

**First Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO**

**REVISED**

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

LLS NO. 25-0701.01 Richard Sweetman x4333

**HOUSE BILL 25-1165**

---

**HOUSE SPONSORSHIP**

**Paschal and Soper**, Bird, Duran, Lindsay, McCormick, Titone

**SENATE SPONSORSHIP**

**Simpson and Kipp**,

---

**House Committees**

Energy & Environment

**Senate Committees**

Transportation & Energy

---

**A BILL FOR AN ACT**

101     **CONCERNING THE MANAGEMENT OF UNDERGROUND ENERGY**  
102     **RESOURCES.**

---

**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 creates the geologic storage stewardship enterprise (enterprise) in the department of natural resources (department) for the purpose of:

- Imposing and determining the amount of annual stewardship fees;
- Funding the long-term stewardship of geologic storage

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.

SENATE  
Amended 2nd Reading  
April 3, 2025

HOUSE  
3rd Reading Unamended  
March 14, 2025

HOUSE  
Amended 2nd Reading  
March 13, 2025

- facilities in the state;
- Funding the plugging, abandoning, reclaiming, and remediating of orphaned geologic storage facilities in the state; and
- Ensuring that costs associated with long-term stewardship of geologic storage facilities are borne by geologic storage operators in the form of stewardship fees.

The bill creates the geologic storage stewardship enterprise board (enterprise board) to administer the enterprise.

The bill requires each geologic storage operator to pay an annual stewardship fee for each ton of injection carbon dioxide that the geologic storage operator injects in the state. The energy and carbon management commission (commission) collects the stewardship fee on the enterprise's behalf. All money collected as stewardship fees is credited to the geologic storage stewardship enterprise cash fund, which is created in the bill. Money in the geologic storage stewardship enterprise cash fund is continuously appropriated to the enterprise.

The enterprise and the commission may each adopt rules to implement the bill.

Upon the commission's approval of a site closure:

- Ownership of the injection carbon dioxide, and ownership of any remaining facilities used to inject or store injection carbon dioxide, transfer to the state without payment of additional compensation;
- Except in specified circumstances, the geologic storage operator is released from all regulatory liability associated with the continued storage of the injection carbon dioxide and the long-term stewardship of the associated geologic storage facility; and
- The enterprise undertakes long-term stewardship of the injection carbon dioxide and any associated geologic storage facility.

The bill makes several updates to laws concerning the administration of underground geothermal resources, including:

- Clarifying that "nontributary groundwater" does not include "designated groundwater", as these terms are defined in current law;
- Exempting certain geothermal operations from needing a well permit from the state engineer;
- Requiring the state engineer to notify the operator of a prior geothermal operation of an application for a proposed well, and allowing the operator the opportunity to request a hearing if the application causes concern for material injury to the prior geothermal operation;
- Establishing that the authority to regulate shallow

geothermal operations is shared by the state engineer and the state board of examiners;

- Renaming the state board of examiners of water well construction and pump installation contractors as the "state board of examiners of water well and ground heat exchanger contractors" (state board of examiners); and
- Regulating ground heat exchanger contractors in the same manner that currently exists for water well construction contractors and pump installation contractors.

---

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

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

4 (a) Colorado has established statewide emission targets to reduce  
5 greenhouse gas emissions based on the levels that existed in 2005,  
6 including a 26% reduction by 2025, a 50% reduction by 2030, a 65%  
7 reduction by 2035, a 75% reduction by 2040, a 90% reduction by 2045,  
8 and net-zero emissions by 2050;

9 (b) Meeting these goals will involve multiple, simultaneously  
10 pursued strategies, as well as a streamlined administrative structure;

11 (c) Carbon capture and storage, or "CCS", has been identified as  
12 an essential tool for hard-to-decarbonize sectors;

13 (d) The geologic sequestration of carbon dioxide, or "CO<sub>2</sub>", in the  
14 subsurface is necessary to reach net-zero emission targets globally and  
15 may be equally critical to Colorado's own climate targets;

16 (e) Through CCS, stored CO<sub>2</sub> remains in the subsurface  
17 permanently. These CO<sub>2</sub> storage projects require an extended  
18 post-injection site care phase, typically lasting for decades after injection  
19 has ceased, in which the injected CO<sub>2</sub> is monitored to thoroughly  
20 demonstrate that the injected CO<sub>2</sub> is stable and will not pose a risk to

1 underground sources of drinking water.

2 (f) When a storage operator ceases to exist, for example, through  
3 bankruptcy, current law does not provide for monitoring and stewardship  
4 of the the storage facility;

5 (g) These are some of the reasons why the Colorado carbon  
6 management roadmap, the energy and carbon management commission's  
7 CCS study, and Colorado's carbon capture sequestration and utilization  
8 task force all called for the state to create a process for long-term  
9 stewardship of CO2 storage sites whereby CCS storage sites can be  
10 monitored and maintained for decades after site closure;

11 (h) Establishing an enterprise funded by a fee imposed on  
12 geologic storage operators to provide the necessary resources for the state  
13 to conduct long-term monitoring and stewardship activities protects  
14 Colorado communities from future impacts from storage facilities,  
15 supports our state's climate goals, relieves state taxpayers of a potential  
16 burden to manage these sites, and provides certainty to operators;

17 (i) Geothermal energy also provides many opportunities to support  
18 the state's transition to a low-carbon economy by offering more reliable  
19 energy service and predictable, affordable costs while improving local air  
20 quality and offering new economic growth opportunities;

21 (j) The energy and carbon management commission and the  
22 division of water resources are responsible for regulating geothermal  
23 development in Colorado;

24 (k) In 2023, in Senate Bill 23-285, the general assembly directed  
25 the energy and carbon management commission and the division of water  
26 resources to study the state regulatory structure for geothermal resources  
27 and determine if additional changes are necessary;

1 (l) In support of the state's climate and energy goals, the  
2 department of natural resources has identified statutory changes that will  
3 clarify and streamline Colorado's regulatory framework while facilitating  
4 responsible development of geothermal resources in Colorado; and

5 (m) These recommendations will minimize costs, expedite  
6 permitting, reduce risks to industry and the public, and clarify regulatory  
7 authority across state agencies.

8 (2) The general assembly therefore declares that it is important  
9 that Colorado drive and oversee the deployment of CCS and geothermal  
10 technologies in a manner that encourages protective growth and  
11 adaptation of infrastructure and improved coordination for permitting  
12 authorities.

13 **SECTION 2.** In Colorado Revised Statutes, **amend** 34-60-101 as  
14 follows:

15 **34-60-101. Short title.** ~~THE SHORT TITLE OF this article shall be~~  
16 ~~known and may be cited as~~ ARTICLE 60 IS the "Oil and Gas Conservation  
17 "ENERGY AND CARBON MANAGEMENT Act".

18 **SECTION 3.** In Colorado Revised Statutes, 34-60-103, **add**  
19 **(40.5) as follows:**

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

22 (40.5) (a) "SITE CLOSURE" MEANS THAT AN OPERATOR OF A  
23 GEOLOGIC STORAGE FACILITY HAS DEMONSTRATED, IN ACCORDANCE WITH  
24 ALL RULES OF THE COMMISSION, THAT:

25 (I) GEOLOGIC STORAGE OPERATIONS AT THE FACILITY NO LONGER  
26 POSE A DANGER TO PUBLIC HEALTH, SAFETY, OR WELFARE OR TO THE  
27 ENVIRONMENT, INCLUDING UNDERGROUND SOURCES OF DRINKING WATER

1     AND WILDLIFE RESOURCES; AND

2             (II) THE OPERATOR HAS RECEIVED APPROVAL FROM THE  
3     COMMISSION FOR THE FACILITY TO BE CLOSED.

4             (b) "SITE CLOSURE" REQUIRES THAT:

5             (I) ALL WELLS ARE PLUGGED, EQUIPMENT IS REMOVED, AND LAND  
6     IS RECLAIMED, UNLESS OTHERWISE REQUIRED FOR LONG-TERM  
7     STEWARDSHIP AND MONITORING OR AS DETERMINED BY THE DIRECTOR OF  
8     THE COMMISSION; AND

9             (II) MONITORING EQUIPMENT IS INSTALLED IF REQUIRED BY THE  
10    POST-INJECTION SITE CARE AND SITE CLOSURE PLAN OR BY RULES OF THE  
11    COMMISSION.

12            **SECTION 4.** In Colorado Revised Statutes, **add** 34-60-144 as  
13    follows:

14            **34-60-144. Geologic storage stewardship enterprise - created**  
15    **- legislative declaration - powers and duties of enterprise - geologic**  
16    **storage stewardship enterprise board - membership and duties of**  
17    **enterprise board - stewardship fees - geologic storage stewardship**  
18    **enterprise cash fund - definitions - rules - repeal. (1) Legislative**  
19    **declaration. (a) THE GENERAL ASSEMBLY FINDS THAT:**

20            (I) GEOLOGIC STORAGE OPERATIONS ARE AN IMPORTANT TOOL TO  
21    HELP THE STATE MEET ITS GREENHOUSE GAS EMISSION REDUCTION GOALS;

22            (II) GEOLOGIC STORAGE OPERATIONS INVOLVE PERMANENTLY  
23    STORING INJECTION CARBON DIOXIDE UNDERGROUND;

24            (III) IT IS PRUDENT TO MONITOR AND OTHERWISE CONDUCT  
25    LONG-TERM STEWARDSHIP OF INJECTION CARBON DIOXIDE TO  
26    DEMONSTRATE THAT THE INJECTION CARBON DIOXIDE IS STABLE AND WILL  
27    NOT POSE A RISK TO UNDERGROUND SOURCES OF DRINKING WATER;

1 (IV) GEOLOGIC STORAGE OPERATIONS PRESENT THE STATE WITH  
2 RISKS OF ORPHANED GEOLOGIC STORAGE FACILITIES;

3 (V) IT IS NECESSARY, APPROPRIATE, AND IN THE BEST INTEREST OF  
4 GEOLOGIC STORAGE OPERATORS FOR THE STATE TO CONDUCT LONG-TERM  
5 STEWARDSHIP; AND

6 (VI) IT IS NECESSARY, APPROPRIATE, AND IN THE BEST INTEREST  
7 OF GEOLOGIC STORAGE OPERATORS FOR THE STATE TO ENSURE THAT  
8 ORPHANED GEOLOGIC STORAGE FACILITIES ARE PLUGGED, ABANDONED,  
9 RECLAIMED, AND REMEDIATED, IF NECESSARY, IN A TIMELY MANNER IF  
10 AVAILABLE FINANCIAL ASSURANCE IS INSUFFICIENT.

11 (b) THE GENERAL ASSEMBLY ALSO FINDS THAT:

12 (I) CURRENT LAW IN JANUARY 2025 PROVIDES NO MECHANISM TO  
13 PAY FOR THE STATE'S LONG-TERM STEWARDSHIP OF GEOLOGIC STORAGE  
14 FACILITIES; AND

15 (II) CURRENT LAW IN JANUARY 2025 AUTHORIZES THE  
16 COMMISSION TO REQUIRE GEOLOGIC STORAGE OPERATORS TO MAINTAIN  
17 AND DEMONSTRATE CERTAIN FINANCIAL ASSURANCES TO PLUG, ABANDON,  
18 RECLAIM, AND REMEDIATE GEOLOGIC STORAGE FACILITIES.

19 (c) NOW, THEREFORE, THE GENERAL ASSEMBLY DECLARES THAT:

20 (I) IT IS IN THE PUBLIC INTEREST TO CREATE AN ENTERPRISE  
21 WITHIN THE DEPARTMENT THAT IS COMMITTED TO FUNDING LONG-TERM  
22 STEWARDSHIP OF INJECTION CARBON DIOXIDE AND, IF NECESSARY, THE  
23 PLUGGING, ABANDONMENT, RECLAIMING, AND REMEDIATING OF  
24 ORPHANED GEOLOGIC STORAGE FACILITIES;

25 (II) THE ACTIVITIES OF THE ENTERPRISE SHALL BE FUNDED BY  
26 REVENUE GENERATED FROM STEWARDSHIP FEES PAID BY OPERATORS OF  
27 CLASS VI INJECTION WELLS IN COLORADO;

1           (III) IT IS APPROPRIATE THAT GEOLOGIC STORAGE OPERATORS  
2 SHOULD PAY SUCH STEWARDSHIP FEES, AS GEOLOGIC STORAGE OPERATORS  
3 ARE THE DIRECT BENEFICIARIES OF THE SERVICES PROVIDED BY THE  
4 ENTERPRISE, WHICH ARE LONG-TERM STEWARDSHIP AND, WHERE  
5 NECESSARY, THE PLUGGING, ABANDONMENT, RECLAIMING, AND  
6 REMEDIATING OF ORPHANED GEOLOGIC STORAGE FACILITIES;

7           (IV) GEOLOGIC STORAGE OPERATORS BENEFIT FROM LONG-TERM  
8 STEWARDSHIP BECAUSE SERVICES, SUCH AS LONG-TERM MONITORING AND  
9 SITE MANAGEMENT, ALLOW GEOLOGIC STORAGE OPERATORS TO OPERATE  
10 CLASS VI INJECTION WELLS IN COLORADO BY ADDRESSING THE RISKS  
11 PRESENTED BY THE PERMANENT STORAGE OF INJECTION CARBON DIOXIDE  
12 WITHOUT REQUIRING GEOLOGIC STORAGE OPERATORS TO CONDUCT  
13 LONG-TERM STEWARDSHIP;

14           (V) CONSISTENT WITH THE DETERMINATION OF THE COLORADO  
15 SUPREME COURT IN *NICHOLL V. E-470 PUBLIC HIGHWAY AUTHORITY*, 896  
16 P.2d 859 (COLO. 1995), THAT THE POWER TO IMPOSE TAXES IS  
17 INCONSISTENT WITH ENTERPRISE STATUS UNDER SECTION 20 OF ARTICLE  
18 X OF THE STATE CONSTITUTION, THE GENERAL ASSEMBLY CONCLUDES  
19 THAT THE STEWARDSHIP FEE IS A FEE, NOT A TAX, AND THE ENTERPRISE  
20 OPERATES AS A BUSINESS BECAUSE THE STEWARDSHIP FEE IS IMPOSED FOR  
21 THE FOLLOWING SPECIFIC BUSINESS PURPOSES:

22           (A) THE LONG-TERM STEWARDSHIP SERVICES AUTHORIZED BY THIS  
23 SECTION PROVIDE A BENEFIT TO GEOLOGIC STORAGE OPERATORS BY  
24 ALLOWING A GEOLOGIC STORAGE OPERATOR TO BE RELEASED OF  
25 REGULATORY AND LONG-TERM STEWARDSHIP RESPONSIBILITIES  
26 ASSOCIATED WITH INJECTION CARBON DIOXIDE AFTER THE COMMISSION  
27 APPROVES SITE CLOSURE OF A GEOLOGIC STORAGE FACILITY; AND



1           (B) THE PLUGGING, ABANDONMENT, RECLAIMING, AND  
2 REMEDIATING SERVICES AUTHORIZED BY THIS SECTION PROVIDE A BENEFIT  
3 TO GEOLOGIC STORAGE OPERATORS BY ALLOWING THEM TO OPERATE  
4 CLASS VI INJECTION WELLS IN COLORADO DESPITE THE RISK THAT  
5 AVAILABLE FINANCIAL ASSURANCE MAY BE INSUFFICIENT TO PROTECT THE  
6 PUBLIC FROM THE COSTS OF GEOLOGIC STORAGE FACILITIES BEING  
7 ORPHANED; AND

8           (VI) SO LONG AS THE ENTERPRISE QUALIFIES AS AN ENTERPRISE  
9 FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION,  
10 THE REVENUE FROM THE STEWARDSHIP FEE ADMINISTERED BY THE  
11 ENTERPRISE AND COLLECTED BY THE COMMISSION IS NOT STATE FISCAL  
12 YEAR SPENDING, AS DEFINED IN SECTION 24-77-102 (17), OR STATE  
13 REVENUES, AS DEFINED IN SECTION 24-77-103.6 (6)(c), AND DOES NOT  
14 COUNT AGAINST EITHER THE STATE FISCAL YEAR SPENDING LIMIT IMPOSED  
15 BY SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION OR THE EXCESS  
16 STATE REVENUES CAP, AS DEFINED IN SECTION 24-77-103.6 (6)(b)(I)(G).

