THE

1 ENVIRONMENT, OR WILDLIFE RESOURCES THAT REQUIRE IMMEDIATE  
2 ACTION, the commission or the director may issue a cease-and-desist  
3 order to the operator whose act or omission allegedly resulted in ~~such~~ THE  
4 violation. ~~Such~~ THE cease-and-desist order ~~shall~~ MUST require such action  
5 by the operator as the commission or director deems appropriate. The  
6 order shall be served personally or by certified mail, return receipt  
7 requested, to the operator or the operator's agent for service of process  
8 and ~~shall~~ MUST state the provision alleged to have been violated, the facts  
9 alleged to constitute the violation, the time by which the acts or practices  
10 cited are required to cease, and any corrective action the commission or  
11 the director elects to require of the operator.

12 (6) If the commission determines, after a hearing conducted in  
13 accordance with section 34-60-108, that an operator has failed to perform  
14 any corrective action imposed under subsection (4) of this section or  
15 failed to comply with a cease-and-desist order issued under subsection (5)  
16 of this section, ~~with regard to a violation of a permit provision,~~ the  
17 commission may issue an order suspending, modifying, or revoking ~~such~~  
18 THE OPERATOR'S permit OR PERMITS OR SUSPENDING OR REVOKING THE  
19 OPERATOR'S LICENSE TO CONDUCT OIL AND GAS OPERATIONS or may take  
20 other appropriate action. An operator subject to an order that suspends,  
21 modifies, or revokes a permit OR THAT SUSPENDS OR REVOKES THE  
22 OPERATOR'S LICENSE TO CONDUCT OIL AND GAS OPERATIONS shall  
23 continue the affected operations only for the purpose of bringing them  
24 into compliance with the permit or modified permit and shall do so under  
25 the supervision of the commission. Once the affected operations are in  
26 compliance to the satisfaction of the commission and any penalty not  
27 subject to judicial review or appeal has been paid, the commission ~~shall~~

1 MAY reinstate the permit OR THE LICENSE TO CONDUCT OIL AND GAS  
2 OPERATIONS.

3 (7) (a) The commission or the director shall issue an order to an  
4 operator to appear for a hearing before the commission in accordance  
5 with section 34-60-108 whenever the commission or the director has  
6 evidence that an operator is responsible for:

7 (I) Gross negligence or knowing and willful misconduct that  
8 results in an egregious violation; ~~or~~

9 (II) A pattern of violation of this ~~article~~ ARTICLE 60, any rule or  
10 order of the commission, or any permit;

11 (III) A VIOLATION OF THIS ARTICLE 60, ANY RULE OR ORDER OF  
12 THE COMMISSION, OR ANY PERMIT, IF SUCH VIOLATION RESULTS IN A  
13 COMMISSION ORDER IMPOSING A PENALTY OF ONE MILLION DOLLARS OR  
14 MORE;

15 (IV) A VIOLATION THAT CAUSED A MAJOR ADVERSE IMPACT, AS  
16 DEFINED IN THE COMMISSION'S RULES, TO PUBLIC HEALTH, SAFETY,  
17 WELFARE, THE ENVIRONMENT, OR WILDLIFE RESOURCES AND THE  
18 VIOLATION IS THE THIRD VIOLATION IN THE STATE IN ONE YEAR THAT  
19 CAUSED A MAJOR ADVERSE IMPACT, AS DEFINED IN THE COMMISSION'S  
20 RULES, TO PUBLIC HEALTH, SAFETY, WELFARE, THE ENVIRONMENT, OR  
21 WILDLIFE RESOURCES; OR

22 (V) A VIOLATION THAT CAUSED DEATH OR SERIOUS BODILY INJURY  
23 TO AN INDIVIDUAL.

24 (b) If the commission finds, after ~~such~~ THE hearing CONDUCTED  
25 PURSUANT TO SUBSECTION (7)(a) OF THIS SECTION, that the operator is  
26 responsible under the legal standards specified in ~~paragraph (a) of this~~  
27 ~~subsection (7), it~~ SUBSECTION (7)(a) OF THIS SECTION, THE COMMISSION

1 may issue an order that prohibits the issuance of any new permits to the  
2 operator, suspends any or all of the operator's certificates of clearance,  
3 SUSPENDS THE OPERATOR'S LICENSE TO CONDUCT OIL AND GAS  
4 OPERATIONS, or ~~both~~. ~~When~~ ANY COMBINATION OF THE THREE. IF the  
5 operator demonstrates to the satisfaction of the commission that ~~it~~ THE  
6 OPERATOR has brought each of the violations into compliance and that  
7 any penalty not subject to judicial review or appeal has been paid, the  
8 commission may vacate the order.

