

CHAPTER 29

GEOLOGIC SEQUESTRATION SPECIAL REVENUE ACCOUNT REQUIREMENTS

Section 1. Authority.

These regulations are promulgated pursuant to the Wyoming Environmental Quality Act, specifically §§ 313 and 318.

Section 2. Definitions.

The following definitions supplement those contained in W.S. § 35- 11-103 of the Wyoming Environmental Quality Act:

(a) “Carbon dioxide stream” means carbon dioxide, plus associated substances derived from the source materials and any processing, and any substances added to the stream to enable or improve the injection process. Within this Chapter, the term “carbon dioxide stream” does not include any carbon dioxide stream that meets the definition of a hazardous waste under 40 C.F.R. § 261.3.

(b) “Class II well” means any commercial or non-commercial well used to dispose of water or fluids directly associated with the production of oil or gas, any well used to inject fluids or gas for enhanced oil recovery, or any well used for the storage of liquid hydrocarbons.

(c) “Class VI well” means a well that is used for injecting a carbon dioxide stream for geologic sequestration that:

(i) Is not experimental in nature and injects a carbon dioxide stream for geologic sequestration, beneath the lowermost formation containing an underground source of drinking water;

(ii) Has been granted a waiver of the injection depth requirements pursuant to requirements of Water Quality Rules Chapter 24, Section 15; or

(iii) Has received an expansion to the areal extent of an existing Class II enhanced oil recovery or enhanced gas recovery aquifer exemption pursuant to Water Quality Rules Chapter 24, Section 16.

(d) “Geologic sequestration project” means an injection well or wells used to emplace a carbon dioxide stream into an injection zone for geologic sequestration. It includes the subsurface three-dimensional extent of the carbon dioxide plume, associated pressure front, and displaced fluid, as well as the surface area above that delineated region.

Section 3. Applicability.

This Chapter applies to all owners, operators, and permittees of Class VI wells.

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48 **Section 4. Requirements.**
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50 (a) Owners, operators, and permittees of Class VI wells shall pay a fee into the
51 geologic sequestration special revenue account of seven cents on each ton of carbon dioxide
52 injected for storage during the period of carbon dioxide stream injection into subsurface geologic
53 formations in Wyoming.

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55 (b) The Administrator shall assess fees based on the reporting requirements outlined
56 in Water Quality Rules Chapter 24, Section 22(a)(i)(E).

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58 (c) The Administrator shall give written notice of the amount of assessed fee and the
59 basis for such fee assessment to the owner or operator of the facility annually. The assessed fee
60 is due on receipt of the notice.

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62 (d) Failure to pay fees is a violation of this section and may be cause for the
63 revocation of any permit issued under Water Quality Rules Chapter 24.

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65 (e) Once the Administrator has received the plugging and abandonment final report
66 required by Water Quality Rules Chapter 24, Section 23(e):

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68 (i) The Administrator will assess any remaining fees for the calendar year and
69 shall give written notice of the amount of the assessed fee and the basis for such fee assessment
70 to the owner or operator of the facility within 30 days;

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72 (ii) The assessed fee is due on receipt of the notice; and

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74 (ii) No further fees will be assessed, subject to paragraph (g) of this Section.

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76 (f) Upon receipt of the proposed cost estimate for measurement, monitoring, and
77 verification of plume stabilization that the owner or operator has submitted in accordance with
78 Chapter 24, Section 26(i), the Administrator shall:

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80 (i) Verify the owner or operator has demonstrated site closure certification in
81 accordance with Chapter 24, Section 24;

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83 (ii) Verify the owner or operator has obtained a release of all financial
84 assurance instruments in accordance with Chapter 24, Section 26;

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86 (iii) Verify the owner or operator has obtained a termination of the permit;

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88 (iv) Evaluate the proposed cost estimate and the monies available in the
89 special revenue account, including accumulated interest;

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91 (v) Consider project-specific risk assessments and projected schedule of
92 activities (e.g., post-injection site care);

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94 _____ (vi) Evaluate whether sufficient funds are available to carry out the required
95 activities; and

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97 _____ (vii) Make a recommendation to the Director to allow the owner or operator to
98 cease fee payment or to require additional payments into the special revenue account.

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100 _____ (g) If the Director determines that there are insufficient monies available in the
101 special revenue account, including accumulated interest, based on the cost estimate submitted for
102 the Administrator's evaluation, the owner or operator shall make additional payments into the
103 special revenue account to ensure that sufficient funds are available to execute the required
104 activities on the date at which they may occur.

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106 _____ (h) If the special revenue account balance, including accumulated interest, is
107 sufficient to cover the proposed cost estimate, then the Director shall administer the funds in the
108 account for the activities identified by W.S. § 35-11-318(c).

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