

First Regular Session  
Sixty-ninth General Assembly  
STATE OF COLORADO

**REENGROSSED**

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

LLS NO. 13-0533.01 Thomas Morris x4218

**HOUSE BILL 13-1269**

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**HOUSE SPONSORSHIP**

**Foote**, Court, Duran, Fields, Fischer, Ginal, Hamner, Hullinghorst, Kagan, Labuda, Lee, Levy, Melton, Mitsch Bush, Moreno, Pabon, Primavera, Ryden, Salazar, Schafer, Singer, Williams

**SENATE SPONSORSHIP**

**Jones**, Ulibarri, Kefalas

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**House Committees**  
Transportation & Energy

**Senate Committees**

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**A BILL FOR AN ACT**  
101     **CONCERNING THE REDUCTION OF CONFLICTS OF INTEREST WITHIN THE**  
102     **COLORADO OIL AND GAS CONSERVATION COMMISSION.**

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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://www.leg.state.co.us/billsummaries>.)*

Under current law, the Colorado oil and gas conservation commission:

- ! Has mandates to reduce waste and to foster the development of oil and gas resources in a manner consistent with the protection of public health, the

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  
3rd Reading Unamended  
April 9, 2013

HOUSE  
Amended 2nd Reading  
April 8, 2013

environment, and wildlife resources; and

! Can include at least 3 commissioners who are employed by the industry.

**Section 1** of the bill amends the commission's mandate to ensure that the development of oil and gas resources protects public health, the environment, and wildlife resources. **Section 2** redefines "waste" to exclude reduced production that results from compliance with government regulation.

**Section 3** prohibits a newly appointed commissioner from being an employee, officer, or director of an oil and gas operator or oil and gas service company while serving on the commission.

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

2           **SECTION 1.** In Colorado Revised Statutes, 34-60-102, **amend**

3     (1) (a) (I) and (1) (a) (IV) as follows:

4           **34-60-102. Legislative declaration.** (1) (a) It is declared to be in  
5     the public interest to:

6           (I) ~~Foster~~ ENSURE THAT the responsible, balanced development,  
7     production, and utilization of the natural resources of oil and gas in the  
8     state of Colorado ~~in a manner consistent with protection of~~ PROTECTS  
9     public health, safety, and welfare, including protection of the environment  
10    and wildlife resources;

11           (IV) Plan and manage oil and gas operations in a manner that  
12    ~~balances development with wildlife conservation in recognition of the~~  
13    ~~state's obligation to protect~~ PROTECTS wildlife resources and the hunting,  
14    fishing, and recreation traditions they support, which are an important  
15    part of Colorado's economy and culture. Pursuant to section 33-1-101,  
16    C.R.S., it is the policy of the state of Colorado that wildlife and their  
17    environment are to be protected, preserved, enhanced, and managed for  
18    the use, benefit, and enjoyment of the people of this state and its visitors.

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1                   **SECTION 2.** In Colorado Revised Statutes, 34-60-104, **add (5)**  
2                   as follows:

3                   **34-60-104. Oil and gas conservation commission - report -**  
4                   **publication - disclosure.** (5) EACH COMMISSIONER SHALL ANNUALLY  
5                   DISCLOSE THE FOLLOWING INFORMATION, WHICH THE COMMISSION SHALL  
6                   POST ON ITS WEB SITE:

7                   (a) THE IDENTITY OF EACH OPERATOR AND OIL AND GAS SERVICE  
8                   COMPANY OF WHICH THE COMMISSIONER IS AN EMPLOYEE, OFFICER, OR  
9                   DIRECTOR OR IN WHICH THE COMMISSIONER HAS A DIRECT OR  
10                  SUBSTANTIAL FINANCIAL INTEREST;

11                  (b) THE NATURE OF THE COMMISSIONER'S DIRECT OR SUBSTANTIAL  
12                  FINANCIAL INTEREST AND POSITION WITH EACH SUCH OPERATOR OR OIL  
13                  AND GAS SERVICE COMPANY AND THE COMMISSIONER'S DUTIES IN  
14                  CONNECTION WITH THE POSITION; AND

15                  (c) A LISTING OF EACH SUCH OPERATOR'S OR OIL AND GAS SERVICE  
16                  COMPANY'S BUSINESS INTERESTS IN COLORADO.

