



Subject: Shallow, Closed-Loop Geothermal Operations Legislation and Rulemaking Proceedings

On May 27, 2025, Governor Polis signed [House Bill 25-1165](#) into law which, among other things, amended the Colorado Geothermal Resources Act confirming the Colorado Energy and Carbon Management Commission’s (ECMC) authority to regulate “deep geothermal operations” and the State Engineer’s (DWR) authority to regulate shallow geothermal operations in Colorado.

The bill also transfers the regulation of shallow closed-loop geothermal systems, known as ground heat exchangers (GHX), to the state Board of Examiners of Water Well Construction and Pump Installation Contractors, renaming them as the state Board of Examiners of Water Well and Ground Heat Exchanger Contractors (BOE). An individual with 10 years experience related to ground heat exchangers will be added as a member of the Board and the Board will revise administrative rules to incorporate GHX contractors into its licensing program and review and revise permitting and operational rules specific to the installation of ground heat exchangers.

The Rules and Regulations for Administration of Licensing, Financial Responsibility, Continuing Education and Remedial Action for Well Construction and Pump Installation Contractors ([BOE Administration Rules, 2 CCR 402-14](#)) define the requirements for obtaining and keeping a license or a special license to be a well construction contractor and/or pump installation contractor. These rules will need to be amended to establish the licensing requirements and procedures for GHX Contractors.

The Rules and Regulations for Permitting the Development and Appropriation of Geothermal Resources Through the Use of Wells ([Geothermal Rules, 2 CCR 402-10](#)) have remained in effect since September 30, 2004. The Geothermal Rules were created under a statutory structure where DWR permitted both shallow and deep geothermal wells, thus the rules will need to be amended to accommodate the updated regulatory structure.

DWR and BOE Staff will be developing proposed changes to both of these rulesets and would like to hear from the drillers, installers, contractors, suppliers, scientists, and engineers in the industry. Please note that there will be significant changes to the current BOE Administration and Geothermal Rules because of the changes to the statutes (Title 37, Article 90.5 & Article 91) in 2025. Your interest and participation will help craft rules that are fit for Colorado.



1. Sign up for the Rulemaking email listservs to receive notifications on proposed changes and the Rulemaking process.
 - a. Visit the Notification Lists Webpage, <https://dwr.colorado.gov/public-information/notification-lists>
 - b. New Users, click [Register for DWR Notifications](#) (opens in new window) to register for an account.
 - c. Existing Users, click [Login/Manage DWR Notifications](#) (opens in new window) to subscribe to the “[BOE Info/News](#)” and/or “[Shallow Geothermal Rulemaking](#)” notification list(s).
2. For more information and documents associated with this rulemaking, please visit <https://dwr.colorado.gov/services/well-construction-inspection#rulemaking> and <https://dwr.colorado.gov/services/well-permitting#well-permitting-rulemaking>.
3. Questions can be submitted to Ask DWR by using the following link, [Geothermal Wells & Geoexchange Systems](#)

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