

Bill Summary
2nd Session of the 59th Legislature

Bill No.:	SB 1568
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Author:	Sen. Rader
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Bill Analysis

SB 1568 changes the regulatory authority of Class VI CO₂ injection wells into reservoirs. The measure specifies that the Corporation Commission shall have the sole authority to regulate such wells. The measure also changes publication requirements for applicants seeking to build a CO₂ Sequestration Facility. Applicants shall be required to provide notice to all surface and mineral owners 30 days prior to the hearing. Applicants are also required to publish such notice at least 30 days prior to the hearing and again 15 days prior to the hearing. Additionally, applicants shall be required to submit an application to the Commission detailing the plot of land as well as the names and addresses of mineral and surface owners affected by the facility.

Applicants shall be required to submit a plan of unitization applicable to the proposed unit area. Each person named in the application is designated as a respondent. The Commission shall issue a unitization order if the application meets all statutory requirements and shows adequate protection for groundwater and surface water. Applications must also demonstrate that the facility will not harm oil, gas, or any other mineral formation in the proposed area. Applicants shall be required to obtain the consent of 63% of the ownership of the pore space and to make a fair and reasonable offer to nonconsenting owners to unitize the nonconsenting pore space owners' interests.

Not more than 50 years after injection operations are completed, the Commission is required to issue a certificate of completion of injection operations after determining the reservoir is reasonably expected to retain mechanical integrity, the carbon dioxide will reasonably remain emplaced, the facility does not pose a danger to underground sources of drinking water, and the facility has been closed in accordance with all applicable regulations related to postinjection monitoring and site closure. A certificate of completion shall result in a transfer of ownership of the site to the state as well as release all owners of carbon dioxide stored in the facility from duties and obligations arising from such ownership. The Oil and Gas Conservation Division of the Commission is authorized to levy fees as needed. The total fee assessed shall assure a balance in the newly created Class VI Carbon Sequestration Storage Facility Revolving Fund not to exceed \$5 million and not to fall below \$4 million.

Prepared by: Kalen Taylor