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Extensive Lack of Compliance with Colorado Oil and Gas Chemical Disclosure Law, Drillers Could Face Estimated \$37 Million in Fines

DENVER, CO — A new <u>analysis</u> released today by Physicians for Social Responsibility Colorado (PSR - CO), Colorado Sierra Club, Physicians for Social Responsibility (PSR), and FracTracker Alliance reveals widespread non-compliance with Colorado's oil and gas chemical disclosure law (HB22-1348), enacted in 2022 to protect public health by banning toxic "forever chemicals" (PFAS) in oil and gas operations and ensuring transparency about chemical use. Despite the law's intent, the report finds that as of May 2025, chemical information was disclosed for only 39 percent of the wells subject to the law.

Key findings from the report:

- As of May 2025, chemical disclosures were available for only 439 of at least 1,114 oil and gas wells for which disclosure was required by the 2022 law, a reporting rate of just 39 percent. Of the 31 companies operating these wells, 20 – almost 65 percent – had no chemical disclosures appearing on the state's website.
- Based on the best available data, it appears that at least 30 million pounds of chemicals injected into over 600 of the state's oil and gas wells during the first 21 months covered by the law should have been disclosed, but were not.
- Industry giant Chevron and its subsidiaries PDC Energy and Noble Energy together operate 377, or more than half, of the 675 wells with no chemical disclosures.

Based on comprehensive data analysis, the report shows that for more than 60 percent of Colorado's oil and gas wells subject to the 2022 law, there was no disclosure of any required information around chemicals used in drilling, fracking, or other underground operations. Failure to report chemicals used in fracking alone could carry minimum fines totalling more than \$37 million if oil and gas well operators (rather than the state or other companies) are found to be responsible for the lack of disclosure.

"This law was supposed to break through the culture of secrecy which has surrounded the use of potentially toxic chemicals in oil and gas production," the report's author, PSR consultant Dusty Horwitt, said. "But lack of compliance has left the secrecy in place and Coloradans' health at risk."



A <u>map included in the report</u> shows the locations of 1,114 wells subject to the 2022 law — most of which still lack the required chemical disclosures. While many are concentrated in Weld County's Denver-Julesburg Basin, the wells span 13 counties, including the Piceance, San Juan, and Raton Basins. This distribution means that communities across Colorado, even those far from the most heavily drilled areas, may be at risk of exposure to undisclosed chemicals. According to state records, a leaking well in Weld County that sprayed fluids into the air in April and prompted the closure of a local elementary school is covered by the 2022 chemical disclosure law based on the date when drilling, as opposed to fracking, operations began. Any chemicals used in drilling that well should have been disclosed by May of 2024, but no chemical disclosures for that well appear on the state website created by the law.

"Though ample evidence already exists for the harmful effects of VOCs, ozone, and other compounds associated with oil and gas production, lack of disclosure makes it virtually impossible for public health officials to perform a comprehensive health risk assessment for people. I wouldn't think about treating a sick patient without taking a complete history; imagine the human costs - in illnesses, lost lives, and medical debt - which could be avoided if healthcare providers were able to tailor treatments and if public health officials were able to build community resilience based on comprehensive understanding of the actual risks posed to individuals and communities by oil and gas wells in the state," said Beth Gillespie, physician and co-chair of PSR Colorado.

Based on the level of non-disclosure identified, total potential fines for oil and gas well operators could exceed \$37 million, based solely on fracking chemical disclosure violations if the operators (rather than other companies or the state) are responsible for the lack of disclosure. The actual financial liability could be far greater if well operators failed to disclose chemicals used in the drilling process and other underground activities, as required by the 2022 law.

Public disclosure of oil and gas chemicals under the law depends on initial disclosure by chemical suppliers of chemical products and their ingredients used in oil and gas wells and subsequent disclosure by well operators of which products were used in underground operations in the wells. Therefore, a lack of disclosure by chemical suppliers could prevent disclosure by the operators. Lack of compliance by the state agency implementing the law, the Energy & Carbon Management Commission (ECMC) (formerly COGCC), could also prevent public disclosure. Ultimately, the ECMC, led by appointees of Governor Jared Polis, is responsible for ensuring full disclosure of the oil and gas chemicals operators inject into their wells.

The report's authors urge state regulators and lawmakers to take immediate action to address the widespread non-compliance and hold the oil and gas industry accountable, emphasizing the need for stronger enforcement, full chemical disclosure, and increased authority for local communities to protect themselves from potential health risks.



"Over 30 million pounds of mysterious chemicals have been added to our environment within the last couple of years by the oil and gas industry despite a clear law requiring disclosure of this information by industry and ECMC. There is a pattern here: the legislature and the governor pass bill after bill designed to protect people's health and the environment from the oil and gas industry but the industry and ECMC do not implement these measures properly. With all of the ongoing rollbacks of environmental regulations from the federal government, and current disastrous well blowout and oil spills in Galeton, we need stronger actions from the state. Governor Polis signed this important bill into law. It is time to get serious about implementation and put the protection of Coloradans and their environment over industry interests," said Ramesh Bhatt, Ph.D., Chair, Colorado Sierra Club Conservation Committee.

To read the full report, "Oil and Gas Chemicals Still Secret in Colorado: Little Compliance with 2022 Law Designed to Prevent Toxic Exposures," visit: <u>https://www.psrcolorado.org/oil-gas-chemical-report</u>

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