



COLORADO

Department of Transportation

Clean Transit Enterprise

Memorandum

Subject: Clean Transit Enterprise Oil & Gas Production Fee

Background

Senate Bill (SB) 24-230 - “Concerning Support for Statewide Remediation Services that Positively Impact the Environment” established two new fees on oil and gas producers in Colorado. The fees are collected by two state enterprises, the Clean Transit Enterprise (CTE), an enterprise within the Colorado Department of Transportation and the Colorado Parks and Wildlife (CPW), and enterprise within the Department of Natural Resources.

Fee Setting

Under SB 24-230, CTE is authorized to set and impose production fees within defined statutory ranges based on quarterly oil and gas spot prices, as calculated and published by the Energy and Carbon Management Commission (ECMC). ECMC’s role is to provide quarterly guidance on oil and gas market conditions, national security considerations, and regulatory developments to assist CPW and the CTE in setting fees within those ranges.

Oil Production Fee

§43-4-1202(14.5)(a) C.R.S sets the maximum fee for the Oil Production Fee based on the West Texas Intermediate Spot Price. The fee levels set by statute are outlined in the table below. For spot prices greater than \$60 per barrel, the fee amount can only increase at a maximum rate of \$0.12 for each \$10, or fraction thereof, by which the average oil spot price exceeds \$60 per barrel of oil. The Oil Spot Price posted by the ECMC for the previous quarter (July 2025 - September 2025) was \$65.75 per Barrel. Therefore, the maximum Oil Production Fee Rate for the quarter was thus \$0.36 per barrel. The CTE Board, in its discretion, elected to set the fee for the quarter at this maximum rate.





Table 1
Maximum Oil Production Fee Amounts Under SB 24-230

Average Quarterly Oil Spot Price	CTE Rate
Up to \$40 per barrel	\$0.04 per barrel
Greater than \$40 up to \$50 per barrel	\$0.12 per barrel
Greater than \$50 up to \$60 per barrel	\$0.24 per barrel
Greater than \$60 per barrel up to \$70	\$0.36 per barrel (\$0.24 + \$0.12)

Gas Production Fee

43-4-1202(14.5)(b) C.R.S sets the maximum fee for the Gas Production Fee based on the Henry Hub Natural Gas Spot Price. The fee levels set by statute are outlined in the table below. For gas spot prices greater than \$2.20 per MMBTU of gas, the fee amount can only increase at a maximum rate of \$0.0048 for each \$0.40 cents, or fraction thereof, by which the average gas spot price exceeds \$2.20 per MMBTU. The Gas Spot Price posted by the ECMC for the previous quarter (July 2025 - September 2025) was \$3.03 per Million BTU, thus the maximum Gas Production Fee Rate was set at \$0.0256 per mcf. The CTE Board, in its discretion, elected to set the fee for the quarter at this maximum rate.

Table 2
Maximum Gas Production Fee Amounts Under SB 24-230

Average Quarterly Gas Spot Price	CTE Rate
Up to \$1.40 per MMBTU	\$0.0016 per mcf
Greater than \$1.40 up to \$1.80 per MMBTU	\$0.0064 per mcf
Greater than \$1.80 up to \$2.20 per MMBTU	\$0.0112 per mcf
Greater than \$2.20 up to \$2.60 per MMBTU	\$0.0160 per mcf (\$0.0112 + \$0.0048)
Greater than \$2.60 up to \$3.00 per MMBTU	\$0.0208 per mcf (\$0.0112 + (\$0.0048 * 2))
Greater than \$3.00 up to \$3.40 per MMBTU	\$0.0256 per mcf (\$0.112 + (\$0.0048 * 4))





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Clean Transit Enterprise Revenue Limits

Section 24-77-108, C.R.S. requires the CTE to limit its total revenue collection to less than \$100 million in the Enterprise's first five fiscal years. SB 24-230 gives the CTE Board the authority to adjust fees, lower fees, or stop fee collection to ensure that the Enterprise's total revenue stays within this limit, among other determinations made by CTE. The fee rates determined by the CTE Enterprise Board for the first quarter are not forecasted to surpass this revenue limit. The CTE anticipates it will set Oil & Gas Production Fee rates lower than the maximum allowed rates in the third and fourth quarters of FY 2025-2026 to comply with the statutory limitation.