17           (2) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT  
18 OTHERWISE REQUIRES:

19           (a) "DEPARTMENT" MEANS THE DEPARTMENT OF NATURAL  
20 RESOURCES.

21           (b) "ENTERPRISE" MEANS THE GEOLOGIC STORAGE STEWARDSHIP  
22 ENTERPRISE CREATED IN SUBSECTION (3) OF THIS SECTION.

23           (c) "ENTERPRISE BOARD" MEANS THE GEOLOGIC STORAGE  
24 STEWARDSHIP ENTERPRISE BOARD CREATED IN SUBSECTION (4) OF THIS  
25 SECTION.

26           (d) "GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE CASH FUND"  
27 MEANS THE GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE CASH FUND

1       CREATED IN SUBSECTION (7) OF THIS SECTION.

2           (e)   "LONG-TERM STEWARDSHIP" MEANS MONITORING AND  
3       INTEGRITY MAINTENANCE OF GEOLOGIC STORAGE FACILITIES AFTER THE  
4       COMMISSION APPROVES A SITE CLOSURE, AS WELL AS ANY ASSOCIATED  
5       ACTION NECESSARY TO PROTECT PUBLIC HEALTH, SAFETY, WELFARE, THE  
6       ENVIRONMENT, OR WILDLIFE RESOURCES.

7           (f) "ORPHANED GEOLOGIC STORAGE FACILITY" MEANS A GEOLOGIC  
8       STORAGE FACILITY IN THE STATE FOR WHICH NO OWNER OR OPERATOR CAN  
9       BE FOUND OR FOR WHICH THE OWNER OR OPERATOR IS UNWILLING OR  
10      UNABLE TO PAY THE COSTS OF PLUGGING, ABANDONING, REMEDIATING,  
11      RECLAIMING, OR OTHER ACTION NECESSARY TO OBTAIN SITE CLOSURE  
12      PURSUANT TO COMMISSION RULES.

13          (g)   "STEWARDSHIP FEE" MEANS THE STEWARDSHIP FEE  
14      AUTHORIZED AND IMPOSED PURSUANT TO SUBSECTION (6) OF THIS  
15      SECTION.

16          (3)   **Enterprise created.** (a)   THE GEOLOGIC STORAGE  
17      STEWARDSHIP ENTERPRISE IS CREATED IN THE DEPARTMENT, IS A **TYPE 1**  
18      ENTITY, AS DEFINED IN SECTION 24-1-105, AND EXERCISES ITS POWERS  
19      AND PERFORMS ITS DUTIES AND FUNCTIONS UNDER THE DEPARTMENT. THE  
20      ENTERPRISE IS CREATED FOR THE PURPOSE OF:

21           (I) **DETERMINING** THE AMOUNT OF STEWARDSHIP FEES;

22           (II) **FUNDING** THE LONG-TERM STEWARDSHIP OF GEOLOGIC  
23      STORAGE FACILITIES IN THE STATE;

24           (III) **FUNDING** THE PLUGGING, ABANDONMENT, RECLAIMING, **AND,**  
25      **AS NECESSARY,** REMEDIATING OF ORPHANED GEOLOGIC STORAGE  
26      FACILITIES IN THE STATE **IF THE COMMISSION, AFTER NOTICE AND A**  
27      **HEARING, DETERMINES THAT AVAILABLE** FINANCIAL ASSURANCE IS

1 INSUFFICIENT; AND

2 (IV) ENSURING THAT COSTS ASSOCIATED WITH LONG-TERM  
3 STEWARDSHIP OF GEOLOGIC STORAGE FACILITIES ARE BORNE BY GEOLOGIC  
4 STORAGE OPERATORS IN THE FORM OF STEWARDSHIP FEES.

5 (b) THE ENTERPRISE BOARD, IN CONSULTATION WITH THE  
6 COMMISSION, SHALL ADMINISTER THE ENTERPRISE IN ACCORDANCE WITH  
7 THIS SECTION.

8 (c) (I) THE ENTERPRISE CONSTITUTES AN ENTERPRISE FOR  
9 PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION SO  
10 LONG AS IT RETAINS THE AUTHORITY TO ISSUE REVENUE BONDS AND  
11 RECEIVES LESS THAN TEN PERCENT OF ITS TOTAL REVENUES IN GRANTS, AS  
12 DEFINED IN SECTION 24-77-102 (7), FROM ALL COLORADO STATE AND  
13 LOCAL GOVERNMENTS COMBINED. SO LONG AS IT CONSTITUTES AN  
14 ENTERPRISE, THE ENTERPRISE IS NOT SUBJECT TO SECTION 20 OF ARTICLE  
15 X OF THE STATE CONSTITUTION.

16 (II) THE ENTERPRISE IS AUTHORIZED TO ISSUE REVENUE BONDS FOR  
17 THE EXPENSES OF THE ENTERPRISE, SECURED BY REVENUE OF THE  
18 ENTERPRISE.

19 (4) **Enterprise board created - membership - duties - repeal.**

20 (a) (I) THE GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE BOARD IS  
21 CREATED TO ADMINISTER THE ENTERPRISE. THE ENTERPRISE BOARD  
22 INCLUDES THE FOLLOWING FIVE MEMBERS:

23 (A) THE CHAIR OF THE COMMISSION;

24 (B) THE DIRECTOR OF THE COMMISSION OR THE DIRECTOR'S  
25 DESIGNEE;

26 (C) AN INDIVIDUAL WITH SUBSTANTIAL EXPERIENCE IN GEOLOGIC  
27 STORAGE, PREFERABLY WITH AN ACTUARIAL SCIENCE BACKGROUND AS

1     RELATED TO EVALUATING THE LONG-TERM RISK OF GEOLOGIC STORAGE  
2     FACILITIES. TO BE APPOINTED BY THE GOVERNOR AND CONFIRMED BY THE  
3     SENATE;

4             (D) AN INDIVIDUAL WITH FORMAL TRAINING OR SUBSTANTIAL  
5     EXPERIENCE IN ENVIRONMENTAL PROTECTION, PUBLIC HEALTH, OR OTHER  
6     RELEVANT FIELDS, TO BE APPOINTED BY THE GOVERNOR AND CONFIRMED  
7     BY THE SENATE; AND

8             (E) AN INDIVIDUAL WITH FORMAL TRAINING OR SUBSTANTIAL  
9     EXPERIENCE IN WELLBORE MONITORING, LONG-TERM STEWARDSHIP, OR  
10    OTHER RELEVANT TECHNICAL FIELDS, TO BE APPOINTED BY THE GOVERNOR  
11    AND CONFIRMED BY THE SENATE.

12            (II) (A) THE GOVERNOR SHALL APPOINT THE INITIAL MEMBERS OF  
13    THE ENTERPRISE BOARD PURSUANT TO SUBSECTIONS (4)(a)(I)(C),  
14    (4)(a)(I)(D), AND (4)(a)(I)(E) OF THIS SECTION ON OR BEFORE SEPTEMBER  
15    1, 2025.

16            (B) THIS SUBSECTION (4)(a)(II) IS REPEALED, EFFECTIVE JULY 1,  
17    2026.

18            (III) THE MEMBERS OF THE ENTERPRISE BOARD DESCRIBED IN  
19    SUBSECTIONS (4)(a)(I)(C), (4)(a)(I)(D), AND (4)(a)(I)(E) OF THIS SECTION  
20    SHALL EACH SERVE TERMS OF THREE YEARS; EXCEPT THAT THE INITIAL  
21    TERM OF THE MEMBER APPOINTED PURSUANT TO SUBSECTION (4)(a)(I)(C)  
22    OF THIS SECTION IS ONE YEAR, AND THE INITIAL TERM OF THE MEMBER  
23    APPOINTED PURSUANT TO SUBSECTION (4)(a)(I)(D) OF THIS SECTION IS  
24    TWO YEARS. IN THE EVENT OF A VACANCY, THE GOVERNOR MAY APPOINT  
25    AN INDIVIDUAL TO COMPLETE THE TERM OF THE MEMBER WHOSE SEAT HAS  
26    BECOME VACANT.

27            (IV) AN INDIVIDUAL MAY BE APPOINTED TO SERVE AS A MEMBER

1 OF THE ENTERPRISE BOARD PURSUANT TO SUBSECTION (4)(a)(I)(C),  
2 (4)(a)(I)(D), OR (4)(a)(I)(E) OF THIS SECTION FOR AN UNLIMITED NUMBER  
3 OF TERMS.

4 (V) ENTERPRISE BOARD MEMBERS SERVING PURSUANT TO  
5 SUBSECTIONS (4)(a)(I)(C), (4)(a)(I)(D), AND (4)(a)(I)(E) OF THIS SECTION  
6 MAY RECEIVE COMPENSATION FROM THE ENTERPRISE ON A PER DIEM BASIS  
7 FOR REASONABLE EXPENSES ACTUALLY INCURRED IN THE PERFORMANCE  
8 OF DUTIES REQUIRED OF ENTERPRISE BOARD MEMBERS UNDER THIS  
9 SECTION.

10 (VI) THE GOVERNOR SHALL SELECT A MEMBER OF THE ENTERPRISE  
11 BOARD TO SERVE AS CHAIR OF THE ENTERPRISE BOARD.

12 (b) IN ADDITION TO ADMINISTERING THE ENTERPRISE, THE  
13 ENTERPRISE BOARD SHALL:

14 (I) SET THE AMOUNT OF THE STEWARDSHIP FEE AT AN AMOUNT  
15 THAT IS REASONABLY RELATED TO THE OVERALL COST OF THE LONG-TERM  
16 STEWARDSHIP SERVICES PROVIDED BY THE ENTERPRISE. THE ENTERPRISE  
17 BOARD SHALL SET THE INITIAL AMOUNT WITHIN SIX MONTHS AFTER THE  
18 ENTERPRISE BOARD IS CONFIRMED.

19 (II) AS FREQUENTLY AS THE ENTERPRISE BOARD DETERMINES  
20 NECESSARY, CONSIDER WHETHER THE AMOUNT OF THE STEWARDSHIP FEE  
21 SHOULD BE INCREASED OR REDUCED, BASED ON:

22 (A) THE OVERALL COST OF THE ENTERPRISE'S LONG-TERM  
23 STEWARDSHIP SERVICES, INCLUDING REASONABLY ANTICIPATED FUTURE  
24 EXPENDITURES FROM THE GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE  
25 CASH FUND; AND

26 (B) THE NEED TO COMPLY WITH SUBSECTION (7)(b) OF THIS  
27 SECTION;

1 (III) CONSIDER THE IMPORTANCE OF FINANCIAL  
2 PREDICTABILITY FOR OPERATORS WHEN DETERMINING THE FREQUENCY OF  
3 CHANGES TO THE STEWARDSHIP FEE AMOUNT;

4 (IV) IF THE ENTERPRISE BOARD DETERMINES THAT AN INCREASE  
5 OR REDUCTION OF THE STEWARDSHIP FEE AMOUNT IS WARRANTED, ADJUST  
6 THE STEWARDSHIP FEE AMOUNT TO AN AMOUNT THAT IS REASONABLY  
7 RELATED TO THE OVERALL COST OF THE LONG-TERM STEWARDSHIP  
8 SERVICES PROVIDED BY THE ENTERPRISE; AND

9 (V) ADVISE THE COMMISSION OF THE OUTCOME OF THE  
10 ENTERPRISE BOARD'S DELIBERATIONS PURSUANT TO THIS SUBSECTION (4).

11 (5) **Powers and duties.** IN ADDITION TO ANY OTHER POWERS AND  
12 DUTIES SPECIFIED IN THIS SECTION, THE ENTERPRISE BOARD HAS THE  
13 FOLLOWING GENERAL POWERS AND DUTIES ON BEHALF OF THE  
14 ENTERPRISE:

15 (a) TO ADOPT PROCEDURES FOR CONDUCTING THE ENTERPRISE  
16 BOARD'S AFFAIRS;

17 (b) TO ACQUIRE, HOLD TITLE TO, AND DISPOSE OF REAL AND  
18 PERSONAL PROPERTY, INCLUDING OWNERSHIP OF INJECTION CARBON  
19 DIOXIDE UPON APPROVAL OF SITE CLOSURE OF AN ASSOCIATED GEOLOGIC  
20 STORAGE FACILITY BY THE COMMISSION;

21 (c) TO EMPLOY AND SUPERVISE INDIVIDUALS, PROFESSIONAL  
22 CONSULTANTS, AND CONTRACTORS AS ARE NECESSARY IN THE ENTERPRISE  
23 BOARD'S JUDGMENT TO CARRY OUT ITS BUSINESS PURPOSES;

24 (d) TO ENGAGE THE SERVICES OF CONTRACTORS, CONSULTANTS,  
25 AND THE ATTORNEY GENERAL'S OFFICE FOR PROFESSIONAL AND  
26 TECHNICAL ASSISTANCE AND ADVICE AND TO SUPPLY OTHER SERVICES  
27 RELATED TO THE CONDUCT OF THE AFFAIRS OF THE ENTERPRISE. THE

1 ENTERPRISE MAY CONTRACT WITH THE DEPARTMENT FOR THE PROVISION  
2 OF OFFICE SPACE AND ADMINISTRATIVE STAFF TO THE ENTERPRISE AT A  
3 FAIR MARKET RATE.

4 (e) TO SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS, DONATIONS, OR  
5 OTHER PAYMENTS FROM PRIVATE OR PUBLIC SOURCES FOR THE PURPOSES  
6 OF THIS SECTION, SO LONG AS THE TOTAL AMOUNT OF ALL GRANTS FROM  
7 COLORADO STATE AND LOCAL GOVERNMENTS RECEIVED IN ANY STATE  
8 FISCAL YEAR IS LESS THAN TEN PERCENT OF THE ENTERPRISE'S TOTAL  
9 ANNUAL REVENUE FOR THE STATE FISCAL YEAR. ALL MONEY RECEIVED AS  
10 GIFTS, GRANTS, AND DONATIONS SHALL BE CREDITED TO THE GEOLOGIC  
11 STORAGE STEWARDSHIP ENTERPRISE CASH FUND.

