

SENATE FILE NO. SF0116

Oil and gas enhanced recovery-microbial conversion.

Sponsored by: Senator(s) Jennings, Bebout, Cooper and
Perkins and Representative(s) Jaggi, Stubson
and Throne

A BILL

for

1 AN ACT relating to oil and gas; providing for the
2 regulation of well and reservoir injections to restore or
3 enhance the microbial conversion of hydrocarbon substrates
4 to methane gas; prescribing application requirements;
5 providing for hearings and orders by the commission;
6 amending commission authority; and providing for an
7 effective date.

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9 *Be It Enacted by the Legislature of the State of Wyoming:*

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11 **Section 1.** W.S. 30-5-128 is created to read:

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13 **30-5-128. Unitization of areas to restore or enhance**
14 **the microbial conversion of hydrocarbon substrates to**
15 **methane gas; purposes; application; contents.**

16

1 (a) Any interested person may file an application
2 with the commission requesting an order authorizing well
3 and reservoir injections to restore or enhance the
4 microbial conversion of hydrocarbon substrates to methane
5 gas. The application may be on an individual lease or
6 drilling and spacing unit basis or, at the applicant's
7 election, on a unit basis pursuant to W.S. 30-5-109 and
8 30-5-110. If the application is on a unit basis, the
9 applicant shall provide for the operation and organization
10 of a unit or units of the optimal size and shape necessary
11 to prevent waste and protect correlative rights and shall
12 provide for the pooling of interests in a specific geologic
13 formation in the proposed unit area for the purpose of
14 conducting the injections. The application shall contain
15 all of the elements set forth in W.S. 30-5-110(c) through
16 (g). The application shall demonstrate that the applicant
17 has a legally binding commitment to plug and abandon all
18 wells not later than sixty (60) days prior to their
19 intersection with an active surface or conventional
20 underground coal mine. Injections authorized by this
21 section shall not be deemed in situ mining as defined in
22 W.S. 35-11-103(f)(iv).

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1 (b) Applications under this section shall contain the
2 following with respect to the proposed operating plan:

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4 (i) Evidence that groundwater in the proposed
5 formation intervals will not be adversely influenced by the
6 injections and that the operations shall at all times be in
7 compliance with applicable groundwater quality regulations
8 and underground injection control program requirements. An
9 applicant shall comply with this paragraph by:

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11 (A) Obtaining from the commission, after
12 its adoption of class II rules implementing this section
13 and consultation with the director of the department of
14 environmental quality and after providing notice of the
15 application to all groundwater permit holders within one-
16 half (1/2) mile of each injection well or the area of
17 review, whichever is larger, a class II well permit
18 demonstrating that the groundwater will not be degraded and
19 will be in compliance with the federal Safe Drinking Water
20 Act, and that for each injection zone the underground
21 ambient water quality class of use as defined by the
22 department of environmental quality will not be violated by
23 the injections; or

24

1 (B) Obtaining a class V well permit from
2 the Wyoming department of environmental quality.

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4 (c) Upon the filing of an application under this
5 section, the commission shall promptly set the matter for
6 hearing. In addition to any notice required by law or
7 commission rules, the commission shall give notice of the
8 hearing by certified mail to all persons owning or having
9 an interest in coal or its production in the proposed
10 application area. The notice shall be mailed at least
11 thirty (30) days before the hearing, shall specify the time
12 and place of hearing and shall describe briefly the purpose
13 of the hearing and the land affected.

14

15 (d) Following the hearing, the commission shall enter
16 an order setting forth findings and approving the
17 application if the commission finds that the provisions of
18 W.S. 30-5-109 or 30-5-110 have been met.

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20 **Section 2.** W.S. 30-5-104(d) by creating a new
21 paragraph (ix) is amended to read:

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23 **30-5-104. Oil and gas conservation commission; powers**
24 **and duties; investigations; rules and regulations.**

1

2 (d) The commission has authority:

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4 (ix) To issue orders pursuant to W.S. 30-5-110
5 allowing the unitization of oil and gas interests with
6 consenting coal interests that are actually consumed as a
7 direct result of well and reservoir injections to restore
8 or enhance the microbial conversion of hydrocarbon
9 substrates to methane gas.

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11 **Section 3.** This act is effective immediately upon
12 completion of all acts necessary for a bill to become law
13 as provided by Article 4, Section 8 of the Wyoming
14 Constitution.

15

16 (END)