17                  **SECTION 3.** In Colorado Revised Statutes, 34-60-117, **add (5)**  
18                  as follows:

19                  **34-60-117. Prevention of waste - protection of correlative**  
20                  **rights.** (5) THE PREVENTION OF WASTE AND THE PROTECTION OF  
21                  CORRELATIVE RIGHTS DOES NOT SUPERSEDE REGULATION BY THE  
22                  COMMISSION OF THE IMPACTS OF OIL AND GAS EXPLORATION OR  
23                  PRODUCTION ON PUBLIC HEALTH, SAFETY, AND WELFARE OR THE  
24                  ENVIRONMENT.

25                  **SECTION 4.** In Colorado Revised Statutes, 34-60-104, **add (6)**  
26                  as follows:

27                  **34-60-104. Oil and gas conservation commission - report -**

1 **publication - disclosure - conflict of interest.** (6) (a) A COMMISSIONER  
2 HAS A POTENTIAL CONFLICT OF INTEREST WITH REGARD TO A MATTER  
3 BEFORE THE COMMISSION IF ANY OF THE CIRCUMSTANCES LISTED IN  
4 SUBPARAGRAPHS (I) THROUGH (III) OF THIS PARAGRAPH (a) APPLY OR IF  
5 THERE IS AN APPEARANCE OF IMPROPRIETY DUE TO THE REASONABLE  
6 BELIEF THAT:

7 (I) THE COMMISSIONER HAS A DIRECT OR SUBSTANTIAL FINANCIAL  
8 INTEREST IN AN OPERATOR OR OIL AND GAS SERVICE COMPANY INVOLVED  
9 IN THE MATTER AND THE MATTER MAY HAVE A DIRECT ECONOMIC BENEFIT  
10 OR DETRIMENT ON THE OPERATOR OR OIL AND GAS SERVICE COMPANY;

11 (II) THE COMMISSIONER IS NOT CAPABLE OF JUDGING A MATTER  
12 FAIRLY ON THE BASIS OF ITS OWN CIRCUMSTANCES OR HAS AN  
13 UNALTERABLY CLOSED MIND ON AN ISSUE CRITICAL TO THE DISPOSITION  
14 OF THE MATTER; OR

15 (III) THE COMMISSIONER HAS A PERSONAL OR FINANCIAL INTEREST  
16 THAT PREJUDICES THAT COMMISSIONER'S ABILITY TO PARTICIPATE  
17 OBJECTIVELY IN THE MATTER.

18 (b) IF A COMMISSIONER HAS A POTENTIAL CONFLICT OF INTEREST  
19 WITH REGARD TO A MATTER, THE COMMISSIONER SHALL DISCLOSE THE  
20 POTENTIAL CONFLICT AND MAY WITHDRAW FROM PARTICIPATION IN THE  
21 MATTER. IF THE COMMISSIONER DOES NOT AGREE TO WITHDRAW, THE  
22 OTHER COMMISSIONERS, AFTER DISCUSSION AND COMMENTS FROM ANY  
23 MEMBER OF THE PUBLIC, SHALL VOTE ON WHETHER THE COMMISSIONER  
24 MUST WITHDRAW FROM PARTICIPATION IN THE MATTER.

25 **SECTION 5. Applicability.** This act applies to conduct occurring  
26 on or after the effective date of this act.

27 **SECTION 6. Safety clause.** The general assembly hereby finds,

1      determines, and declares that this act is necessary for the immediate  
2      preservation of the public peace, health, and safety.