12 (f) TO CREATE AND IMPOSE UPON GEOLOGIC STORAGE OPERATORS  
13 AN ADDITIONAL FEE TO ADDRESS PLUGGING, ABANDONING, RECLAIMING,  
14 AND REMEDIATING OF ORPHANED GEOLOGIC STORAGE FACILITIES, WHICH  
15 FEE IS IN AN AMOUNT THAT IS REASONABLY RELATED TO THE OVERALL  
16 COST OF PLUGGING, ABANDONING, RECLAIMING, AND REMEDIATING  
17 ORPHANED GEOLOGIC STORAGE FACILITIES, SO LONG AS THE ENTERPRISE  
18 BOARD FINDS THAT:

19 (I) GEOLOGIC STORAGE OPERATIONS IN THE STATE ARE LIKELY TO  
20 CREATE ORPHANED GEOLOGIC STORAGE FACILITIES IN THE FUTURE;

21 (II) FINANCIAL ASSURANCE PROVIDED BY OPERATORS WILL BE  
22 INSUFFICIENT TO ADDRESS ORPHANED GEOLOGIC STORAGE FACILITIES; AND

23 (III) STEWARDSHIP FEES DEPOSITED INTO THE GEOLOGIC STORAGE  
24 STEWARDSHIP CASH FUND WILL BE INSUFFICIENT TO ADDRESS BOTH  
25 LONG-TERM STEWARDSHIP AND ORPHANED GEOLOGIC STORAGE  
26 FACILITIES;

27 (g) TO HAVE AND EXERCISE ALL RIGHTS AND POWERS NECESSARY

1 OR INCIDENTAL TO OR IMPLIED FROM THE SPECIFIC POWERS AND DUTIES  
2 GRANTED BY THIS SECTION; AND

3 (h) TO PERFORM ALL ACTS NECESSARY TO ACCOMPLISH SITE  
4 CLOSURES PURSUANT TO COMMISSION RULES FOR ORPHANED GEOLOGIC  
5 STORAGE FACILITIES.

6 (6) **Stewardship fees - rules.** (a) ON OR BEFORE APRIL 30, 2026,  
7 AND ON OR BEFORE APRIL 30 EACH YEAR THEREAFTER, EACH GEOLOGIC  
8 STORAGE OPERATOR SHALL PAY A STEWARDSHIP FEE TO THE COMMISSION,  
9 WHICH SHALL COLLECT THE STEWARDSHIP FEE ON THE ENTERPRISE'S  
10 BEHALF, FOR EACH TON OF INJECTION CARBON DIOXIDE THAT THE  
11 GEOLOGIC STORAGE OPERATOR INJECTS IN THE STATE.

12 (b) MONEY COLLECTED AS STEWARDSHIP FEES SHALL BE CREDITED  
13 TO THE GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE CASH FUND.

14 (c) THE MONEY COLLECTED BY THE COMMISSION FOR TRANSFER TO  
15 THE GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE CASH FUND PURSUANT  
16 TO SUBSECTION (6)(b) OF THIS SECTION IS:

17 (I) COLLECTED FOR THE ENTERPRISE;

18 (II) CUSTODIAL MONEY INTENDED FOR THE ENTERPRISE AND HELD  
19 TEMPORARILY BY THE COMMISSION AND THE STATE TREASURER SOLELY  
20 FOR THE PURPOSE OF TRANSFERRING THE MONEY TO THE GEOLOGIC  
21 STORAGE STEWARDSHIP ENTERPRISE CASH FUND; AND

22 (III) BASED ON THE ENTERPRISE'S STATUS AS AN ENTERPRISE, NOT  
23 SUBJECT TO SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION AT  
24 ANY TIME DURING THE MONEY'S COLLECTION, TRANSFER, AND USE.

25 (d) THE COMMISSION MAY ADOPT RULES TO IMPLEMENT THIS  
26 SUBSECTION (6).

27 (7) **Geologic storage stewardship enterprise cash fund - repeal.**



1 (a) THE GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE CASH FUND IS  
2 CREATED IN THE STATE TREASURY. THE GEOLOGIC STORAGE STEWARDSHIP  
3 ENTERPRISE CASH FUND CONSISTS OF:

4 (I) MONEY RECEIVED AS STEWARDSHIP FEES;

5 (II) ANY MONEY RECEIVED FROM THE ISSUANCE OF REVENUE  
6 BONDS, AS DESCRIBED IN SUBSECTION (3)(c)(II) OF THIS SECTION; ■■■

7 (III) ANY GIFTS, GRANTS, OR DONATIONS RECEIVED PURSUANT TO  
8 SUBSECTION (5)(e) OF THIS SECTION; AND

9 (IV) ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY  
10 APPROPRIATE OR TRANSFER TO THE GEOLOGIC STORAGE STEWARDSHIP  
11 ENTERPRISE CASH FUND.

12 (b) (I) THE TOTAL AMOUNT OF MONEY CREDITED OR  
13 APPROPRIATED TO THE GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE  
14 CASH FUND AS STEWARDSHIP FEES SHALL NOT EXCEED ONE HUNDRED  
15 MILLION DOLLARS IN THE FIRST FIVE YEARS OF THE ENTERPRISE'S  
16 EXISTENCE.

17 (II) THIS SUBSECTION (7)(b) IS REPEALED, EFFECTIVE JULY 1, 2031.

18 (c) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND  
19 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE  
20 GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE CASH FUND TO THE  
21 GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE CASH FUND. ANY  
22 UNEXPENDED AND UNENCUMBERED MONEY REMAINING IN THE GEOLOGIC  
23 STORAGE STEWARDSHIP ENTERPRISE CASH FUND AT THE END OF A FISCAL  
24 YEAR REMAINS IN THE GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE  
25 CASH FUND AND SHALL NOT BE CREDITED OR TRANSFERRED TO THE  
26 GENERAL FUND OR TO ANY OTHER FUND.

27 (d) MONEY CREDITED TO THE GEOLOGIC STORAGE STEWARDSHIP

1 ENTERPRISE CASH FUND IS CONTINUOUSLY APPROPRIATED TO THE  
2 ENTERPRISE AND SHALL BE EXPENDED TO PAY THE COSTS OF:

3 (I) LONG-TERM STEWARDSHIP;

4 (II) PLUGGING, ABANDONING, RECLAIMING, AND REMEDIATING  
5 SERVICES FOR ORPHANED GEOLOGIC STORAGE FACILITIES AT THE REQUEST  
6 OF THE DIRECTOR OF THE COMMISSION IF THE COMMISSION, AFTER NOTICE  
7 AND A HEARING, DETERMINES THAT AVAILABLE FINANCIAL ASSURANCE IS  
8 INSUFFICIENT; AND

9 (III) THE ENTERPRISE'S REASONABLE AND NECESSARY OPERATING  
10 EXPENSES.

11 (8) **Rules.** THE ENTERPRISE SHALL ADOPT RULES AS NECESSARY TO  
12 IMPLEMENT THIS SECTION. IN ADOPTING ANY RULES CONCERNING  
13 SUBSECTION (6) OF THIS SECTION, THE ENTERPRISE SHALL CONSULT WITH  
14 THE COMMISSION.

15 (9) **Governmental immunity.** NOTHING IN THIS SECTION  
16 CONSTITUTES A WAIVER, ABROGATION, OR LIMITATION OF GOVERNMENTAL  
17 IMMUNITY, AS DESCRIBED IN ARTICLE 10 OF TITLE 24. GEOLOGIC STORAGE  
18 FACILITIES, GEOLOGIC STORAGE LOCATIONS, GEOLOGIC STORAGE  
19 RESOURCES, INJECTION CARBON DIOXIDE, AND FACILITIES ASSOCIATED  
20 WITH GEOLOGIC STORAGE OPERATIONS ARE NOT GAS FACILITIES FOR THE  
21 PURPOSES OF SECTION 24-10-106 (1)(f) AND DO NOT CONSTITUTE ANY  
22 OTHER AREA OR FACILITY FOR WHICH SOVEREIGN IMMUNITY IS WAIVED  
23 PURSUANT TO SECTION 24-10-106 (1).

24 **SECTION 5.** In Colorado Revised Statutes, 34-60-106, **amend**  
25 (9)(c)(II) and (9)(c)(IV)(D); repeal (9)(c)(IV)(D.5) and (9)(e)(VI); and  
26 **add (9.4) as follows:**

27 **34-60-106. Additional powers of commission - fees - rules -**

1 **definitions - repeal.** (9) (c) (II) (A) The commission may issue and  
2 enforce permits for geologic storage operations and may regulate geologic  
3 storage operations after the commission makes the determination and  
4 holds the hearing set forth in subsection (9)(c)(I) of this section and the  
5 commission and the governor satisfy the requirements set forth in  
6 subsection (9)(a) of this section.

7 (B) A PERSON THAT WILLFULLY VIOLATES A CLASS VI RULE,  
8 REGULATION, PERMIT, OR ORDER OF THE COMMISSION ISSUED PURSUANT  
9 TO SUBSECTION (9)(c)(II)(A) OF THIS SECTION COMMITS A MISDEMEANOR  
10 AND, UPON CONVICTION BY A COURT OF COMPETENT JURISDICTION, IS  
11 SUBJECT TO A FINE OF AT LEAST FIVE THOUSAND DOLLARS AND NO MORE  
12 THAN SEVEN THOUSAND FIVE HUNDRED DOLLARS FOR EACH ACT OF  
13 VIOLATION AND FOR EACH DAY THAT THE PERSON REMAINS IN VIOLATION.

14 (IV) (D) A geologic storage operator shall maintain the financial  
15 assurance required ~~under~~ BY this subsection (9)(c)(IV) or ~~under~~ any rules  
16 adopted pursuant to this subsection (9)(c)(IV) until the commission  
17 approves site closure, as specified in rules adopted by the commission.  
18 EXCEPT AS DESCRIBED IN SUBSECTION (9.4) OF THIS SECTION, commission  
19 approval of a site closure does not otherwise modify an operator's  
20 responsibility to comply with applicable laws.

21 ~~(D.5) If a geologic storage operator makes a material~~  
22 ~~misrepresentation or omission that causes the commission to approve a~~  
23 ~~site closure pursuant to subsection (9)(c)(IV)(D) of this section, the~~  
24 ~~commission may reimpose any regulatory responsibility or financial~~  
25 ~~assurance obligation imposed on the geologic storage operator pursuant~~  
26 ~~to subsection (9)(c)(IV)(A) of this section.~~

27 (e) As used in this subsection (9), unless the context otherwise

1 requires:

2 (VI) "Site closure" has the meaning set forth in 40 CFR 146.81.

3 (9.4) (a) BEFORE THE COMMISSION APPROVES A SITE CLOSURE,  
4 TITLE TO THE INJECTION CARBON DIOXIDE STORED BY A GEOLOGIC  
5 STORAGE OPERATOR REMAINS WITH THE GEOLOGIC STORAGE OPERATOR  
6 OR ANY PARTY TO WHICH THE GEOLOGIC STORAGE OPERATOR  
7 TRANSFERRED TITLE.

8 (b) IN ADDITION TO ANY CRITERIA FOR SITE CLOSURE REQUIRED BY  
9 RULES ADOPTED BY THE COMMISSION, THE COMMISSION SHALL NOT  
10 APPROVE A SITE CLOSURE UNTIL THE COMMISSION HAS DETERMINED THAT  
11 THE GEOLOGIC STORAGE OPERATOR REQUESTING THE SITE CLOSURE HAS  
12 CONTRIBUTED MONEY TO THE GEOLOGIC STORAGE STEWARDSHIP  
13 ENTERPRISE CASH FUND CREATED IN SECTION 34-60-144 (7) IN AN  
14 AMOUNT SUFFICIENT TO PAY FOR LONG-TERM STEWARDSHIP OF THE  
15 GEOLOGIC STORAGE FACILITY FOR WHICH THE OPERATOR REQUESTS THE  
16 SITE CLOSURE.

17 (c) UPON APPROVAL BY THE COMMISSION OF A SITE CLOSURE:

18 (I) OWNERSHIP OF THE INJECTION CARBON DIOXIDE AND  
19 OWNERSHIP OF ANY REMAINING GEOLOGIC STORAGE FACILITIES,  
20 INCLUDING THOSE USED TO INJECT, MONITOR, OR STORE INJECTION  
21 CARBON DIOXIDE, TRANSFER TO THE STATE WITHOUT PAYMENT OF  
22 COMPENSATION;

23 (II) THE GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE CREATED  
24 IN SECTION 34-60-144 SHALL UNDERTAKE LONG-TERM STEWARDSHIP OF  
25 THE INJECTION CARBON DIOXIDE AND ANY ASSOCIATED GEOLOGIC  
26 STORAGE FACILITY; AND

27 (III) THE GEOLOGIC STORAGE OPERATOR IS RELEASED FROM ALL

1 FURTHER REGULATORY LIABILITY ASSOCIATED WITH THE GEOLOGIC  
2 STORAGE OPERATIONS OR ASSOCIATED GEOLOGIC STORAGE FACILITY,  
3 EXCEPT AS PROVIDED IN SUBSECTION (9.4)(d) OF THIS SECTION.

4 (d) REGULATORY LIABILITY REMAINS WITH THE GEOLOGIC  
5 STORAGE OPERATOR TO THE EXTENT THAT THE COMMISSION DETERMINES,  
6 AFTER NOTICE AND HEARING, THAT:

7 (I) THE GEOLOGIC STORAGE OPERATOR WAS IN MATERIAL  
8 VIOLATION OF A STATE LAW OR REGULATION RELATED TO THE GEOLOGIC  
9 STORAGE OPERATIONS OR ANY ASSOCIATED GEOLOGIC STORAGE FACILITY  
10 THAT WAS NOT REMEDIED PRIOR TO APPROVAL OF SITE CLOSURE AND HAS  
11 NOT BEEN REMEDIED SINCE THAT TIME, AND ANY APPLICABLE STATUTES  
12 OF LIMITATION HAVE NOT RUN;

13 (II) THE GEOLOGIC STORAGE OPERATOR PROVIDED DEFICIENT OR  
14 ERRONEOUS INFORMATION THAT WAS MATERIAL AND RELIED UPON BY THE  
15 COMMISSION TO SUPPORT THE APPROVAL OF SITE CLOSURE;

16 (III) CONTRACTUAL, CIVIL, OR CRIMINAL LIABILITY ARISES FROM  
17 CONDUCT OF THE GEOLOGIC STORAGE OPERATOR ASSOCIATED WITH THE  
18 GEOLOGIC STORAGE OPERATIONS OR ANY ASSOCIATED GEOLOGIC STORAGE  
19 FACILITY AND SUCH LIABILITY MATERIALLY AFFECTS THE COMMISSION'S  
20 DECISION TO APPROVE SITE CLOSURE; OR

21 (IV) THERE IS FLUID MIGRATION FOR WHICH THE GEOLOGIC  
22 STORAGE OPERATOR IS RESPONSIBLE THAT CAUSES OR THREATENS TO  
23 CAUSE IMMINENT AND SUBSTANTIAL ENDANGERMENT TO AN  
24 UNDERGROUND SOURCE OF DRINKING WATER.

