

Amendments to Senate Bill No. 498  
1st Reading Copy

For the Senate Energy and Telecommunications Committee  
Requested by Senator Ron Erickson

Prepared by Sonja Nowakowski  
March 17, 2009 (9:25am)

1. Title, page 1, line 9.

**Following:** "WELLS;"

**Insert:** "REQUIRING THE BOARD TO SOLICIT AND CONSIDER COMMENTS FROM THE DEPARTMENT OF ENVIRONMENTAL QUALITY PRIOR TO TRANSFERRING LIABILITY TO THE STATE; REQUIRING TESTING AFTER ISSUANCE OF A CERTIFICATE OF COMPLETION AND PRIOR TO TRANSFER OF LIABILITY;"

2. Page 2, line 14.

**Strike:** "prior" through "completion,"

**Following:** the second "to"

**Insert:** "indefinitely"

3. Page 2, line 15.

**Strike:** "[section 5(4)(f)]"

**Insert:** "[section 5(8)(a)]"

**Following:** "operator."

**Insert:** "If a geologic storage operator is required to maintain liability pursuant to [section 5(8)(b)], the board may not remit the fee."

4. Page 2, line 21 through line 22.

**Following:** "managing"

**Strike:** "a"

**Strike:** "reservoir" on line 21 through "[section 5(5)]" on line 22

**Insert:** "reservoirs pursuant to [section 5(5) and (7)]"

5. Page 2, line 30.

**Following:** "issued"

**Insert:** "pursuant to [section 5(1)]"

6. Page 3, line 1.

**Strike:** "[section 5(5)]" through "[section 5(4)(f)]"

**Insert:** "[section 5(7)]"

7. Page 3, line 7 through page 4, line 13.

**Strike:** section 5 in its entirety

**Insert:** "NEW SECTION. Section 5. Certificate of completion -- department of environmental quality participation -- transfer of

**liability.** (1) Pursuant to subsection (3), after carbon dioxide injections into a reservoir end and upon completion of the certification requirements pursuant to subsection (4), the board shall issue the geologic storage operator a certificate of project completion.

(2) The board may adopt rules pursuant to 82-11-111 necessary for implementing subsection (4), including:

(a) rules for public notice and hearing; and  
(b) any other rules necessary for administration of this section.

(3) The certificate may not be issued until at least 10 years after carbon dioxide injections end.

(4) The certificate may be issued only if the geologic storage operator:

(a) is in full compliance with regulations governing the geologic storage reservoir pursuant to this part;

(b) shows that the geologic storage reservoir is reasonably expected to retain the carbon dioxide stored in it;

(c) shows that all wells, equipment, and facilities to be used in the postclosure period are in good condition and retain mechanical integrity;

(d) shows that it has plugged wells, removed equipment and facilities, and completed reclamation work as required by the board;

(e) shows that the carbon dioxide in the geologic storage reservoir has become stable, which means that it is essentially stationary or chemically combined or, if it is migrating or may migrate, that any migration will be unlikely to cross the geologic storage reservoir boundary; and

(f) shows that the geologic storage operator will continue to provide adequate bond or other surety after receiving the certificate of completion for at least 10 years following issuance of the certificate of completion and that the operator continues to accept liability for the geologic storage reservoir and the stored carbon dioxide.

(5) After issuing a certificate of completion, the board, in conjunction with the operator, shall monitor the wells and reservoir, verifying compliance with subsection (4), for a period of 10 years.

(6) (a) Following the monitoring and verification required in subsection (5) and subject to subsections (6) (b) and (6) (c), the geologic storage operator may transfer title to the geologic storage reservoir and to the stored carbon dioxide to the state.

(b) Prior to a transfer of title, the monitoring pursuant to subsection (5) must show, to the satisfaction of the board, that:

(i) the reservoir and wells are in full compliance with regulations pursuant to this part; and

(ii) the reservoir is reasonably expected to maintain its structural integrity and will not allow carbon dioxide to move out of one stratum into another or pollute drinking water

supplies.

(c) (i) Prior to a transfer of title, the board shall solicit, document, consider, and address comments from the department of environmental quality.

(ii) Notwithstanding subsection (6) (c) (i), the board makes the final decision on the transfer of title.

(7) If liability is transferred pursuant to subsection (6):

(a) title is transferred, without payment or any compensation, to the state;

(b) title acquired by the state includes all rights and interests in and all responsibilities associated with the stored carbon dioxide;

(c) the geologic storage operator and all persons who generated any injected carbon dioxide are released from all regulatory requirements and liability associated with the geologic storage reservoir;

(d) any bonds or other surety posted by the geologic storage operator must be released; and

(e) monitoring and managing the geologic storage reservoir is the state's responsibility to be overseen by the board until the federal government assumes responsibility for the long-term monitoring and management of geologic storage reservoirs.

(8) (a) If the operator does not transfer title to the state pursuant to subsection (6), the operator indefinitely accepts liability, except as provided in subsection (9), for the stored carbon dioxide and the geologic storage reservoir.

(b) If the operator is found not to be in compliance with subsection (6) (b), the operator retains liability until the operator is able to meet the requirements.

(9) After receiving a certificate of completion, every 10 years after completing the monitoring and verification required by subsection (5), an operator may petition the board and request to transfer liability to the state and be released from liability pursuant to subsection (6). An operator who petitions the board pursuant to this subsection (9) may not request that the fee required by [section 3(1)] be remitted."

8. Page 12, line 20.

**Strike:** "[section 5(5)]"

**Insert:** "[section 5(7)]"

9. Page 19, line 3.

**Strike:** "[section 5(5)]"

**Insert:** "[section 5(7)]"

- END -