

ENROLLED ACT NO. 34, SENATE

SIXTY-FIRST LEGISLATURE OF THE STATE OF WYOMING
2011 GENERAL SESSION

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

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

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

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

(a) Any interested person may file an application with the commission requesting an order authorizing well and reservoir injections to restore or enhance the microbial conversion of hydrocarbon substrates to methane gas. The application may be on an individual lease or drilling and spacing unit basis or, at the applicant's election, on a unit basis pursuant to W.S. 30-5-109 and 30-5-110. If the application is on a unit basis, the applicant shall provide for the operation and organization of a unit or units of the optimal size and shape necessary to prevent waste and protect correlative rights and shall provide for the pooling of interests in a specific geologic formation in the proposed unit area for the purpose of conducting the injections. The application shall contain all of the elements set forth in W.S. 30-5-110(c) through (g). The application shall demonstrate that the applicant has a legally binding commitment to plug and abandon all wells not later than sixty (60) days prior to their intersection with an active surface or conventional

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underground coal mine. Injections authorized by this section shall not be deemed in situ mining as defined in W.S. 35-11-103(f)(iv).

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

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

(A) Obtaining from the commission, after the commission has adopted class II rules implementing this section and after providing notice of the application to all groundwater permit holders within one-half (1/2) mile of each injection well or the area of review, whichever is larger, a class II well permit demonstrating that the groundwater will not be degraded and will be in compliance with the federal Safe Drinking Water Act, and that for each injection zone the underground ambient water quality class of use as defined by the department of environmental quality will not be violated by the injections; or

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

(c) Upon the filing of an application under this section, the commission shall promptly set the matter for hearing. In addition to any notice required by law or commission rules, the commission shall give notice of the hearing by certified mail to all persons owning or having an interest in coal or its production in the proposed application area. The notice shall be mailed at least

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thirty (30) days before the hearing, shall specify the time and place of hearing and shall describe briefly the purpose of the hearing and the land affected.

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

(e) The commission, after consultation with the director of the department of environmental quality, shall adopt class II rules implementing this section.

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

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

(d) The commission has authority:

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

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

(END)

Speaker of the House

President of the Senate

Governor

TIME APPROVED: _____

DATE APPROVED: _____

I hereby certify that this act originated in the Senate.

Chief Clerk