

## CHAPTER 317

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**NATURAL RESOURCES**


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**HOUSE BILL 07-1180**

BY REPRESENTATIVE(S) White, Buescher, Carroll M., Curry, Fischer, Gibbs, Kerr J., King, Labuda, Levy, Loooper, McFadyen, Merrifield, Pommer, Roberts, Rose, Solano, and Gardner C.;  
also SENATOR(S) Isgar, Brophy, Fitz-Gerald, Johnson, Kester, Kopp, May R., Penry, Shaffer, Taylor, Ward, Wiens, and Williams.

**AN ACT****CONCERNING ACCURATE WELLHEAD OIL AND GAS MEASUREMENT, AND MAKING AN APPROPRIATION THEREFOR.**

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

**SECTION 1.** 34-60-106 (11), Colorado Revised Statutes, is amended to read:

**34-60-106. Additional powers of the commission - rules.** (11) The commission shall promulgate rules: ~~and regulations~~

(a) To protect the health, safety, and welfare of the general public in the conduct of oil and gas operations;

(b) **BY JANUARY 1, 2008, TO ENSURE THE ACCURACY OF OIL AND GAS PRODUCTION REPORTING BY ESTABLISHING STANDARDS FOR WELLHEAD OIL AND GAS MEASUREMENT AND REPORTING. AT A MINIMUM, THE RULES SHALL ADDRESS ENGINEERING STANDARDS, HEATING VALUE, SPECIFIC GRAVITY, PRESSURE, TEMPERATURE, METER CERTIFICATION AND CALIBRATION, AND METHODOLOGY FOR SALES RECONCILIATION TO WELLHEAD METERS. THE RULES SHALL BE CONSISTENT WITH STANDARDS ESTABLISHED BY THE AMERICAN SOCIETY FOR TESTING AND MATERIALS, THE AMERICAN PETROLEUM INSTITUTE, THE GAS PROCESSORS ASSOCIATION, OR OTHER APPLICABLE STANDARDS-SETTING ORGANIZATIONS, AND SHALL NOT AFFECT CONTRACTUAL RIGHTS OR OBLIGATIONS.**

**SECTION 2.** 34-60-118.5 (2.5), Colorado Revised Statutes, is amended to read:

**34-60-118.5. Payment of proceeds.** (2.5) Upon written request by the payee,

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*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

submitted to the payor by certified mail, the payor shall provide to the payee within sixty days a written explanation of those deductions or adjustments over which the payor has control and for which the payor has information, whether or not identified with the payment, ~~This~~ AND, IF REQUESTED BY THE PAYEE, SUCH METER CALIBRATION TESTING AND PRODUCTION REPORTING RECORDS THAT ARE REQUIRED TO BE MAINTAINED BY THE PAYOR IN ACCORDANCE WITH SECTION 34-60-106 (1) (e). THE requirement TO PROVIDE A WRITTEN EXPLANATION OF DEDUCTIONS OR ADJUSTMENTS shall not preclude the payor from answering the inquiry by referring the payee to the royalty clause or payment provision in a lease or other agreement.

**SECTION 3. Appropriation.** In addition to any other appropriation, there is hereby appropriated, out of any moneys in the oil and gas conservation and environmental response fund created in section 34-60-124 (1), Colorado Revised Statutes, not otherwise appropriated, to the department of natural resources, for allocation to the oil and gas conservation commission, for the fiscal year beginning July 1, 2007, the sum of three thousand four hundred fifty dollars (\$3,450), or so much thereof as may be necessary, for the implementation of this act.

**SECTION 4. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: May 29, 2007