

**First Regular Session  
Sixty-ninth General Assembly  
STATE OF COLORADO**

**PREAMENDED**

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

LLS NO. 13-0274.02 Thomas Morris x4218

**HOUSE BILL 13-1267**

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**HOUSE SPONSORSHIP**

**Foote,**

**SENATE SPONSORSHIP**

**Jones,**

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**House Committees**

Transportation & Energy  
Finance  
Appropriations

**Senate Committees**

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**A BILL FOR AN ACT**

101     **CONCERNING INCREASED PENALTIES FOR VIOLATIONS BY OIL AND GAS**  
102             **OPERATORS, 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://www.leg.state.co.us/billsummaries>.)*

Current law specifies that a violation of the "Oil and Gas Conservation Act" is punishable by a maximum fine of \$1,000 per day, subject to a penalty schedule promulgated by the oil and gas conservation commission that considers aggravating and mitigating circumstances. 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.

maximum total fine is capped at \$10,000 for violations that are not significant. The bill increases the maximum daily fine to \$15,000, sets a minimum fine of \$5,000 per violation per day for violations that have a significant adverse impact on public health, safety, or welfare, including the environment and wildlife resources, and repeals the cap on the maximum total fine.

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

2 **SECTION 1.** In Colorado Revised Statutes, 34-60-121, **amend**  
3 (1) as follows:

4 **34-60-121. Violations - penalties - rules.** (1) (a) Any operator  
5 who violates any provision of this article, any rule or order of the  
6 commission, or any permit ~~shall be~~ IS subject to a penalty of not more  
7 than ~~one~~ FIFTEEN thousand dollars for each act of violation per day that  
8 such violation continues. ~~Any such~~ THE MINIMUM PENALTY FOR A  
9 VIOLATION THAT RESULTS IN A SIGNIFICANT ADVERSE IMPACT ON PUBLIC  
10 HEALTH, SAFETY, OR WELFARE, INCLUDING THE ENVIRONMENT AND  
11 WILDLIFE RESOURCES, IS FIVE THOUSAND DOLLARS FOR EACH ACT OF  
12 VIOLATION PER DAY THAT SUCH VIOLATION CONTINUES. THE COMMISSION  
13 SHALL IMPOSE A penalty ~~shall be imposed by order, of the commission,~~  
14 after a hearing in accordance with section 34-60-108, or by an  
15 administrative order by consent entered into by the commission and an  
16 operator. ~~For a violation that does not result in significant waste of oil and~~  
17 ~~gas resources or damage to correlative rights or does not result in a~~  
18 ~~significant adverse impact on public health, safety, or welfare, the~~  
19 ~~maximum penalty shall not exceed ten thousand dollars.~~ The commission  
20 shall promulgate rules that establish a penalty schedule appropriate to the  
21 nature of the violation and that provide for the consideration of any  
22 aggravating or mitigating circumstances.

1 (b) An operator subject to a penalty order shall pay the amount  
2 due within thirty days after its imposition, unless ~~such~~ THE operator files  
3 a judicial appeal. The COMMISSION MAY RECOVER penalties owed under  
4 this section ~~may be recovered~~ in a civil action brought by the attorney  
5 general at the request of the commission in the second judicial district.  
6 Moneys collected through the imposition of penalties shall be credited  
7 first to any legal costs and attorney fees incurred by the attorney general  
8 in ~~such a~~ THE recovery action and then to the environmental response  
9 account in the oil and gas conservation and environmental response fund  
10 created in section 34-60-122.

11 **SECTION 2. Appropriation.** (1) In addition to any other  
12 appropriation, there is hereby appropriated, out of any moneys in the oil  
13 and gas conservation and environmental response fund created in section  
14 34-60-122 (5), Colorado Revised Statutes, not otherwise appropriated, to  
15 the department of natural resources, for the fiscal year beginning July 1,  
16 2013, the sum of \$157,125 and 0.9 FTE, or so much thereof as may be  
17 necessary, to be allocated for the implementation of this act as follows:

18 (a) \$66,290 and 1.5 FTE for the oil and gas conservation  
19 commission for personal services;

20 (b) \$15,130 for the oil and gas conservation commission for  
21 operating expenses and board meeting costs; and

22 (c) \$75,705 for the purchase of legal services.

23 (2) In addition to any other appropriation, there is hereby  
24 appropriated to the department of law, for the fiscal year beginning July  
25 1, 2013, the sum of \$75,705 and 0.6 FTE, or so much thereof as may be  
26 necessary, for the provision of legal services for the department of natural  
27 resources related to the implementation of this act. Said sum is from

1 reappropriated funds received from the department of natural resources  
2 out of the appropriation made in paragraph (c) of subsection (1) of this  
3 section.

4 **SECTION 3. Applicability.** This act applies to conduct occurring  
5 on or after the effective date of this act.

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