

Carbon Capture and Sequestration

- State Rep. Tom Lubnau II
- State Rep. Mary Throne



What is Wyoming's legal framework?

- Underlying philosophies
 - Wyoming needs to be a leader in energy development
 - Answer the finance house's questions
 - Create a workable and certain regulatory framework
 - Maintain state control

What have we done?

- HB 89 (2008)-- Ownership of pore space
- HB 90(2008) – Permitting of CCS activities
- HB 57 (2009)– We really mean it
- HB 58(2009) – You inject it you own it
- HB 80 (2009)-- Unitization

HB 89 W.S. 34-1-152

- Severance is a matter of contract.
 - Instrument transferring pore space must describe rights to use of surface, or none is granted.
- Pore Space is part of the surface estate
- All instruments of transfer of surface included pore space unless specifically describe otherwise
- Must be specifically described or are void
- Mineral estate is dominant
- Protection for existing contracts

HB 90 W.S. 35-11-313

- Permitting Process
- Permitting Requirements
- Bonds or financial assurances
- Rulemaking authority, including authority to adapt to federal standards
- Study Group
 - Financial assurances
 - Risks of CCS Activities
 - Report September 30, 2009

DEQ AS LEAD AGENCY

- WOGCC focus is on production of resource
 - Retains Class II EOR
- DEQ has primacy in UIC
- EPA proceeding under UIC
- Familiarity of DEQ permitting structure
- Shift to DEQ after production ceases

HB 57 W.S. 34-1-152(e)

- The mineral estate is dominant over the severed pore space estate.

HB 58 – W.S. 34-1-153

- Injector is presumed to be the owner of injected materials
 - Presumption may be rebutted by a person claiming contrary ownership
- Mere consent alone does not give the surface owner liability for sequestration activities

HB 80 –Sequestration Site Unitization W.S. 35-11-315

- Protection of Corresponding Rights
- Allows bringing in 20% of owners if have consent of other 80%
- Process
- Heard in front of WOGCC
 - WOGCC makes ownership decisions
 - DEQ makes environmental decisions
 - Can proceed during application review

STAY TUNED

- Water Quality Rulemaking for HB90

- Link to draft rule

- <http://deq.state.wy.us/wqd/events/index.asp>

- Formal rulemaking in late 2009

- Report from Carbon Working Group

- <http://deq.state.wy.us/carbonsequestration.htm>

- Risk, Financial Assurance and Governance