25 (e) AFTER NOTICE AND HEARING, THE COMMISSION MAY REIMPOSE  
26 ANY REGULATORY LIABILITY FROM WHICH THE GEOLOGIC STORAGE  
27 OPERATOR HAS BEEN RELEASED PURSUANT TO SUBSECTION (9.4)(c)(III) OF

1 THIS SECTION AND FINANCIAL ASSURANCE OBLIGATIONS, IF THE  
2 COMMISSION DETERMINES THAT:

3 (I) THE GEOLOGIC STORAGE OPERATOR MADE A MATERIAL  
4 MISREPRESENTATION OR OMISSION THAT CAUSED THE COMMISSION TO  
5 APPROVE A SITE CLOSURE;

6 (II) THE GEOLOGIC STORAGE OPERATOR WAS IN MATERIAL  
7 VIOLATION OF A DUTY IMPOSED ON THE OPERATOR BY STATE LAW,  
8 INCLUDING BY RULES, PRIOR TO APPROVAL OF A SITE CLOSURE, THE  
9 MATERIAL VIOLATION HAS NOT BEEN REMEDIED, AND ANY APPLICABLE  
10 STATUTES OF LIMITATION HAVE NOT RUN; OR

11 (III) THERE IS MIGRATION OF THE INJECTION CARBON DIOXIDE FOR  
12 WHICH THE GEOLOGIC STORAGE OPERATOR IS RESPONSIBLE THAT CAUSES  
13 OR THREATENS TO CAUSE IMMINENT AND SUBSTANTIAL ENDANGERMENT  
14 TO AN UNDERGROUND SOURCE OF DRINKING WATER.

15 (f) NOTHING IN THIS SUBSECTION (9.4) WAIVES, ABROGATES, OR  
16 LIMITS GOVERNMENTAL IMMUNITY, AS DESCRIBED IN ARTICLE 10 OF TITLE  
17 24. GEOLOGIC STORAGE FACILITIES, GEOLOGIC STORAGE LOCATIONS,  
18 GEOLOGIC STORAGE RESOURCES, INJECTION CARBON DIOXIDE, AND  
19 FACILITIES ASSOCIATED WITH GEOLOGIC STORAGE OPERATIONS ARE NOT  
20 GAS FACILITIES FOR THE PURPOSES OF SECTION 24-10-106 (1)(f) AND DO  
21 NOT CONSTITUTE ANY OTHER AREA OR FACILITY FOR WHICH SOVEREIGN  
22 IMMUNITY IS WAIVED PURSUANT TO SECTION 24-10-106 (1).

23 (g) AS USED IN THIS SUBSECTION (9.4), UNLESS THE CONTEXT  
24 OTHERWISE REQUIRES:

25 (I) "REGULATORY LIABILITY" MEANS A GEOLOGIC STORAGE  
26 OPERATOR'S OBLIGATION TO COMPLY WITH ANY RULE, REGULATION,  
27 PERMIT CONDITION, OR ORDER OF THE COMMISSION ADOPTED OR ISSUED

1 PURSUANT TO SUBSECTION (9)(c)(II) OF THIS SECTION FOR GEOLOGIC  
2 STORAGE OPERATIONS.

3 (II) "REGULATORY LIABILITY" INCLUDES A GEOLOGIC STORAGE  
4 OPERATOR'S EXPOSURE TO PENALTIES ASSESSED IN ACCORDANCE WITH  
5 SECTION 34-60-121 FOR VIOLATIONS OF ANY RULE, REGULATION, PERMIT  
6 CONDITION, OR ORDER OF THE COMMISSION ADOPTED OR ISSUED  
7 PURSUANT TO SUBSECTION (9)(c)(II) OF THIS SECTION FOR GEOLOGIC  
8 STORAGE OPERATIONS.

9 (III) "REGULATORY LIABILITY" DOES NOT INCLUDE A GEOLOGIC  
10 STORAGE OPERATOR'S CIVIL, CONTRACTUAL, OR CRIMINAL LIABILITY.

11 **SECTION 6.** In Colorado Revised Statutes, 34-60-140, **amend**  
12 **(2)(a)(II) introductory portion as follows:**

13 **34-60-140. Ownership of geologic storage resources and**  
14 **injection carbon dioxide - legislative declaration.** (2) (a) Except as set  
15 forth in subsection (5) of this section:

16 (II) UNTIL ownership of injection carbon dioxide and the facilities  
17 and equipment that store injection carbon dioxide in the state TRANSFER  
18 TO THE STATE PURSUANT TO SECTION 34-60-106 (9.4)(c)(I), SUCH  
19 OWNERSHIP is vested in:

20 **SECTION 7.** In Colorado Revised Statutes, 37-80-111.5, **amend**  
21 **(1)(d) as follows:**

22 **37-80-111.5. Fees - rules - satellite monitoring system cash**  
23 **fund - well inspection cash fund - created.** (1) (d) Of each fee collected  
24 pursuant to sections 37-90-105 (3)(a)(I) and (4)(a); 37-90-107 (7)(d)(I);  
25 37-90-116 (1)(a), (1)(c), and (1)(h); 37-90-137 (2)(a); **37-90.5-106;**  
26 **37-90.5-107;** and 37-92-602 (3)(a) and (5), ~~forty dollars~~ A PORTION shall  
27 be credited to the well inspection cash fund, which fund is hereby created.

1 ~~Moneys~~ THE AMOUNT OF THE PORTION TRANSFERRED TO THE WELL  
2 INSPECTION CASH FUND IS FORTY DOLLARS, AND THIS AMOUNT MAY BE  
3 MODIFIED BY RULES ADOPTED BY THE BOARD OF EXAMINERS PURSUANT TO  
4 SECTION 37-91-104 (1)(c). MONEY in the well inspection cash fund shall  
5 be CONTINUOUSLY appropriated to and expended by the state engineer for  
6 the purposes established in section 37-91-113. Any ~~moneys~~ MONEY  
7 credited to the well inspection cash fund and unexpended at the end of  
8 any given STATE fiscal year ~~remain~~ REMAINS in the fund and ~~do~~ DOES not  
9 revert to the general fund. All interest derived from the deposit and  
10 investment of this fund ~~remain~~ REMAINS in the fund and ~~do~~ DOES not  
11 revert to the general fund.

12 **SECTION 8.** In Colorado Revised Statutes, 37-80-111.7, **amend**  
13 (2) introductory portion and (2)(b) as follows:

14 **37-80-111.7. Water resources cash fund - created - uses.**

15 (2) The state engineer shall collect the following fees and transmit them  
16 to the state treasurer, who shall credit them to the fund, except as  
17 specified in ~~paragraph (b) of this subsection (2)~~ SUBSECTION (2)(b) OF  
18 THIS SECTION:

19 (b) The state engineer shall collect fees pursuant to sections  
20 37-90-105 (3)(a) and (4); 37-90-107 (7)(c)(I) and (7)(d)(I); 37-90-108 (4)  
21 and (6); 37-90-116 (1)(a), (1)(c), (1)(h), and (1)(i); 37-90-137 (2), (3)(a),  
22 and (3)(c); 37-90.5-106; **37-90.5-107**; 37-92-305 (17); 37-92-308; and  
23 37-92-602 (1)(g)(III)(C), (3)(a), and (5). The STATE treasurer shall credit  
24 the fees collected pursuant to this ~~paragraph (b)~~ SUBSECTION (2)(b) to the  
25 fund except as specified in section 37-80-111.5 (1)(d).

26 **SECTION 9.** In Colorado Revised Statutes, 37-90-103, **amend**  
27 (10.5) as follows:



1           **37-90-103. Definitions - repeal.** As used in this article 90, unless  
2 the context otherwise requires:

3           (10.5) "Nontributary groundwater" means that groundwater,  
4 ~~located outside the boundaries of any designated groundwater basins in~~  
5 ~~existence on January 1, 1985~~ EXCLUDING DESIGNATED GROUNDWATER,  
6 the withdrawal of which will not, within one hundred years of continuous  
7 withdrawal, deplete the flow of a natural stream, including a natural  
8 stream as defined in sections 37-82-101 (2) and 37-92-102 (1)(b), at an  
9 annual rate greater than one-tenth of one percent of the annual rate of  
10 withdrawal. The determination of whether groundwater is nontributary  
11 shall be based on aquifer conditions existing at the time of permit  
12 application; except that, in recognition of the de minimis amount of water  
13 discharging from the Dawson, Denver, Arapahoe, and Laramie-Fox Hills  
14 aquifers into surface streams due to artesian pressure, when compared  
15 with the great economic importance of the groundwater in those aquifers,  
16 and the feasibility and requirement of full augmentation by wells located  
17 in the tributary portions of those aquifers, it is specifically found and  
18 declared that, in determining whether groundwater of the Dawson,  
19 Denver, Arapahoe, and Laramie-Fox Hills aquifers is nontributary, it shall  
20 be assumed that the hydrostatic pressure level in each such aquifer has  
21 been lowered at least to the top of that aquifer throughout that aquifer;  
22 except that not nontributary groundwater, as defined in subsection (10.7)  
23 of this section, in the Denver basin shall not become nontributary  
24 groundwater as a result of the aquifer's hydrostatic pressure level  
25 dropping below the alluvium of an adjacent stream due to Denver basin  
26 well pumping activity. Nothing in this subsection (10.5) ~~shall preclude~~  
27 PRECLUDES the designation of any aquifer or basin, or any portion thereof;

1 ~~which~~ OF AN AQUIFER OR BASIN, THAT is otherwise eligible for  
2 designation under the standard set forth in subsection (6) of this section  
3 relating to groundwater in areas not adjacent to a continuously flowing  
4 natural stream wherein groundwater withdrawals have constituted the  
5 principal water usage for at least fifteen years preceding the date of the  
6 first hearing on the proposed designation of a basin.

7 **SECTION 10.** In Colorado Revised Statutes, 37-90-137, **amend**  
8 (2)(a)(II), (2)(b)(I), (2)(b)(II) introductory portion, (2)(b)(II)(A),  
9 (2)(b)(II)(B), and (2)(c); and **add** (2)(e) and (7.5) as follows:

10 **37-90-137. Permits to construct wells outside designated**  
11 **basins - fees - permit no groundwater right - evidence - time**  
12 **limitation - well permits - rules - definition.** (2) (a) (II) Effective July  
13 1, 2006, upon receipt of an application for a replacement well or a new,  
14 increased, or additional supply of groundwater from an area outside the  
15 boundaries of a designated groundwater basin, accompanied by a filing  
16 fee of one hundred dollars, the state engineer shall make a determination  
17 as to whether or not the exercise of the requested permit will materially  
18 injure the vested water rights OR PRIOR GEOTHERMAL OPERATIONS of  
19 others.

20 (b) (I) The state engineer shall issue a permit to construct a well  
21 only if:

22 (A) The state engineer finds, as substantiated by hydrological and  
23 geological facts, that there is unappropriated water available for  
24 withdrawal by the proposed well and that the vested water rights OR PRIOR  
25 GEOTHERMAL OPERATIONS of others will not be materially injured; and

26 (B) Except as specified in ~~subparagraph (II) of this paragraph (b)~~  
27 SUBSECTION (2)(b)(II) OF THIS SECTION, the location of the proposed well

1 will be more than six hundred feet from an existing well COMPLETED IN  
2 THE SAME AQUIFER AND MORE THAN ONE-FOURTH OF A MILE FROM A PRIOR  
3 GEOTHERMAL OPERATION UTILIZING WATER FROM THE SAME AQUIFER.

4 (II) If the state engineer, after a hearing, finds that circumstances  
5 in a particular instance so warrant, or if a court decree is entered for the  
6 proposed well location after notice has been given in accordance with  
7 ~~sub-subparagraph (B) of this subparagraph (H)~~ SUBSECTION (2)(b)(II)(B)  
8 OF THIS SECTION, the state engineer may issue a permit without regard to  
9 the limitation specified in ~~sub-subparagraph (B) of subparagraph (I) of~~  
10 ~~this paragraph (b)~~ SUBSECTION (2)(b)(I)(B) OF THIS SECTION; except that  
11 ~~no~~ A hearing ~~shall be~~ IS NOT required and the state engineer may issue a  
12 well permit without regard to the limitation specified in ~~sub-subparagraph~~  
13 ~~(B) of subparagraph (I) of this paragraph (b)~~ SUBSECTION (2)(b)(I)(B) OF  
14 THIS SECTION:

15 (A) If the state engineer notifies the owners of all wells within six  
16 hundred feet of the proposed well by certified mail and receives no  
17 response within the time set forth in the notice, AND IF THE PROPOSED  
18 WELL IS LOCATED WITHIN ONE-FOURTH OF A MILE OF A PRIOR  
19 GEOTHERMAL OPERATION, AND THE STATE ENGINEER NOTIFIES THE PRIOR  
20 GEOTHERMAL OPERATION'S DESIGNATED INDIVIDUALS AND THE ENERGY  
21 AND CARBON MANAGEMENT COMMISSION BY ELECTRONIC MAIL AND  
22 RECEIVES NO RESPONSE WITHIN THE TIME SET FORTH IN THE NOTICE;

23 (B) If the proposed well is part of a water court proceeding  
24 adjudicating the water right for the well, or if the proposed well is part of  
25 an adjudication of a plan for augmentation or change of water right and  
26 if evidence is provided to the water court that the applicant has given  
27 notice of the water court application, at least fourteen days before making

1 the application, by registered or certified mail, return receipt requested,  
2 to the owners of record of all wells within six hundred feet of the  
3 proposed well AND TO ALL DESIGNATED INDIVIDUALS OF PRIOR  
4 GEOTHERMAL OPERATIONS WITHIN ONE-FOURTH OF A MILE OF THE  
5 PROPOSED WELL;

6 (c) The permit shall set forth ~~such~~ THE conditions for drilling,  
7 casing, and equipping wells and other diversion facilities as are  
8 reasonably necessary to prevent waste, pollution, or material injury to  
9 existing rights OR PRIOR GEOTHERMAL OPERATIONS.

10 (e) AS USED IN THIS SUBSECTION (2), UNLESS THE CONTEXT  
11 OTHERWISE REQUIRES:

12 (I) "MATERIAL INJURY TO A PRIOR GEOTHERMAL OPERATION" HAS  
13 THE MEANING SET FORTH IN SECTION 37-90.5-106 (1)(c).

14 (II) "PRIOR GEOTHERMAL OPERATION" HAS THE MEANING SET  
15 FORTH IN SECTION 37-90.5-103 (14.5).

16 (7.5) (a) EXCEPT AS REQUIRED BY SUBSECTION (7.5)(b) OF THIS  
17 SECTION, A PERMIT FROM THE STATE ENGINEER IS NOT REQUIRED IN THE  
18 CASE OF WITHDRAWING NONTRIBUTARY GROUNDWATER FROM A GEOLOGIC  
19 FORMATION IF THE WITHDRAWAL IS PERMITTED AS A DEEP GEOTHERMAL  
20 OPERATION, AS DEFINED IN SECTION 37-90.5-103 (3), AND THE  
21 WITHDRAWN NONTRIBUTARY GROUNDWATER WILL BE USED ONLY FOR  
22 OPERATIONS TO EXTRACT OR UTILIZE HEAT, INCLUDING:

23 (I) GENERATING ELECTRICITY;

24 (II) HEATING AND COOLING BUILDINGS;

25 (III) HEATING SWIMMING POOLS, PUBLIC BATHHOUSES, OR  
26 DEVELOPED HOT SPRINGS FACILITIES;

27 (IV) HEATING AQUACULTURE;

- 1 (V) MELTING SNOW OR ICE;
- 2 (VI) HEATING TO FACILITATE CARBON DIOXIDE CAPTURE OR
- 3 HYDROGEN PRODUCTION;
- 4 (VII) DEEP GEOTHERMAL EXPLORATION, RESOURCE
- 5 CONFIRMATION, OR RESERVOIR ENHANCEMENT; AND
- 6 (VIII) HEATING AND DRYING FOR OTHER INDUSTRIAL PROCESSES.

