

NOTICE OF INTENT

Department of Natural Resources Office of Conservation

Carbon Dioxide Enhanced Oil Recovery (LAC 43:XIX.405)

The Department of Natural Resources, Office of Conservation proposes to amend LAC 43:XIX.Subpart 1 in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., and pursuant to the power delegated under the laws of the state of Louisiana. The proposed amendment is made to implement application requirements for carbon dioxide enhanced oil recovery.

Title 43

NATURAL RESOURCES

Part XIX. Office of Conservation—General Operations

Subpart 1. Statewide Order No. 29-B

Chapter 4. Pollution Control (Class II

Injection/Disposal Well Regulations)

Editor's Note: Statewide Order 29-B was originally codified in LAC 43:XIX as §129. In December 2000, §129 was restructured into Chapters 3, 4 and 5. Chapter 3 contains the oilfield pit regulations. Chapter 4 contains the injection/disposal well regulations. Chapter 5 contains the commercial facility regulations. A cross-reference chart in the December 2000 *Louisiana Register*, page 2798, indicates the locations for the rules in each existing Section.

§405. Application Requirements for New Enhanced Recovery Injection and New Saltwater Disposal Wells

A. - B.5.f. ...

C. Area of Review for Enhanced Oil Recovery Wells Injecting Carbon Dioxide

1. The area of review (AOR) will be the project area plus the surrounding region where USDWs may be endangered by the carbon dioxide (CO₂) injection activities, at a minimum, no less than 1/4 mile beyond the project area. The AOR will be delineated by a computational model acceptable to the commissioner. For enhanced oil recovery (EOR) projects injecting CO₂ that are permitted as of the effective date of these regulations, the owner or operator of the project has thirty days from the effective date of these regulations to submit a plan to the commissioner to come into compliance with §405.C, D, and E.

2. The owner or operator of a class II EOR CO₂ injection well must submit a plan acceptable to the commissioner to periodically reevaluate the AOR for the proposed CO₂ EOR project and perform corrective action for any identified deficient wells. The AOR must be reevaluated on a frequency not to exceed five years.

3. The owner or operator of the class II EOR CO₂ injection well must identify all penetrations within the defined AOR including active and abandoned wells, underground mines, and any other man-made penetrations that penetrate the confining and injection zones.

4. The owner or operator must determine which wells within the AOR have been constructed and/or plugged in a manner that prevents movement of CO₂ or other fluids that may endanger USDWs, and any wells which may require corrective action to ensure protection of USDWs.

D. Corrective Action for Enhanced Oil Recovery Projects Injecting Carbon Dioxide

1. Owners or operators of class II EOR CO₂ injection wells must perform corrective action on all wells in the area

of review that the commissioner has determined to require corrective action.

2. Owners or operators of class II EOR CO₂ injection wells shall submit a corrective action plan acceptable to the commissioner addressing all identified deficiencies within a time specified by the commissioner.

E. Emergency and Remedial Response for Enhanced Oil Recovery Projects Injecting Carbon Dioxide

1. As part of the permit application for a class II EOR CO₂ well, the owner or operator must provide the commissioner with an emergency and remedial response plan that describes actions the owner or operator must take to address movement of the injection or formation fluids that may cause an endangerment to a USDW during construction, operation, and post-injection site care periods.

2. If the owner or operator obtains evidence that the injected carbon dioxide stream and associated pressure front may cause an endangerment to a USDW, the owner or operator must:

a. take all steps reasonably necessary to identify, characterize, and control any release;

b. notify the commissioner within 24 hours; and

c. Implement the emergency and remedial response plan approved by the commissioner.

3. The owner or operator shall review the emergency and remedial response plan developed under §405.E.1 at least once every five years. Based on this review, the owner or operator shall submit an amended emergency and remedial response plan or demonstrate to the commissioner that no amendment to the emergency and remedial response plan is needed. Any amendments to the emergency and remedial response plan must be approved by the commissioner and are subject to the permit modification requirements at §411, as appropriate. Amended plans or demonstrations shall be submitted to the commissioner as follows:

a. within one year of an area of review reevaluation;

b. following any significant changes to the facility, such as addition of injection or monitoring wells; or

c. when required by the commissioner.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq.

HISTORICAL NOTE: Promulgated by the Department of Natural Resources, Office of Conservation, LR 26:2807 (December 2000), amended LR 41:

Family Impact Statement

This Rule has no known impact on family formation, stability, and autonomy as described in R.S. 49:972.

Poverty Impact Statement

This Rule has no known impact on poverty as described in R.S. 49:973.

Small Business Statement

This Rule has no known impact on small businesses as described in R.S. 49:965.6.

Provider Impact Statement

This Rule has no known impact on providers as described in HCR 170 of 2014.

Public Comments

All interested parties will be afforded the opportunity to submit data, views, or arguments, orally or in writing at the public hearing in accordance with R.S. 49:953. Written comments will be accepted by hand delivery or USPS only, until 4:30 p.m., March 5, 2015, at Office of Conservation, Injection and Mining Division, P.O. Box 94275, Baton

Rouge, LA, 70804-9275; or Office of Conservation, Injection and Mining Division, 617 North Third Street, Room 817, Baton Rouge, LA 70802. Reference Docket No. CON I and M 2014-12 on all correspondence. All inquiries should be directed to Steve Lee at the above addresses or by phone to (225) 342-5569. No preamble was prepared.

Public Hearing

The commissioner of conservation will conduct a public hearing at on Thursday, February 26, 2015 at 9 a.m., in the LaBelle Room located on the first floor of the LaSalle Building, 617 North Third Street, Baton Rouge, LA.

James H. Welsh
Commissioner

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES RULE TITLE: Carbon Dioxide Enhanced Oil Recovery

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

There are no anticipated implementation costs to State or local governmental units as a result of the proposed rule change. Application requirements already exist for Enhanced Oil Recovery methods, although none specifically address the use of Carbon Dioxide. The proposed rule seeks to implement application requirements for Carbon Dioxide Enhanced Oil Recovery. Carbon Dioxide Enhanced Oil Recovery is a process in which carbon dioxide is injected into an oil reservoir to push any remaining oil to the top of the reservoir for extraction. It is typically used as a tertiary method of extraction after primary and secondary techniques have extracted the bulk of the oil from a reservoir. As such, the new requirements specific to Carbon Dioxide Enhanced Oil Recovery will be evaluated using existing documents and staff.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

The proposed rule change will have no effect on revenue collections of state or local governmental units.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

The group directly affected by these rules changes will be Exploration and Production (E&P) companies. For those who desire to implement or continue to operate Carbon Dioxide Enhanced Oil Recovery projects, additional information beyond what is already required for other Enhanced Oil Recovery operations may be needed. Currently, Denbury Onshore, LLC and Marlin Resources, L.L.C. are the only companies in the state using these techniques for extraction. The standards listed in the proposed rule change are the standards currently in place, resulting in no additional costs. This may change if other companies enter Louisiana with the intent to perform Carbon Dioxide Oil Recovery, but those impacts cannot be accurately assessed at this time.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule change will have no effect on competition and employment

James H. Welsh
Commissioner
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