9 (c) IN A HEARING CONDUCTED PURSUANT TO THIS SUBSECTION (7),  
10 THE COMMISSION MAY CONSIDER AS EVIDENCE VIOLATIONS FOR WHICH  
11 ENFORCEMENT WAS COMMENCED PRIOR TO THE EFFECTIVE DATE OF THIS  
12 SUBSECTION (7), AS AMENDED, IN DETERMINING WHETHER TO PROHIBIT  
13 THE ISSUANCE OF ANY NEW PERMITS TO THE OPERATOR, SUSPEND ANY OR  
14 ALL OF THE OPERATOR'S CERTIFICATES OF CLEARANCE, SUSPEND THE  
15 OPERATOR'S LICENSE TO CONDUCT OIL AND GAS OPERATIONS, OR ANY  
16 COMBINATION OF THE THREE.

17 **SECTION 13.** In Colorado Revised Statutes, 34-60-124, **amend**  
18 (4)(e)(II) and (4)(f); and **add** (4)(g) as follows:

19 **34-60-124. Energy and carbon management cash fund -**  
20 **definitions - repeal.** (4) The fund may be expended:

21 (e) (II) This subsection (4)(e) is repealed, effective July 1, 2025.

22 **and**

23 (f) To create and maintain the website described in section  
24 34-60-106 (22); AND

25 (g) BY THE COMMISSION TO FUND THE COMMUNITY LIAISON  
26 POSITIONS APPOINTED PURSUANT TO SECTION 34-60-104.5 (2)(d)(III).

27 **SECTION 14.** In Colorado Revised Statutes, 34-60-133, **amend**

1 (1)(a)(II) and (1)(a)(III); and **add** (1.5), (2)(e.5), (6)(d)(I.5), and (8)(d.5)  
2 as follows:

3 **34-60-133. Orphaned wells mitigation enterprise - creation -**  
4 **powers and duties - enterprise board created - mitigation fees - cash**  
5 **fund created - rules - definitions - legislative declaration.**

6 (1) **Enterprise created.** (a) The orphaned wells mitigation enterprise is  
7 created in the department for the purpose of:

8 (II) Funding the plugging, reclaiming, and remediating of  
9 orphaned wells AND MARGINAL WELLS in the state;

10 (III) Ensuring that the costs associated with plugging, reclaiming,  
11 and remediating orphaned wells AND MARGINAL WELLS are borne by  
12 operators in the form of mitigation fees; and

13 (1.5) **Legislative declaration.** THE GENERAL ASSEMBLY FINDS  
14 AND DECLARES THAT:

15 (a) ORPHANED WELLS AND MARGINAL WELLS PRESENT RISKS TO  
16 PUBLIC HEALTH, SAFETY, AND WELFARE, INCLUDING RISKS TO THE  
17 ENVIRONMENT AND WILDLIFE RESOURCES;

18 (b) ENVIRONMENTAL JUSTICE IS A PRIORITY FOR THE STATE, AND  
19 THE ENTERPRISE BOARD SHOULD ADMINISTER THIS SECTION IN A MANNER  
20 THAT REDUCES BURDENS ON OVERBURDENED COMMUNITIES;

21 (c) THE ENTERPRISE HELPS MITIGATE RISKS BY PLUGGING,  
22 RECLAIMING, AND REMEDIATING ORPHANED WELLS AND THOSE MARGINAL  
23 WELLS THAT ARE AT THE HIGHEST RISK OF BECOMING ORPHANED;

24 (d) ALL OIL AND GAS WELLS WILL REQUIRE PLUGGING AND  
25 RECLAIMING AT THE END OF THEIR USEFUL LIFE;

26 (e) MANY OIL AND GAS WELLS WILL REQUIRE REMEDIATION AT THE  
27 END OF THEIR USEFUL LIFE;

1 (f) PURSUANT TO SECTION 34-60-106, ALL OPERATORS ARE  
2 REQUIRED TO PROVIDE FINANCIAL ASSURANCE DEMONSTRATING THAT THE  
3 OPERATORS ARE FINANCIALLY CAPABLE OF FULFILLING EVERY OBLIGATION  
4 IMPOSED ON THE OPERATOR PURSUANT TO THIS ARTICLE 60, INCLUDING AN  
5 OPERATOR'S PLUGGING, RECLAMATION, AND REMEDIATION OBLIGATIONS;  
6 AND

7 (g) THE SERVICES THAT THE ENTERPRISE PROVIDES BENEFIT ALL  
8 OPERATORS IN THE STATE BY:

9 (I) MITIGATING THE RISKS OF AN OPERATOR'S OIL AND GAS WELL  
10 BECOMING AN ORPHANED WELL; AND

11 (II) PLUGGING, RECLAIMING, AND REMEDIATING QUALIFYING  
12 MARGINAL WELLS AND ELIMINATING THE RISK OF SUCH QUALIFYING  
13 MARGINAL WELLS BECOMING ORPHANED WELLS.

