

SENATE FILE NO. SF0061

Enhanced and improved oil recovery.

Sponsored by: Senator(s) Hawks, Decaria and Vasey and
Representative(s) Law

A BILL

for

1 AN ACT relating to oil and gas; creating an enhanced and
2 improved oil recovery commission; specifying functions of
3 the commission; providing for research programs; specifying
4 legislative intent; providing appropriation; and providing
5 for an effective date.

6

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

8

9 **Section 1.** W.S. 30-8-101 is created to read:

10

11

CHAPTER 8

12

ENHANCED OIL RECOVERY

13

14 **30-8-101. Enhanced and improved oil recovery**

15 **commission created; duties.**

16

1 (a) The Wyoming enhanced and improved oil recovery
2 commission is created. The commission shall consist of
3 eight (8) members. The governor and the state geologist
4 shall serve as ex officio members of the commission. One
5 (1) legislative member shall be appointed by the management
6 council of the legislature who shall serve as an ex officio
7 member of the commission. The governor shall appoint the
8 remaining members of whom one (1) shall be from the public
9 at large with experience in the oil and gas industry, one
10 (1) shall be a member of the oil and gas conservation
11 commission, two (2) shall represent the oil and gas
12 industry and one (1) shall be a representative of the
13 University of Wyoming. The gubernatorial appointments shall
14 be confirmed by the senate. Appointed members shall serve
15 three (3) year terms. Members of the commission shall not
16 receive any fees, salary or other compensation for services
17 rendered but are entitled to receive per diem and mileage
18 on the same basis and at the same rate as state employees
19 and reimbursement for any other actual and necessary
20 expenses incurred in the performance of commission duties.
21 The governor may remove any appointed member as provided in
22 W.S. 9-1-202. Except for the legislative member, initial
23 appointments or any vacancy occurring between sessions of
24 the legislature may be filled by the governor in accordance

1 with W.S. 28-12-101(b). The commission shall be staffed by
2 executive branch agencies as designated by the governor.

3

4 (b) The commission, in conjunction with the
5 University of Wyoming and oil and gas industry research
6 entities, shall develop:

7

8 (i) A research program at the institute for
9 energy research and enhanced oil recovery at the University
10 of Wyoming. The program shall focus on oil and gas recovery
11 technological issues, including carbon dioxide separation,
12 reservoir sweep performance and reservoir displacement
13 efficiency;

14

15 (ii) An expanded program at the institute
16 focusing on technology transfer, to help industry with
17 access to and application of existing enhanced oil recovery
18 and improved oil recovery technology. The program shall be
19 designed to promote research and technology transfer
20 efforts, including polymer and surfactant flooding,
21 horizontal drilling, zone specific fracturing and three
22 dimensional seismic infill drilling;

23

1 (iii) A research program to identify and
2 evaluate all potential sources of carbon dioxide for the
3 purpose of reducing emissions in the state, increasing
4 potential source points for use of industrial carbon
5 dioxide and decreasing the cost of carbon dioxide to
6 industrial users;

7

8 (iv) A research program for chemical engineering
9 research on carbon dioxide separation from power plant flue
10 gas, including experiments, theoretical models, laboratory
11 and prototype testing.

12

13 (c) In developing programs under subsection (b) of
14 this section, the commission shall direct development to
15 economically viable solutions.

16

17 (d) The commission:

18

19 (i) Shall oversee and direct development of the
20 programs developed pursuant to subsection (b) of this
21 section;

22

1 (ii) May seek and utilize government and private
2 grants to further the duties of the commission and purposes
3 of this section;

4
5 (iii) Shall facilitate the development of formal
6 agreements between the institute and the oil and gas
7 industry through which the industry is provided access to
8 the institute's geologic and engineering reservoir modeling
9 and reservoir characterization work in exchange for
10 providing data access and testing facilities;

11

12 (iv) