

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 a definition; amending commission authority; and  
7 providing for an effective date.

8

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

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

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22           (i) Evidence that groundwater in the proposed  
23 formation intervals will not be adversely influenced by the  
24 injections and that the operations shall at all times be in

1 compliance with applicable groundwater quality regulations  
2 and underground injection control program requirements. An  
3 applicant may comply with this paragraph by:

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5 (A) Obtaining from the commission, after  
6 its adoption of class II rules implementing this section  
7 and consultation with the director of the department of  
8 environmental quality, a class II well permit demonstrating  
9 that the groundwater will not be degraded and will be in  
10 compliance with the federal Safe Drinking Water Act, and  
11 that for each injection zone the underground ambient water  
12 quality class of use as defined by the department of  
13 environmental quality will not be violated by the  
14 injections; or

15

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

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19 (c) Upon the filing of an application under this  
20 section, the commission shall promptly set the matter for  
21 hearing. In addition to any notice required by law or  
22 commission rules, the commission shall give notice of the  
23 hearing by certified mail to all persons owning or having  
24 an interest in coal or its production in the proposed

1 application area. The notice shall be mailed at least  
2 thirty (30) days before the hearing, shall specify the time  
3 and place of hearing and shall describe briefly the purpose  
4 of the hearing and the land affected.

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

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11 **Section 2.** W.S. 30-5-101(a)(vii) and 30-5-104(d) by  
12 creating a new paragraph (ix) are amended to read:

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14 **30-5-101. Definitions.**

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16 (a) As used in this act unless the context otherwise  
17 requires:

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19 (vii) The word "oil" shall mean crude petroleum  
20 oil and any other hydrocarbons, regardless of gravities,  
21 which are produced at the well in liquid form by ordinary  
22 production methods, and which are not the result of  
23 condensation of gas before or after it leaves the  
24 reservoir. The word "gas" shall mean all natural gases,

1 including gas produced by underground injections to restore  
2 or enhance the microbial conversion of hydrocarbon  
3 substrates to methane gas, and all hydrocarbons not defined  
4 herein as oil;

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6 **30-5-104. Oil and gas conservation commission; powers**  
7 **and duties; investigations; rules and regulations.**

8  
9 (d) The commission has authority:

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

17  
18 **Section 3.** This act is effective immediately upon  
19 completion of all acts necessary for a bill to become law  
20 as provided by Article 4, Section 8 of the Wyoming  
21 Constitution.

22  
23 (END)