

1 SB36
2 215758-2
3 By Senators Albritton and Reed
4 RFD: Governmental Affairs
5 First Read: 11-JAN-22
6 PFD: 01/06/2022

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4 ENGROSSED

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7 A BILL
8 TO BE ENTITLED
9 AN ACT

10
11 Relating to the State Oil and Gas Board; to amend
12 Sections 9-17-150 and 9-17-151 of the Code of Alabama 1975, to
13 further define gas to include certain additional gases for the
14 purpose of regulation of underground storage facilities by the
15 board; to further specify the authority of the board to
16 regulate the operation and abandonment of underground storage
17 facilities, including the authority to require a bond to
18 insure the performance of any duties relating to an
19 underground storage facility; and to authorize the board to
20 adopt rules providing fees to defray the expenses of the board
21 in regulating underground storage facilities.

22 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

23 Section 1. Sections 9-17-150 and 9-17-151 of the
24 Code of Alabama 1975, are amended to read as follows:

25 "§9-17-150.

1 "Unless the context otherwise requires, the
2 following words and terms defined in this section shall have
3 the following meanings ~~when found~~ in this article:

4 "~~(7)~~ (1) CODE. The Code of Alabama 1975, as amended.

5 "(2) GAS. All natural gas, casinghead gas, carbon
6 oxides, ammonia, hydrogen, nitrogen, noble gases, and occluded
7 natural gas found in coal beds, and all other hydrocarbons not
8 defined as oil in Section 9-17-1~~(3)~~, except and not including
9 liquid petroleum gas.

10 "~~(6)~~ (3) STATE OIL AND GAS BOARD or BOARD. The State
11 Oil and Gas Board of Alabama, ~~and~~.

12 "(4) STORAGE FACILITY. Any underground reservoir
13 used or to be used for the underground storage of gas and all
14 surface and subsurface rights and appurtenances necessary or
15 useful in the operation of the facility for the underground
16 storage of gas, including any necessary or reasonable buffer
17 zone as designated by the board for the purpose of insuring
18 the safe operation of the storage of gas and to protect the
19 storage facility against pollution, invasion, and escape or
20 migration of gas therefrom, together with any and all
21 subsequent extensions thereof.

22 "(5) STORAGE OPERATOR. Any company, person,
23 corporation, partnership, limited partnership, association of
24 persons, municipality, association of municipalities, public
25 utility, gas district, or other entity, authorized by the
26 State Oil and Gas Board pursuant to Section 9-17-152 to
27 operate any storage facility as defined in this section.

1 "~~(3)~~ (6) UNDERGROUND RESERVOIR. Any subsurface sand,
2 stratum, formation, aquifer, or cavity, cavern or void
3 (whether natural or artificially created), suitable for or
4 capable of being made suitable for the injection and storage
5 of gas therein and the withdrawal of gas therefrom.

6 "~~(1)~~ (7) UNDERGROUND STORAGE. Storage in an
7 underground reservoir.

8 "§9-17-151.

9 "(a) (1) The underground storage of gas which
10 promotes the conservation thereof, which permits the
11 accumulation of large quantities of gas in reserve for orderly
12 withdrawal in periods of peak demand, making gas more readily
13 available to commercial, industrial, or residential consumers,
14 or which provides more uniform withdrawal from various gas or
15 oil fields, is in the public interest and welfare of this
16 state, and is for a public purpose.

17 "(2) The underground storage of carbon oxides,
18 ammonia, hydrogen, nitrogen, and noble gases is in the public
19 interest and welfare of this state and is for a public
20 purpose.

21 "(b) The State Oil and Gas Board shall have
22 jurisdiction and authority over all persons and property
23 necessary to administer and enforce effectively the provisions
24 of this article concerning the underground storage of gas. In
25 exercising such jurisdiction and authority, the board shall
26 have and may exercise all powers and authorities granted to it
27 pursuant to Article 1 of this chapter with respect to holding

1 hearings and ~~promulgating~~ adopting and enforcing rules,
2 regulations, and orders.

3 "(c) In addition to any other authority of the
4 board, the board shall have jurisdiction and authority to
5 regulate the operation and abandonment of underground storage
6 facilities. The board may require reasonable bond, with good
7 and sufficient surety, or other financial security approved by
8 the board, conditioned on compliance with any rules or orders
9 of the board relating to underground storage facilities,
10 including the abandonment of underground storage facilities.

11 "(d) The board may adopt rules providing fees and
12 charges to defray expenses of the board in the regulation of
13 the operation and abandonment of underground storage
14 facilities. "

15 Section 2. This act shall become effective on the
16 first day of the third month following its passage and
17 approval by the Governor, or its otherwise becoming law.

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Senate

Read for the first time and referred to the Senate
committee on Governmental Affairs..... 11-JAN-22

Read for the second time and placed on the calen-
dar 1 amendment..... 18-JAN-22

Read for the third time and passed as amended 01-FEB-22

Yeas 31
Nays 0

Patrick Harris,
Secretary.