7 (b) A WELL PERMIT IS REQUIRED IF THE OPERATOR WILL USE THE

8 NONTRIBUTARY GROUNDWATER FOR ADDITIONAL BENEFICIAL USES

9 UNRELATED TO THE EXTRACTION OR UTILIZATION OF HEAT.

10 **SECTION 11.** In Colorado Revised Statutes, 37-90.5-102,

11 **amend** (1)(b) as follows:

12 **37-90.5-102. Legislative declaration.** (1) The general assembly

13 hereby declares that:

14 (b) The development of geothermal resources should be

15 undertaken in such a manner as to safeguard life, health, property, public

16 welfare, HISTORIC GEOTHERMAL HOT SPRINGS, and the environment,

17 including wildlife resources; encourage the maximum economic recovery

18 of each resource and prevent its waste; and protect associated correlative

19 rights.

20 **SECTION 12.** In Colorado Revised Statutes, 37-90.5-103,

21 **amend** (1)(b) and (3)(c)(II); **repeal** (13); and **add** (9.5) and (14.5) as

22 follows:

23 **37-90.5-103. Definitions.** As used in this article 90.5, unless the

24 context otherwise requires:

25 (1) (b) "Allocated geothermal resource" does not include

26 groundwater in the Denver basin aquifers OR NONTRIBUTARY

27 GROUNDWATER AQUIFERS ENTIRELY LOCATED SHALLOWER THAN TWO

1 THOUSAND FIVE HUNDRED FEET.

2 (3) (c) "Deep geothermal operation" does not include:

3 (II) The use of any heat extracted with produced fluids in an oil  
4 and gas operation if the UTILIZATION OF THE heat ~~is only utilized to reduce~~  
5 ~~emissions from the operation in the same location as the well from which~~  
6 ~~it was produced and~~ would otherwise not be economically feasible as a  
7 standalone geothermal resource project.

8 (9.5) "HISTORIC HOT SPRING" MEANS A HOT SPRING THAT IS  
9 REGISTERED AS DESCRIBED IN SECTION 37-90.5-106 (7) AND IS EITHER:

10 (a) A COMMERCIAL GEOTHERMAL HOT SPRING WITH A VESTED  
11 WATER RIGHT; OR

12 (b) A NONCOMMERCIAL GEOTHERMAL HOT SPRING THAT IS  
13 ACCESSIBLE TO AND ENJOYED BY THE PUBLIC.

14 (13) ~~"Nonconsumptive geothermal operation" means an operation~~  
15 ~~using geothermal resources in which the volume of geothermal fluid~~  
16 ~~extracted from an aquifer or formation is no more than the volume of the~~  
17 ~~geothermal fluid reinjected in the same aquifer or formation over a~~  
18 ~~reasonable time frame and distance.~~

19 (14.5) "PRIOR GEOTHERMAL OPERATION" MEANS:

20 (a) A GEOTHERMAL WELL, OPERATION, DISTRICT, OR UNIT  
21 AUTHORIZED BY THE STATE ENGINEER OR THE ENERGY AND CARBON  
22 MANAGEMENT COMMISSION PURSUANT TO THIS ARTICLE 90.5; OR

23 (b) A HISTORIC HOT SPRING.

24 **SECTION 13.** In Colorado Revised Statutes, 37-90.5-104,  
25 **amend** (2) and (4); and **repeal** (5) as follows:

26 **37-90.5-104. Ownership declaration.** (2) The property right to  
27 a hot dry rock resource or a geothermal resource associated with

1 nontributary groundwater is an incident of the ownership of the overlying  
2 surface, unless the property right is severed, reserved, or transferred with  
3 the subsurface estate expressly OR IS OTHERWISE EXPRESSLY SEPARATE  
4 FROM THE SURFACE ESTATE. GEOTHERMAL RESOURCES ASSOCIATED WITH  
5 NONTRIBUTARY GROUNDWATER SHALL NOT BE TRANSFERRED SEPARATELY  
6 FROM THE NONTRIBUTARY GROUNDWATER. WITH RESPECT TO ANY  
7 SEVERANCE, RESERVATION, OR TRANSFER OCCURRING AFTER SEPTEMBER  
8 1, 2025:

9 (a) FOR ANY SEVERANCE, RESERVATION, OR TRANSFER OF  
10 NONTRIBUTARY GROUNDWATER, THERE IS A REBUTTABLE PRESUMPTION  
11 THAT THE SEVERANCE, RESERVATION, OR TRANSFER INCLUDES ANY  
12 ASSOCIATED GEOTHERMAL RESOURCES UNLESS THE SEVERANCE,  
13 RESERVATION, OR TRANSFER EXPRESSLY STATES OTHERWISE; AND

14 (b) FOR ANY SEVERANCE, RESERVATION, OR TRANSFER OF  
15 GEOTHERMAL RESOURCES ASSOCIATED WITH NONTRIBUTARY  
16 GROUNDWATER, THERE IS A REBUTTABLE PRESUMPTION THAT THE  
17 SEVERANCE, RESERVATION, OR TRANSFER INCLUDES THE ASSOCIATED  
18 NONTRIBUTARY GROUNDWATER UNLESS THE SEVERANCE, RESERVATION,  
19 OR TRANSFER EXPRESSLY STATES OTHERWISE.

20 (4) Notwithstanding any provision of this section to the contrary,  
21 nothing in this section:

22 (a) Derogates the rights of a landowner to nontributary  
23 groundwater; ~~or~~

24 (b) Affects any ownership or rights to a geothermal resource  
25 associated with nontributary groundwater, which resource is acquired  
26 before July 1, 2023; OR

27 (c) PREVENTS AN OWNER OF NONTRIBUTARY GROUNDWATER

1 RIGHTS FROM ACCESSING NONTRIBUTARY GROUNDWATER FOR  
2 NONGEOTHERMAL PURPOSES THAT WILL NOT MATERIALLY INJURE A  
3 PRIOR GEOTHERMAL OPERATION.

4 (5) ~~Notwithstanding any provision of this section to the contrary,~~  
5 ~~geothermal resources associated with nontributary groundwater shall not~~  
6 ~~be transferred separately from the nontributary groundwater.~~

7 **SECTION 14.** In Colorado Revised Statutes, 37-90.5-106,  
8 **amend** (1)(a)(I), (1)(a)(II), (1)(b)(III), (3), and (6); and **add** (1)(a)(IV),  
9 (1)(a)(V), (1)(c), (2)(c), and (7) as follows:

10 **37-90.5-106. Regulation of geothermal resource operations -**  
11 **reinjection - fees - rules - definition.** (1) (a) (I) The state engineer ~~has~~  
12 AND THE BOARD OF EXAMINERS OF WATER WELL AND GROUND HEAT  
13 EXCHANGER CONTRACTORS CREATED IN SECTION 37-91-103 HAVE the  
14 ~~exclusive~~ authority to regulate shallow geothermal operations and may  
15 adopt rules that regulate shallow geothermal operations.

16 (II) ~~Prior to~~ BEFORE constructing a test bore, GROUND HEAT  
17 EXCHANGER, monitoring well, or production well or reworking an  
18 existing well associated with shallow geothermal operations, A PERSON  
19 SHALL OBTAIN an operations permit ~~must be obtained~~ from the state  
20 engineer.

21 (IV) THE STATE ENGINEER SHALL MAINTAIN A TRIBUTARY  
22 GEOTHERMAL NOTIFICATION LIST FOR EACH WATER DIVISION.

23 (V) (A) AN APPLICANT FOR A NEW GEOTHERMAL WELL PERMIT  
24 WITHDRAWING TRIBUTARY GROUNDWATER AT A RATE GREATER THAN  
25 FIFTY GALLONS PER MINUTE SHALL PROVIDE A COPY OF THE APPLICATION  
26 BY ELECTRONIC MAIL TO ALL PARTIES THAT HAVE SUBSCRIBED TO THE  
27 TRIBUTARY GEOTHERMAL NOTIFICATION LIST FOR THE WATER DIVISION IN



1 WHICH THE WELL WILL BE LOCATED AND SHALL FILE PROOF OF SUCH  
2 NOTICE WITH THE STATE ENGINEER.

3 (B) THE STATE ENGINEER SHALL ALLOW THE OWNERS OR  
4 OPERATORS OF PRIOR GEOTHERMAL OPERATIONS, VESTED WATER RIGHTS,  
5 OR WELLS THIRTY-FIVE DAYS AFTER THE DATE OF THE ELECTRONIC  
6 MAILING OF THE NOTICE TO SUBMIT A CLAIM OF MATERIAL INJURY. ANY  
7 SUCH CLAIM MAY REQUEST CONDITIONS TO BE IMPOSED UPON THE WELL  
8 PERMIT IN ORDER TO PREVENT SUCH INJURY AND PROVIDE OTHER  
9 INFORMATION TO BE CONSIDERED BY THE STATE ENGINEER IN REVIEWING  
10 THE APPLICATION.

11 (C) IF AN APPLICANT PROPOSES A GEOTHERMAL WELL  
12 WITHDRAWING TRIBUTARY GROUNDWATER AT A RATE GREATER THAN  
13 FIFTY GALLONS PER MINUTE, AND THE PROPOSED WELL IS IN A  
14 HYDROGEOLOGIC SETTING WHERE IT HAS THE POTENTIAL TO MATERIALLY  
15 INJURE A HISTORIC HOT SPRING, THE APPLICANT SHALL PROVIDE GEOLOGIC  
16 AND HYDROLOGIC EVIDENCE TO BE CONSIDERED BY THE STATE ENGINEER.  
17 THE EVIDENCE MUST DEMONSTRATE THAT THE PROPOSED WELL WILL NOT  
18 MATERIALLY INJURE THE HISTORIC HOT SPRING. THE STATE ENGINEER  
19 SHALL AMEND THE GEOTHERMAL RULES ADOPTED PURSUANT TO  
20 SUBSECTION (1)(a)(I) OF THIS SECTION TO IMPLEMENT THE REQUIREMENTS  
21 OF THIS SUBSECTION (1)(a)(V)(C).

22 (b) (III) In issuing an operations permit pursuant to subsection  
23 (1)(b)(II) of this section, the commission:

24 (A) May allow for the use of groundwater ~~as part of~~  
25 ~~nonconsumptive geothermal operations~~ PURSUANT TO SECTION 37-90-137  
26 (7.5)(a) as a material medium for allocated geothermal resources that  
27 have been determined to be nontributary pursuant to section 37-90.5-107

1 (1)(b); AND

2 (B) SHALL MAKE A FINDING BASED UPON AVAILABLE DATA THAT  
3 THE PROPOSED OPERATION WILL NOT MATERIALLY INJURE A PRIOR  
4 GEOTHERMAL OPERATION; AND

5 (C) SHALL REQUIRE EACH APPLICANT FOR A PERMIT CONCERNING  
6 DEEP GEOTHERMAL OPERATIONS TO PROVIDE NOTICE OF THE APPLICATION  
7 TO THE DESIGNATED INDIVIDUALS OF PRIOR GEOTHERMAL OPERATIONS  
8 REGISTERED PURSUANT TO SUBSECTION (7) OF THIS SECTION AND LOCATED  
9 WITHIN ONE-FOURTH OF A MILE OF THE PROPOSED DEEP GEOTHERMAL  
10 OPERATIONS.

11 (c) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
12 REQUIRES, "MATERIAL INJURY TO A PRIOR GEOTHERMAL OPERATION"  
13 INCLUDES INJURY TO ANY ASPECT OF THE VESTED WATER RIGHTS OF A  
14 PRIOR GEOTHERMAL OPERATION, WHICH MAY INCLUDE WATER QUANTITY,  
15 PRESSURE, RATE OF FLOW, MINERAL CONTENT, OR TEMPERATURE.  
16 REGARDLESS OF WHETHER WATER QUANTITY, PRESSURE, RATE OF FLOW,  
17 MINERAL CONTENT, OR TEMPERATURE ARE DECREED, "MATERIAL INJURY  
18 TO A PRIOR GEOTHERMAL OPERATION" ALSO INCLUDES DIMINUTION OR  
19 ALTERATION OF ANY SUCH PARAMETER THAT RESULTS IN AN ADVERSE  
20 EFFECT TO A PRIOR GEOTHERMAL OPERATION.

21 (2)(c) THE COMMISSION MAY ENFORCE RULES ADOPTED PURSUANT  
22 TO THIS SUBSECTION (2) IN ACCORDANCE WITH SECTION 34-60-121.

23 (3) Where the maintenance of underground pressures, the  
24 prevention of subsidence, or the disposal of brines is necessary,  
25 reinjection of geothermal fluid OR WATER may be required by the state  
26 engineer or the commission.

27 (6) (a) ~~On and after July 1, 2023,~~ Except as set forth in subsection

1 (6)(b)(II) of this section, the commission is responsible for administering  
2 and enforcing any permits issued by the state engineer pursuant to this  
3 section that cover deep geothermal operations.

4 ~~(b) The powers, duties, functions, and obligations concerning~~  
5 ~~permits issued by the state engineer pursuant to this section that cover~~  
6 ~~deep geothermal operations are transferred, effective July 1, 2023, to the~~  
7 ~~commission.~~ The state engineer ~~retains~~ OR THE BOARD OF EXAMINERS OF  
8 WATER WELL AND GROUND HEAT EXCHANGER CONTRACTORS MAY  
9 EXERCISE any ~~powers, duties, functions, and obligations~~ POWER, DUTY,  
10 FUNCTION, OR OBLIGATION necessary to issue, administer, and enforce any  
11 permits OR LICENSES that cover:

12 (I) Shallow geothermal operations; and

13 (II) The use of geothermal fluid in deep geothermal operations  
14 pursuant to section 37-90.5-107, except for ~~nonconsumptive~~ DEEP  
15 geothermal operations SUBJECT TO SECTION 37-90-137 (7.5)(a).

