

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

1 SB36

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4 ENROLLED, An Act,

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

16 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

19 "§9-17-150.

20 "Unless the context otherwise requires, the
21 following words and terms defined in this section shall have
22 the following meanings ~~when found~~ in this article:

23 "~~(7)~~ (1) CODE. The Code of Alabama 1975, as amended.

24 "(2) GAS. All natural gas, casinghead gas, carbon
25 oxides, ammonia, hydrogen, nitrogen, noble gases, and occluded

1 natural gas found in coal beds, and all other hydrocarbons not
2 defined as oil in Section 9-17-1~~(3)~~, except and not including
3 liquid petroleum gas.

4 "~~(6)~~ (3) STATE OIL AND GAS BOARD or BOARD. The State
5 Oil and Gas Board of Alabama, ~~and~~.

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

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

22 "~~(3)~~ (6) UNDERGROUND RESERVOIR. Any subsurface sand,
23 stratum, formation, aquifer, or cavity, cavern or void
24 (whether natural or artificially created), suitable for or

1 capable of being made suitable for the injection and storage
2 of gas therein and the withdrawal of gas therefrom.

3 "~~(1)~~ (7) UNDERGROUND STORAGE. Storage in an
4 underground reservoir.

5 "§9-17-151.

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

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

18 "(b) The State Oil and Gas Board shall have
19 jurisdiction and authority over all persons and property
20 necessary to administer and enforce effectively the provisions
21 of this article concerning the underground storage of gas. In
22 exercising such jurisdiction and authority, the board shall
23 have and may exercise all powers and authorities granted to it
24 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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President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB36

Senate 01-FEB-22

I hereby certify that the within Act originated in and passed the Senate, as amended.

Patrick Harris,
Secretary.

House of Representatives
Passed: 15-FEB-22

By: Senator Albritton