14 (2) **Powers and duties.** In addition to any other powers and duties  
15 specified in this section, the enterprise board has the following general  
16 powers and duties on behalf of the enterprise:

17 (e.5) TO ISSUE GUIDANCE ESTABLISHING STANDARDS FOR  
18 MARGINAL WELLS TO QUALIFY FOR FUNDING PURSUANT TO SUBSECTION  
19 (1)(a)(II) OF THIS SECTION. IN ESTABLISHING THESE STANDARDS, THE  
20 ENTERPRISE BOARD SHALL CONSIDER:

21 (I) AN OIL AND GAS WELL'S LOCATION IN OR NEAR A  
22 DISPROPORTIONATELY IMPACTED COMMUNITY OR A HIGHLY POPULATED  
23 AREA; AND

24 (II) AN OIL AND GAS WELL'S RISK OF ADVERSE IMPACTS ON PUBLIC  
25 HEALTH, SAFETY, WELFARE, THE ENVIRONMENT, AND WILDLIFE  
26 RESOURCES; AND

27 (6) **Cash fund.** (d) Money credited to the fund is continuously



1 appropriated to the fund for use by the enterprise and shall be expended  
2 to:

3 (I.5) PLUG, RECLAIM, AND REMEDIATE QUALIFYING MARGINAL  
4 WELLS, AS DETERMINED BASED ON FACTORS THAT INCLUDE:

5 (A) THE OIL AND GAS WELL'S LOCATION IN OR NEAR A  
6 DISPROPORTIONATELY IMPACTED COMMUNITY OR A HIGHLY POPULATED  
7 AREA; AND

8 (B) THE OIL AND GAS WELL'S RISK OF ADVERSE IMPACTS ON PUBLIC  
9 HEALTH, SAFETY, WELFARE, THE ENVIRONMENT, AND WILDLIFE  
10 RESOURCES;

11 (8) **Definitions.** As used in this section, unless the context  
12 otherwise requires:

13 (d.5) "MARGINAL WELL" MEANS AN OIL AND GAS WELL THAT  
14 PRESENTS A HIGH RISK OF BECOMING ORPHANED.

15 **SECTION 15. Appropriation.** (1) For the 2024-25 state fiscal  
16 year, \$753,157 is appropriated to the department of public health and  
17 environment. This appropriation is from the general fund. To implement  
18 this act, the department may use this appropriation as follows:

19 (a) \$312,865 for use by the air pollution control division for  
20 personal services related to stationary sources, which amount is based on  
21 an assumption that the division will require an additional 3.3 FTE;

22 (b) \$325,074 for use by the air pollution control division for  
23 operating expenses related to stationary sources; and

24 (c) \$115,218 for the purchase of legal services.

25 (2) For the 2024-25 state fiscal year, \$115,218 is appropriated to  
26 the department of law. This appropriation is from reappropriated funds  
27 received from the department of public health and environment under

1 subsection (1)(c) of this section and is based on an assumption that the  
2 department of law will require an additional 0.5 FTE. To implement this  
3 act, the department of law may use this appropriation to provide legal  
4 services for the department of public health and environment.

5 (3) For the 2024-25 state fiscal year, \$179,127 is appropriated to  
6 the department of natural resources for use by the energy and carbon  
7 management commission. This appropriation is from the energy and  
8 carbon management cash fund created in section 34-60-122 (5)(a),  
9 C.R.S., and is based on an assumption that the commission will require  
10 an additional 2.0 FTE. To implement this act, the commission may use  
11 this appropriation for program costs.

12 **SECTION 16. Effective date - applicability.** (1) (a) Except as  
13 otherwise provided in this subsection (1), this act takes effect upon  
14 passage.

15 (b) Section 6 of this act takes effect only if House Bill 24-1338  
16 becomes law, in which case section 6 of this act takes effect upon  
17 passage.

18 (c) Section 5 of this act takes effect only if House Bill 24-1338  
19 does not become law, in which case section 5 of this act takes effect upon  
20 passage.

21 (2) This act applies to enforcement actions commenced by the  
22 division of administration in the department of public health and  
23 environment and the energy and carbon management commission on or  
24 after the effective date of this act.

25 **SECTION 17. Safety clause.** The general assembly finds,  
26 determines, and declares that this act is necessary for the immediate

- 1 preservation of the public peace, health, or safety or for appropriations for
- 2 the support and maintenance of the departments of the state and state
- 3 institutions.