16 ~~(c) The rules of the state engineer pertaining to the powers, duties,~~  
17 ~~functions, and obligations transferred to the commission pursuant to~~  
18 ~~subsection (6)(b) of this section continue in effect and apply to the~~  
19 ~~commission until the rules are replaced by rules adopted by the~~  
20 ~~commission pursuant to subsection (1)(b)(I) of this section.~~

21 ~~(d) The commission and the state engineer shall enter into~~  
22 ~~memoranda of understanding, interagency agreements, or both, as~~  
23 ~~appropriate, to provide for the timely transfer of the powers, duties,~~  
24 ~~functions, and obligations transferred to the commission pursuant to~~  
25 ~~subsection (6)(b) of this section.~~

26 (7) (a) AN OWNER OR OPERATOR OF A PRIOR GEOTHERMAL  
27 OPERATION, OR A GOVERNMENT ENTITY WITH AN INTEREST IN THE PUBLIC'S

1 ENJOYMENT OF A NONCOMMERCIAL GEOTHERMAL HOT SPRING, SHALL  
2 REGISTER WITH THE STATE ENGINEER:

3 (I) THE LOCATION OF THE PRIOR GEOTHERMAL OPERATION; AND

4 (II) DESIGNATED INDIVIDUALS TO RECEIVE ELECTRONIC MAIL  
5 NOTIFICATIONS FROM THE STATE ENGINEER AND THE COMMISSION AS  
6 DESCRIBED IN SECTION 37-90-137 (2) AND SUBSECTION (1)(b)(III)(C) OF  
7 THIS SECTION.

8 (b) THE STATE ENGINEER SHALL ADD THE DESIGNATED  
9 INDIVIDUALS TO THE TRIBUTARY GEOTHERMAL NOTIFICATION LIST  
10 DESCRIBED IN SUBSECTION (1)(a)(IV) OF THIS SECTION FOR THE WATER  
11 DIVISION IN WHICH THE PRIOR GEOTHERMAL OPERATION IS LOCATED.

12 **SECTION 15.** In Colorado Revised Statutes, 37-90.5-107,  
13 **amend** (1)(a) and (4); and **repeal** (3)(b) and (3)(d) as follows:

14 **37-90.5-107. Permits for the use of geothermal resources -**  
15 **rules.** (1) (a) After receipt of the necessary application, the state engineer  
16 shall issue a use permit to use distributed geothermal resources consistent  
17 with the requirements described in ~~section 37-90-137~~ SECTION 37-90-107,  
18 37-90-108, 37-90-109, 37-90-137, OR 37-90.5-106.

19 ~~(3) (b) The requirement to issue a use permit pursuant to~~  
20 ~~subsection (1)(b) of this section does not apply to operations that are~~  
21 ~~solely nonconsumptive geothermal operations using allocated geothermal~~  
22 ~~resources.~~

23 ~~(d) The use permit issued pursuant to subsection (1) of this section~~  
24 ~~may allow for nonconsumptive secondary uses of geothermal fluid,~~  
25 ~~including the recovery of geothermal by-products, and may allow for~~  
26 ~~consumptive secondary uses of geothermal fluid, including sale, which do~~  
27 ~~not impair valid, prior water rights.~~

1           (4) Notwithstanding any provision of this section to the contrary,  
2 section 37-90-137 (4) applies to any ~~consumptive~~ BENEFICIAL use of  
3 allocated geothermal resources, EXCEPT FOR THOSE OPERATIONS  
4 DESCRIBED IN SECTION 37-90-137 (7.5)(a).

5           **SECTION 16.** In Colorado Revised Statutes, 37-90.5-111,  
6 **amend** (1)(b) as follows:

7           **37-90.5-111. Coordination between the commission and the**  
8 **state engineer.** (1) When an operations permit is issued by the  
9 commission pursuant to section 37-90.5-106 (1)(b)(II) and a use permit  
10 is issued by the state engineer pursuant to section 37-90.5-107 (1), the  
11 commission and the state engineer shall coordinate to:

12           (b) Determine whether an accounting for the use and reinjection  
13 of geothermal fluid OR WATER pursuant to the applicable permit may be  
14 submitted to only the commission, ~~or~~ only TO the state engineer, OR TO  
15 BOTH.

16           **SECTION 17.** In Colorado Revised Statutes, **amend** 37-91-101  
17 as follows:

18           **37-91-101. Legislative declaration.** (1) The general assembly  
19 ~~hereby~~ finds, determines, and declares that:

20           (a) ~~It has been established by~~ Scientific evidence HAS  
21 ESTABLISHED that improperly constructed wells, improperly abandoned  
22 wells, IMPROPERLY CONSTRUCTED OR ABANDONED GROUND HEAT  
23 EXCHANGERS, and improperly installed pumping equipment can adversely  
24 affect groundwater resources and the public health, safety, and welfare;  
25 and

26           (b) Therefore, the proper location, construction, repair, and  
27 abandonment of wells; THE PROPER LOCATION, CONSTRUCTION, REPAIR,

1 AND ABANDONMENT OF GROUND HEAT EXCHANGERS; the proper  
2 installation and repair of pumping equipment; the licensing and regulation  
3 of persons engaging in the business of contracting ~~either~~ for the  
4 construction of wells, THE CONSTRUCTION OF GROUND HEAT  
5 EXCHANGERS, or ~~for~~ the installation of pumping equipment; and the  
6 periodic inspection of well construction, GROUND HEAT EXCHANGER  
7 CONSTRUCTION, and pump installation are essential for the protection of  
8 the public health, SAFETY, AND WELFARE and the preservation of  
9 groundwater resources.

10 **SECTION 18.** In Colorado Revised Statutes, 37-91-102, **amend**  
11 (3), (10), (10.5), (14), (15), (15.5), (16)(b)(I)(B), (16)(b)(I)(C),  
12 (16)(b)(II), and (17); and **add** (4.1), (6.5), (6.7), (7.5), and (16)(b)(I)(D)  
13 as follows:

14 **37-91-102. Definitions.** As used in this article 91, unless the  
15 context otherwise requires:

16 (3) "Board" means the state board of examiners of water well  
17 ~~construction and pump installation~~ AND GROUND HEAT EXCHANGER  
18 contractors created ~~by~~ IN section 37-91-103.

19 (4.1) (a) "CONSTRUCTION OR INSTALLATION OF A GROUND HEAT  
20 EXCHANGER" MEANS ANY ACT UNDERTAKEN AT A GROUND HEAT  
21 EXCHANGER SITE FOR THE ESTABLISHMENT OR MODIFICATION OF A  
22 GROUND HEAT EXCHANGER.

23 (b) "CONSTRUCTION OR INSTALLATION OF A GROUND HEAT  
24 EXCHANGER" INCLUDES THE LOCATING OF A GROUND HEAT EXCHANGER  
25 AND THE EXCAVATING OR FRACTURING NECESSARY TO INSTALL A GROUND  
26 HEAT EXCHANGER.

27 (c) "CONSTRUCTION OR INSTALLATION OF A GROUND HEAT

1 EXCHANGER" DOES NOT INCLUDE SURVEYING, SITE PREPARATION, SITE  
2 MODIFICATION, OR OTHER PREPARATORY ACTS.

3 (6.5) "GROUND HEAT EXCHANGER" MEANS A CONTINUOUS,  
4 SEALED, SUBSURFACE HEAT EXCHANGER CONSISTING OF A CLOSED LOOP  
5 THROUGH WHICH A HEAT-TRANSFER FLUID PASSES TO AND RETURNS FROM  
6 A HEAT PUMP OR MANIFOLD. A GROUND HEAT EXCHANGER MAY BE  
7 VERTICALLY OR HORIZONTALLY CONFIGURED OR SUBMERGED IN SURFACE  
8 WATER.

9 (6.7) "GROUND HEAT EXCHANGER CONTRACTOR" MEANS AN  
10 INDIVIDUAL LICENSED PURSUANT TO THIS ARTICLE 91 WHO IS RESPONSIBLE  
11 FOR THE DRILLING, CONSTRUCTION, GROUTING, REPAIR, TESTING, OR  
12 ABANDONMENT OF A GROUND HEAT EXCHANGER, EITHER BY CONTRACT OR  
13 FOR HIRE, FOR ANY CONSIDERATION WHATSOEVER.

14 (7.5) "HEAT-TRANSFER FLUID" MEANS A FLUID HEAT-TRANSFER  
15 MEDIUM TO CONVEY THERMAL ENERGY TO AND FROM THE THERMAL  
16 SOURCE OR SINK.

17 (10) "License" means the document issued by the board to A  
18 qualified ~~persons making application therefor~~, APPLICANT pursuant to  
19 section 37-91-105, ~~authorizing such persons~~ WHICH DOCUMENT  
20 AUTHORIZES THE APPLICANT to engage in one or more methods of well  
21 construction, GROUND HEAT EXCHANGER CONSTRUCTION, or pump  
22 installation or any combination of such methods.

23 (10.5) "Monitoring and observation well" includes any excavation  
24 that is drilled, cored, bored, washed, fractured, driven, dug, jetted, or  
25 otherwise constructed when the intended use of ~~such~~ THE excavation is  
26 for locating ~~such~~ A well, pumping equipment or aquifer testing,  
27 monitoring groundwater, GROUNDWATER REMEDIATION, or collection of

1 water quality samples.

2 (14) "Pump installation contractor" means ~~any person~~ AN  
3 INDIVIDUAL licensed to install, remove, modify, or repair pumping  
4 equipment for compensation.

5 (15) "Repair" means:

6 (a) Any change, replacement, or other alteration of any well or  
7 pumping equipment ~~which~~ THAT requires a breaking or opening of the  
8 well seal or any waterlines up to and including the pressure tank and any  
9 coupling appurtenant ~~thereto~~ TO THE PRESSURE TANK; OR

10 (b) ANY CHANGE, REPLACEMENT, OR OTHER ALTERATION OF A  
11 GROUND HEAT EXCHANGER THAT REQUIRES EXCAVATION OF ANY PORTION  
12 OF THE GROUND HEAT EXCHANGER TO REPAIR OR REPLACE COMPONENTS  
13 OF SURFACE CASING, PIPING OR GROUT WITHIN THE BOREFIELD, OR PIPING  
14 BETWEEN THE BOREFIELD AND THE MANIFOLD.

15 (15.5) "Supervision" means personal and continuous ~~on-the-site~~  
16 ON-SITE direction by a licensed well construction contractor, LICENSED  
17 GROUND HEAT EXCHANGER CONTRACTOR, or licensed pump installation  
18 contractor, unless the licensed contractor has applied for and received  
19 from the board an exemption from continuous ~~on-the-site~~ ON-SITE  
20 direction for a specific task.

21 (16) (b) (I) "Well" does not include:

22 (B) An excavation made for the purpose of obtaining or  
23 prospecting for minerals or those wells subject to the jurisdiction of the  
24 energy and carbon management commission, as provided in article 60 of  
25 title 34 or IN ARTICLE 90.5 OF THIS TITLE 37;

26 (C) ~~Wells~~ A WELL subject to the jurisdiction of the ~~office of mined~~  
27 ~~land reclamation~~ DIVISION OF RECLAMATION, MINING, AND SAFETY, as



1 provided in ~~article 33~~ ARTICLES 32 TO 34 of title 34; OR

2 (D) RECHARGE BASINS OR INFILTRATION BASINS THAT ARE  
3 CONSTRUCTED IN SUCH A MANNER THAT THE INTENT OF THEIR DESIGN IS  
4 TO REMAIN ABOVE THE GROUNDWATER LEVEL.

5 (II) "Well" does not include a naturally flowing spring or springs  
6 where the natural spring discharge is captured or concentrated by  
7 installation of a near-surface structure or device less ~~then~~ THAN ten feet  
8 in depth located at or within fifty feet of the spring or springs' natural  
9 discharge point and the water is conveyed directly by gravity flow or into  
10 a separate sump or storage, if SO LONG AS the owner obtains a water right  
11 for ~~such~~ THE structure or device as a spring pursuant to article 92 of this  
12 ~~title~~ TITLE 37.

13 (17) "Well construction contractor" means ~~any person~~ AN  
14 INDIVIDUAL licensed pursuant to this ~~article~~ ARTICLE 91 and responsible  
15 for the construction, test-pumping, or development of wells, either by  
16 contract or for hire, ~~or~~ for any consideration whatsoever.

17 **SECTION 19.** In Colorado Revised Statutes, 37-91-103, **amend**  
18 (1) and (3) as follows:

19 **37-91-103. State board of examiners of water well and ground**  
20 **heat exchanger contractors.** (1) (a) ~~There is created, in the division of~~  
21 ~~water resources in the department of natural resources, a~~ THE state board  
22 of examiners of water well ~~construction and pump installation~~ AND  
23 GROUND HEAT EXCHANGER contractors ~~consisting of five members and~~  
24 ~~comprised of~~ IS CREATED IN THE DIVISION OF WATER RESOURCES WITHIN  
25 THE DEPARTMENT OF NATURAL RESOURCES. THE BOARD INCLUDES the  
26 following ~~persons~~ SIX INDIVIDUALS:

27 (I) The state engineer or a ~~representative designated by~~ the state

1 ~~engineer~~ ENGINEER'S DESIGNEE;

2 (II) A representative of the department of public health and  
3 environment designated by the executive director of the department; and

4 (III) ~~three~~ FOUR members appointed by the governor, two of  
5 whom ~~must~~ SHALL be well construction contractors or pump installation  
6 contractors, each with a minimum of ten years' experience in the well  
7 construction or pump installation business preceding the individual's  
8 appointment, ~~and~~ one of whom ~~must~~ SHALL be an engineer or geologist  
9 with a minimum of ten years' experience in water supply and well  
10 construction preceding the individual's appointment, and ONE OF WHOM  
11 SHALL BE AN INDIVIDUAL WITH A MINIMUM OF TEN YEARS' EXPERIENCE  
12 RELATING TO GROUND HEAT EXCHANGERS PRECEDING THE INDIVIDUAL'S  
13 APPOINTMENT.

14 (b) The state board of examiners of water well ~~construction and~~  
15 ~~pump installation~~ AND GROUND HEAT EXCHANGER contractors is a **type**  
16 **1** entity, as defined in section 24-1-105.

17 (3) The board shall meet at least once every three months and ~~at~~  
18 ~~such other times~~ as it deems necessary or advisable. ~~Special~~ Board  
19 meetings may be called at any time on order of the ~~chairman~~ CHAIR or  
20 ~~vice-chairman~~ VICE-CHAIR or any ~~three~~ FOUR members of the board. The  
21 board shall determine the time and place of all meetings, but at least one  
22 meeting every three months shall be held in Denver. ~~Three~~ FOUR  
23 members of the board ~~shall~~ constitute a quorum, and the affirmative vote  
24 of ~~three~~ AT LEAST FOUR members ~~shall be~~ IS required to pass any action  
25 or motion of the board. The board may adopt bylaws to govern its own  
26 procedure.

27 **SECTION 20.** In Colorado Revised Statutes, 37-91-104, **amend**

1 (1)(b), (1)(i), and (1)(l) as follows:

2 **37-91-104. Duties of the board.** (1) The board shall:

3 (b) Have general supervision and authority over the construction  
4 and abandonment of wells, CONSTRUCTION AND ABANDONMENT OF  
5 GROUND HEAT EXCHANGERS, and the installation of pumping equipment,  
6 as provided by sections 37-91-109 and 37-91-110;

7 (i) Disseminate information to pump installation contractors,  
8 GROUND HEAT EXCHANGER CONTRACTORS, and well construction  
9 contractors in order to protect and preserve the groundwater resources of  
10 the state;

11 (l) (I) Assure protection of groundwater resources and the public  
12 health by ordering the nondestructive investigation, abandonment, repair,  
13 drilling, redrilling, casing, recasing, deepening, or excavation of a well OR  
14 GROUND HEAT EXCHANGER where ~~it~~ THE BOARD finds such ~~action to be~~  
15 AN ORDER necessary to correct violations of this ~~article~~ ARTICLE 91 or  
16 rules ~~promulgated~~ ADOPTED by the board ~~with respect~~ PURSUANT to this  
17 ~~article~~ ARTICLE 91 or to protect groundwater resources and the public  
18 health.

19 (II) AN existing ~~wells~~ WELL OR GROUND HEAT EXCHANGER that  
20 ~~were~~ WAS constructed in compliance with the laws and regulations in  
21 effect at the time of ~~their~~ ITS construction ~~shall~~ IS not ~~be~~ required to be  
22 repaired, redrilled, or otherwise modified to meet the current standards for  
23 well construction OR GROUND HEAT EXCHANGER CONSTRUCTION  
24 contained in this ~~article~~ ARTICLE 91 or ~~the~~ IN rules adopted by the board  
25 PURSUANT TO THIS ARTICLE 91. THE BOARD MAY ORDER any such ~~wells~~  
26 WELL OR GROUND HEAT EXCHANGER that ~~present~~ PRESENTS an imminent  
27 threat to public health or AN IMMINENT THREAT OF groundwater

1     contamination ~~may be ordered~~ to be repaired or abandoned. ~~The~~ ANY  
2     remedial action required by the board for such ~~wells shall~~ A WELL OR  
3     GROUND HEAT EXCHANGER MUST be the minimum repair necessary to  
4     remove the threat to public health or of groundwater pollution. An order  
5     to abandon a well that is issued under this ~~article~~ ARTICLE 91 is not a  
6     determination of intent to abandon any water right associated with the  
7     well.

8             **SECTION 21.** In Colorado Revised Statutes, 37-91-105, **amend**  
9     (1), (2)(d), (2.5), (5), and (7); and **add** (8) as follows:

10            **37-91-105. Licensing - registration of rigs.** (1) ~~Every person,~~  
11     ~~Before engaging in the business of~~ contracting ~~either~~ for the construction  
12     of ~~wells~~ A WELL, THE INSTALLATION OF A GROUND HEAT EXCHANGER, or  
13     ~~for~~ the installation of pumping equipment, AN INDIVIDUAL shall obtain a  
14     license for one or more methods of well construction, GROUND HEAT  
15     EXCHANGER INSTALLATION, or pump installation from the board and shall  
16     secure a registration from the board for each well-drilling, GROUND HEAT  
17     EXCHANGER, or pump-installing rig to be operated or leased by ~~him or his~~  
18     THE INDIVIDUAL OR THE INDIVIDUAL'S employee.

19            (2) The board shall issue a license to each applicant who files an  
20     application upon a form and in such manner as the board prescribes,  
21     accompanied by such fees and bond as required by section 37-91-107, and  
22     who furnishes evidence satisfactory to the board that the applicant:

23            (d) Has ~~had~~ not less than two years' experience in the type of well  
24     construction work, GROUND HEAT EXCHANGER WORK, or pump  
25     installation work for which the applicant is initially applying for a license;  
26     however:

27            (I) ~~Once a person~~ AN INDIVIDUAL WHO is licensed in one or more

1 methods of well construction ~~the person~~ is eligible without further  
2 experience to take an examination to obtain a license for a different  
3 method of well construction;

4 (II) ~~Once a person~~ AN INDIVIDUAL WHO is licensed for installing  
5 one or more types of pumps ~~the person~~ is eligible without further  
6 experience to take an examination to obtain a license for a different type  
7 of pump installation; ~~and~~

8 (III) AN INDIVIDUAL'S education in an accredited program  
9 approved by the board may substitute for well construction, GROUND  
10 HEAT EXCHANGER INSTALLATION, or pump installation experience upon  
11 application to and acceptance by the board; AND

12 (IV) AN INDIVIDUAL'S POSSESSION OF A LICENSE FOR WELL  
13 CONSTRUCTION MAY SUBSTITUTE FOR GROUND HEAT EXCHANGER  
14 INSTALLATION EXPERIENCE UPON APPLICATION TO AND ACCEPTANCE BY  
15 THE BOARD.

16 (2.5) The board shall issue a special license for the use of special  
17 equipment or limited procedures in well construction, GROUND HEAT  
18 EXCHANGER INSTALLATION, or pump installation to each applicant who  
19 files an application upon a form and in such manner as the board  
20 prescribes, accompanied by such fees and bond as are required by section  
21 37-91-107, and who furnishes evidence satisfactory to the board that ~~he~~  
22 THE APPLICANT meets the requirements established in subsection (2) of  
23 this section; except that a special licensee ~~shall~~ IS not ~~be~~ eligible to take  
24 an examination to obtain a license for a different method of well  
25 construction, GROUND HEAT EXCHANGER INSTALLATION, or pump  
26 installation unless ~~said~~ THE licensee has at least two years of experience  
27 in the method of well construction, GROUND HEAT EXCHANGER

1     INSTALLATION, or pump installation for which the additional license is  
2     sought.

3           (5) The examination ~~shall~~ MUST consist of an oral and written  
4     examination and ~~shall~~ fairly test the applicant's knowledge and  
5     application ~~thereof in~~ OF the following subjects, RESPECTIVELY,  
6     DEPENDING ON THE LICENSE TYPE:

7           (a) FOR A WELL CONSTRUCTION CONTRACTOR LICENSE: Basics of  
8     drilling methods, specific drilling methods, ~~basics of pump installation~~  
9     ~~methods, specific pump installation methods,~~ and basics of well  
10    construction and ~~his~~ THE APPLICANT'S knowledge and application of state  
11    laws and local ordinances concerning the construction of wells ~~or~~ AND  
12    RULES ADOPTED IN CONNECTION WITH SUCH LAWS AND ORDINANCES;

13          (b) FOR A PUMP INSTALLATION CONTRACTOR LICENSE: BASICS OF  
14    PUMP INSTALLATION METHODS, SPECIFIC PUMP INSTALLATION METHODS  
15    AND ASSOCIATED PUMPING EQUIPMENT, AND THE APPLICANT'S  
16    KNOWLEDGE AND APPLICATION OF STATE LAWS AND LOCAL ORDINANCES  
17    CONCERNING the installation of pumping equipment ~~or both,~~ and rules  
18    ~~promulgated~~ ADOPTED in connection ~~therewith~~ WITH SUCH LAWS AND  
19    ORDINANCES; AND

20          (c) FOR A GROUND HEAT EXCHANGER CONTRACTOR LICENSE:  
21    BASICS OF GROUND HEAT EXCHANGER INSTALLATION, SPECIFIC METHODS  
22    RELATED TO GROUND HEAT EXCHANGER INSTALLATION, AND THE  
23    APPLICANT'S KNOWLEDGE AND APPLICATION OF STATE LAWS AND LOCAL  
24    ORDINANCES CONCERNING THE INSTALLATION OF GROUND HEAT  
25    EXCHANGERS AND RULES ADOPTED IN CONNECTION WITH SUCH LAWS AND  
26    ORDINANCES.

27          (7) Each licensee shall complete eight hours of continuing

1 education ~~training~~ as approved by the board every year in order to  
2 maintain or renew a license.

3 (8) (a) UNTIL THE GOVERNOR APPOINTS TO THE BOARD A MEMBER  
4 WITH TEN OR MORE YEARS OF GROUND HEAT EXCHANGER EXPERIENCE,  
5 AND UNTIL THE BOARD ADOPTS RULES CONCERNING THE LICENSING OF  
6 GROUND HEAT EXCHANGER CONTRACTORS, AN INDIVIDUAL OPERATING  
7 PURSUANT TO A PERMIT ISSUED FROM THE STATE ENGINEER MAY INSTALL  
8 GROUND HEAT EXCHANGERS IN ACCORDANCE WITH RULES ADOPTED BY  
9 THE STATE ENGINEER PURSUANT TO SECTION 37-90.5-106.

10 (b) AFTER THE TIME FRAME DESCRIBED IN SUBSECTION (8)(a) OF  
11 THIS SECTION, AN INDIVIDUAL OPERATING UNDER A PERMIT ISSUED BY THE  
12 STATE ENGINEER WHO APPLIES FOR A GROUND HEAT EXCHANGER  
13 CONTRACTOR LICENSE IS REQUIRED TO PASS AN ORAL EXAMINATION  
14 PURSUANT TO SUBSECTION (2)(e) OF THIS SECTION BUT IS NOT REQUIRED  
15 TO:

16 (I) DEMONSTRATE THEIR EXPERIENCE PURSUANT TO SUBSECTION  
17 (2)(d) OF THIS SECTION; OR

18 (II) PASS A WRITTEN EXAMINATION PURSUANT TO SUBSECTION  
19 (2)(e) OF THIS SECTION.

20 **SECTION 22.** In Colorado Revised Statutes, 37-91-106, **amend**  
21 (2) as follows:

22 **37-91-106. License - exemptions - rules.** (2) A license ~~shall~~ IS  
23 not ~~be~~ required of any ~~person~~ INDIVIDUAL who performs labor or services  
24 if ~~he~~ THE INDIVIDUAL is directly employed by, or under the supervision of,  
25 a licensed well construction contractor, LICENSED GROUND HEAT  
26 EXCHANGER CONTRACTOR, or LICENSED pump installation contractor.

27 **SECTION 23.** In Colorado Revised Statutes, 37-91-107, **amend**

1 (2), (3), (4), (4.5), (5), and (6) as follows:

2 **37-91-107. Fees and bonds - license renewal - continuing**  
3 **education.** (2) (a) The board shall ~~charge~~ REQUIRE an application fee TO  
4 BE PAID IN THE AMOUNT of twenty dollars. ~~to~~ THE PAYMENT OF THE FEE  
5 MUST accompany each application from a resident of the state. ~~of~~  
6 ~~Colorado~~ and THE BOARD SHALL ALSO REQUIRE AN APPLICANT TO PAY a  
7 ~~further~~ fee IN THE AMOUNT of fifty dollars upon THE APPLICANT'S  
8 successful completion of THE examination AND before ~~issuance~~ of THE  
9 BOARD ISSUES a license.

10 (b) In addition TO PAYING A FEE PURSUANT TO SUBSECTION (2)(a)  
11 OF THIS SECTION, each successful resident applicant shall file and  
12 maintain with the board evidence of financial responsibility in the form  
13 of a savings account, deposit, or certificate of deposit in the amount of ten  
14 thousand dollars, meeting the requirements of section 11-35-101, ~~C.R.S.~~,  
15 or an irrevocable letter of credit for the amount of ten thousand dollars,  
16 meeting the requirements of section 11-35-101.5, ~~C.R.S.~~, or shall file and  
17 maintain with the board an approved compliance bond with a corporate  
18 surety authorized to do business in the state, ~~of Colorado~~, in the amount  
19 of ten thousand dollars, for the use and benefit of any person or the state  
20 ~~of Colorado~~ suffering loss or damage, conditioned that ~~such~~ THE licensee  
21 will comply with the laws of the state ~~of Colorado~~ in engaging in the  
22 business for which ~~he~~ THE LICENSEE receives a license and the rules of the  
23 board ~~promulgated~~ ADOPTED in the regulation of such business.

24 (3) (a) The board shall charge an application fee IN THE AMOUNT  
25 of fifty dollars, ~~to~~ THE PAYMENT OF WHICH APPLICATION FEE MUST  
26 accompany each application from a nonresident of the state. ~~of Colorado~~  
27 ~~and~~ THE BOARD SHALL ALSO CHARGE a ~~further~~ nonresident fee of four



1 hundred dollars, WHICH A NONRESIDENT SHALL PAY upon successful  
2 completion of THE examination AND before THE issuance of a license.

3 (b) In addition TO PAYING ANY FEES REQUIRED BY SUBSECTION  
4 (3)(a) OF THIS SECTION, each successful nonresident applicant shall file  
5 and maintain with the board evidence of financial responsibility in the  
6 form of a savings account, deposit, or certificate of deposit in the amount  
7 of twenty thousand dollars, meeting the requirements of section  
8 11-35-101, ~~C.R.S.~~, or shall file and maintain with the board an approved  
9 compliance bond in the amount of twenty thousand dollars with a  
10 corporate surety authorized to do business in the state of Colorado for the  
11 use and benefit of any person or the state of Colorado suffering loss or  
12 damage, conditioned that ~~such~~ THE licensee ~~will~~ SHALL comply with the  
13 laws of the state in engaging in the business for which ~~he~~ THE LICENSEE  
14 receives a license and the rules of ADOPTED BY the board promulgated in  
15 compliance ~~therewith~~ WITH SUCH LAWS.

16 (4) (a) (I) ~~Every~~ EACH licensed well construction contractor,  
17 LICENSED GROUND HEAT EXCHANGER CONTRACTOR, and licensed pump  
18 installation contractor in this state shall:

19 (A) Pay to the board during ~~the month of~~ January of each year,  
20 beginning in the year immediately ~~subsequent to his or her~~ FOLLOWING  
21 THE LICENSEE'S initial licensing, a renewal fee of fifty dollars; ~~shall~~

22 (B) Concurrently file and THEREAFTER maintain a new bond or  
23 letter of credit if required pursuant to this section; and ~~shall~~

24 (C) Annually file a certificate of completion of continuing  
25 education ~~as required~~ pursuant to section 37-91-105 (7).

26 (II) UPON A LICENSEE'S SATISFACTION OF THE REQUIREMENTS  
27 DESCRIBED IN SUBSECTION (4)(a)(I) OF THIS SECTION, the secretary shall

1 ~~thereupon~~ issue a renewal license for one year. The license of any well  
2 construction contractor, GROUND HEAT EXCHANGER CONTRACTOR, or  
3 pump installation contractor who fails to have ~~his or her~~ THEIR license  
4 renewed ~~during the month of January in each year shall lapse. Any~~  
5 LAPSES. A lapsed license may be renewed, without reexamination, within  
6 ~~a period of one year after such lapse~~ IT LAPSES upon payment of all fees  
7 in arrears. ~~Licensees~~ A LICENSEE may elect to renew their ~~licenses~~  
8 LICENSE and file and maintain a bond or letter of credit for a term of up  
9 to three years, paying fifty dollars for each year the license will be in  
10 effect.

11 (b) THE BOARD SHALL NOT SET A LICENSE RENEWAL FEE  
12 DESCRIBED IN SUBSECTION (4)(a) OF THIS SECTION OR A RIG REGISTRATION  
13 FEE DESCRIBED IN SUBSECTION (5) OF THIS SECTION IN AN AMOUNT  
14 GREATER THAN IS NECESSARY TO FURTHER THE PURPOSES OF THIS ARTICLE  
15 91. THE AMOUNT MUST NOT CAUSE THE TOTAL AMOUNT OF MONEY  
16 COLLECTED UNDER THIS ARTICLE 91 TO EXCEED THE DIRECT AND INDIRECT  
17 COSTS OF THE BOARD IN ADMINISTERING THIS ARTICLE 91.

18 (4.5) A licensee shall maintain the amount of financial  
19 responsibility required by subsections (2), (3), and (4) of this section for  
20 the ~~life~~ DURATION of the license for which the financial responsibility is  
21 required. The license of any well construction contractor, GROUND HEAT  
22 EXCHANGER CONTRACTOR, or pump installation contractor who fails to  
23 maintain such financial responsibility ~~shall lapse~~ LAPSES. A LAPSED  
24 license ~~that has so lapsed~~ may be reinstated upon THE LICENSEE'S  
25 submission of current evidence of the required financial responsibility to  
26 the board and payment to the board of a ~~one-hundred-dollar~~ reinstatement  
27 fee IN THE AMOUNT OF ONE HUNDRED DOLLARS.

1           (5) The board shall charge an annual registration fee of ten dollars  
2 for each well drilling ~~or~~ RIG, GROUND HEAT EXCHANGER INSTALLATION  
3 RIG, AND pump installation rig to be operated in the state. ~~of Colorado.~~

4           (6) The board shall ~~no later than January 7, 2007, develop~~  
5 MAINTAIN a continuing education program in conjunction with the  
6 Colorado water well contractors association or any analogous or  
7 successor organization.

8           **SECTION 24.** In Colorado Revised Statutes, 37-91-108, **amend**  
9 (1) introductory portion, (1)(d), (1)(f), (1)(g), (1)(h), (3), (4), and (5) as  
10 follows:

11           **37-91-108. Denial, revocation, or suspension of license.** (1) The  
12 board, by an affirmative vote of ~~three~~ AT LEAST FOUR of its ~~five~~ SIX  
13 members, may withhold, deny, revoke, or suspend any license issued or  
14 applied for in accordance with ~~the provisions of this article~~ THIS ARTICLE  
15 91, upon proof that the licensee or applicant:

16           (d) ~~Has~~ Knowingly constructed a well, INSTALLED A GROUND  
17 HEAT EXCHANGER, or installed pumping equipment without a valid  
18 permit;

19           (f) ~~Has~~ Used fraud or deception in collecting fees from persons  
20 with whom ~~he has~~ THE LICENSEE contracted for well construction,  
21 GROUND HEAT EXCHANGER INSTALLATION, or pump installation;

22           (g) ~~Has~~ Failed to submit a ~~well completion report or a pump~~  
23 ~~installation report pursuant to the requirement therefor in~~ REPORT  
24 REQUIRED BY the rules ~~and regulations~~ of the board;

25           (h) ~~Has~~ Authorized a person not directly employed or directly  
26 supervised by the licensee to construct wells, INSTALL GROUND HEAT  
27 EXCHANGERS, or install pumping equipment under the authority of the

1 licensee's license; or

2 (3) A hearing upon a complaint may be initiated only if the  
3 complaint was filed with the board within two years ~~of~~ AFTER the filing  
4 of the completion report for the well, GROUND HEAT EXCHANGER, or  
5 pumping equipment, the construction or installation of which formed the  
6 basis of the complaint. If no completion report was filed, a hearing upon  
7 the complaint may be initiated only if the complaint was filed with the  
8 board within two years ~~of~~ AFTER the discovery of the violation or defect  
9 that constituted the grounds for the complaint.

10 (4) The board may order the nondestructive investigation,  
11 abandonment, repair, drilling, redrilling, casing, recasing, deepening, or  
12 excavation of a well OR GROUND HEAT EXCHANGER to protect  
13 groundwater resources and the public health if the board finds ~~such~~ THE  
14 action to be necessary to correct violations of article 90 of this ~~title~~ TITLE  
15 37, this ~~article~~ ARTICLE 91, or the rules ~~promulgated~~ ADOPTED by the  
16 board pursuant to this ~~article~~ ARTICLE 91.

17 (5) The board may assess fines of ~~not less than~~ AT LEAST fifty  
18 dollars ~~not more than one thousand dollars~~ for violations of article 90 of  
19 this ~~title~~ TITLE 37, this ~~article~~ ARTICLE 91, or the rules ~~promulgated~~  
20 ADOPTED by the board pursuant to this ~~article~~ ARTICLE 91 for each ~~such~~  
21 violation. ~~Such~~ THE fines shall be ~~transmitted to the state treasurer, who~~  
22 ~~shall credit them~~ CREDITED to the well inspection cash fund created in  
23 section 37-80-111.5.

24 **SECTION 25.** In Colorado Revised Statutes, 37-91-109, **amend**  
25 (1) as follows:

26 **37-91-109. Further scope of article - orders - penalties.**

27 (1) (a) ~~In addition to the licensing of well construction contractors, and~~

1 ~~pump installation contractors as required by this article, no~~ A well OR  
2 GROUND HEAT EXCHANGER shall NOT be located, constructed, repaired, or  
3 abandoned and ~~no~~ pumping equipment shall NOT be installed or repaired  
4 contrary to ~~the provisions of this article~~ THIS ARTICLE 91 and applicable  
5 rules of the board ~~promulgated~~ ADOPTED to effectuate the purposes of this  
6 ~~article~~ ARTICLE 91.

7 (b) The board may ~~by order require any~~ A licensee, private driller,  
8 or private pump installer to remedy any ~~such~~ noncompliant installation,  
9 construction, or repair and may, pursuant to rules and after due notice and  
10 a hearing, impose penalties for ~~such~~ noncompliance.

11 (c) ~~The provisions of this article shall apply~~ THIS ARTICLE 91  
12 APPLIES to:

13 (I) Any well or any pumping equipment THAT IS not otherwise  
14 subject to regulation under the laws of this state; and ~~to~~

15 (II) Any distribution, observation, monitoring, or dewatering of  
16 water ~~therefrom, but this article shall~~ FROM ANY SUCH WELL OR PUMPING  
17 EQUIPMENT; EXCEPT THAT THIS ARTICLE 91 DOES not apply to any  
18 distribution of water beyond the point of discharge from the pressure tank  
19 or to any distribution of water beyond the point of discharge from the  
20 pumping equipment if no pressure tank or an overhead pressure tank is  
21 employed.

22 (d) THIS ARTICLE 91 APPLIES TO ANY GROUND HEAT EXCHANGER  
23 THAT IS NOT OTHERWISE SUBJECT TO REGULATION UNDER THE LAWS OF  
24 THIS STATE; EXCEPT THAT THIS ARTICLE 91 DOES NOT APPLY TO ANY  
25 DISTRIBUTION OF HEAT-TRANSFER FLUID BEYOND THE POINT OF  
26 TRANSITION BETWEEN THE GROUND HEAT EXCHANGER PIPING OR GROUND  
27 HEAT EXCHANGER MANIFOLD AND THE DISTRIBUTION LINES FROM THE

1 GROUND HEAT EXCHANGER MANIFOLD.

2 **SECTION 26.** In Colorado Revised Statutes, 37-91-110, **amend**  
3 (1) introductory portion, (2), and (3); and **add** (1)(c) as follows:

4 **37-91-110. Basic principles and minimum standards.** (1) The  
5 following basic principles, general in scope and fundamental in character,  
6 ~~shall~~ govern the construction, repair, or abandonment of ~~any~~ A well; THE  
7 INSTALLATION, REPAIR, OR ABANDONMENT OF A GROUND HEAT  
8 EXCHANGER; and the installation or repair of ~~any~~ pumping equipment:

9 (c) A GROUND HEAT EXCHANGER SHALL BE:

10 (I) LOCATED IN A MANNER THAT CONSIDERS THE PHYSICAL  
11 LIMITATIONS OF THE LAND AREA AND THE PROXIMITY TO OTHER ELEMENTS  
12 THAT MIGHT AFFECT THE TYPE AND CONFIGURATION OF THE GROUND HEAT  
13 EXCHANGER; AND

14 (II) INSTALLED OR ABANDONED IN A MANNER THAT MAINTAINS  
15 NATURAL PROTECTION AGAINST POLLUTION OF WATER-BEARING  
16 FORMATIONS AND EXCLUDES KNOWN SOURCES OF CONTAMINATION.

17 (2) The board shall adopt and may, from time to time, amend rules  
18 ~~and regulations~~ reasonably necessary to ~~insure~~ ENSURE the proper  
19 construction or proper abandonment of wells, THE PROPER INSTALLATION  
20 OR PROPER ABANDONMENT OF GROUND HEAT EXCHANGERS, and the  
21 proper installation of pumping equipment. The board ~~has the authority to~~  
22 MAY require the filing of information and reports relating to the  
23 construction or abandonment of wells, THE INSTALLATION OR  
24 ABANDONMENT OF GROUND HEAT EXCHANGERS, and the installation of  
25 pumping equipment ~~whenever~~ IF it ~~may deem~~ DEEMS such action ~~to be~~  
26 necessary.

27 (3) All wells AND GROUND HEAT EXCHANGERS shall be

1 constructed or abandoned and all pumping equipment shall be installed  
2 in compliance with this ~~article~~ ARTICLE 91 and with the rules ~~and~~  
3 ~~regulations promulgated~~ ADOPTED by the board.

4 **SECTION 27.** In Colorado Revised Statutes, 37-91-111, **amend**  
5 (1) and (3) as follows:

6 **37-91-111. Violations and penalties.** (1) It is unlawful:

7 (a) For ~~any person~~ AN INDIVIDUAL to represent ~~himself~~ THEMSELF  
8 as a well construction contractor, GROUND HEAT EXCHANGER  
9 CONTRACTOR, or a pump installation contractor ~~who~~ IF THE INDIVIDUAL  
10 is not licensed under this ~~article~~ ARTICLE 91 or ~~to so represent himself~~  
11 ~~after his~~ THE INDIVIDUAL'S license has been suspended or revoked or has  
12 lapsed;

13 (b) For ~~any person~~ AN INDIVIDUAL WHO IS not licensed under this  
14 ~~article~~ ARTICLE 91 to advertise or issue any sign, card, or other device  
15 ~~which would indicate that he~~ THAT INDICATES THE INDIVIDUAL is a well  
16 construction contractor, GROUND HEAT EXCHANGER CONTRACTOR, or a  
17 pump installation contractor;

18 (c) For ~~any person~~ AN INDIVIDUAL WHO IS not licensed or whose  
19 license is suspended to construct wells unless ~~he~~ THE INDIVIDUAL is a  
20 private driller or directly employed by or under the supervision of a  
21 licensed well construction contractor;

22 (d) For ~~any person~~ AN INDIVIDUAL WHO IS not licensed or whose  
23 license is suspended to install pumping equipment unless ~~he~~ THE  
24 INDIVIDUAL is a private pump installer or directly employed by or under  
25 the supervision of a licensed pump installation contractor, except as  
26 ~~excluded pursuant to~~ DESCRIBED IN section 37-91-106 (4); ~~or~~

27 (d.5) FOR AN INDIVIDUAL WHO IS NOT LICENSED OR WHOSE

1 LICENSE IS SUSPENDED TO INSTALL A GROUND HEAT EXCHANGER UNLESS  
2 THE INDIVIDUAL IS DIRECTLY EMPLOYED BY OR UNDER THE SUPERVISION  
3 OF A LICENSED GROUND HEAT EXCHANGER CONTRACTOR, EXCEPT AS  
4 DESCRIBED IN SECTION 37-91-105 (8); OR

5 (e) For ~~any person~~ AN INDIVIDUAL to otherwise violate ~~any of the~~  
6 ~~provisions of this article~~ THIS ARTICLE 91.

7 (3) ~~Any~~ IN ADDITION TO ANY PENALTY ASSESSED PURSUANT TO  
8 SUBSECTION (2) OF THIS SECTION, A person who violates any provision of  
9 subsection (1) of this section ~~shall also be~~ IS subject to a civil penalty  
10 assessed by the court of not less than one hundred dollars ~~nor more than~~  
11 ~~five thousand dollars~~ for each ~~such~~ violation. All civil penalties collected  
12 under this subsection (3) shall be ~~transmitted to the state treasurer, who~~  
13 ~~shall credit the same~~ CREDITED to the well inspection cash fund created  
14 in section 37-80-111.5.

15 **SECTION 28.** In Colorado Revised Statutes, 37-91-113, **amend**  
16 (1), (2) introductory portion, (2)(a), (3) introductory portion, (3)(a), (3)(e),  
17 and (3)(f) as follows:

18 **37-91-113. Well inspection program.** (1) The state engineer  
19 shall monitor compliance with this ~~article~~ ARTICLE 91, including by  
20 inspecting water well construction, GROUND HEAT EXCHANGER  
21 INSTALLATION, and pump installation, and THE STATE ENGINEER may  
22 employ inspectors for ~~such~~ THIS purpose. The costs of ~~such~~ monitoring  
23 and inspection shall be paid from the well inspection cash fund created  
24 ~~by~~ IN section 37-80-111.5.

25 (2) Inspectors shall have the following qualifications, but need not  
26 be licensed pursuant to this ~~article~~ ARTICLE 91:

27 (a) Knowledge of proper well construction, GROUND HEAT



1 EXCHANGER INSTALLATION, and pump installation techniques and  
2 practices;

3 (3) Inspectors shall annually spend a majority of their time  
4 conducting field inspections and a minority of their time preparing and  
5 evaluating reports and related office work. Duties ~~shall~~ include the  
6 following:

7 (a) Well construction, GROUND HEAT EXCHANGER INSTALLATION,  
8 and pump installation inspection and observation;

9 (e) Field inspections of existing wells, GROUND HEAT  
10 EXCHANGERS, and pumps;

11 (f) Field inspections of well, GROUND HEAT EXCHANGER, and hole  
12 plugging and abandonment; and

13 **SECTION 29.** In Colorado Revised Statutes, 24-1-124, **amend**  
14 (4)(d) as follows:

15 **24-1-124. Department of natural resources - creation -**  
16 **divisions.** (4) The division of water resources includes the following:

17 (d) The state board of examiners of water well ~~construction and~~  
18 ~~pump installation~~ AND GROUND HEAT EXCHANGER contractors created in  
19 ~~article 91 of title 37~~ SECTION 37-91-103. The state board of examiners of  
20 water well ~~construction and pump installation~~ AND GROUND HEAT  
21 EXCHANGER contractors is a **type 1** entity, as defined in section 24-1-105,  
22 and exercises its powers and performs its duties and functions under the  
23 department of natural resources and is allocated to the division of water  
24 resources as a section ~~thereof~~ OF THE DIVISION OF WATER RESOURCES.

25 **SECTION 30.** In Colorado Revised Statutes, 24-33-104, **amend**  
26 (1)(e) introductory portion and (1)(e)(IV) as follows:

27 **24-33-104. Composition of the department.** (1) The department

1 of natural resources consists of the following commissions, divisions,  
2 boards, offices, and councils:

3 (e) The division of water resources, the head of which ~~shall be~~ IS  
4 the state engineer. The division ~~shall consist~~ CONSISTS of the following  
5 sections:

6 (IV) The state board of examiners of water well ~~construction and~~  
7 ~~pump installation~~ AND GROUND HEAT EXCHANGER contractors.

8 **SECTION 31. Act subject to petition - effective date.** This act  
9 takes effect at 12:01 a.m. on the day following the expiration of the  
10 ninety-day period after final adjournment of the general assembly; except  
11 that, if a referendum petition is filed pursuant to section 1 (3) of article V  
12 of the state constitution against this act or an item, section, or part of this  
13 act within such period, then the act, item, section, or part will not take  
14 effect unless approved by the people at the general election to be held in  
15 November 2026 and, in such case, will take effect on the date of the  
16 official declaration of the vote thereon by the governor.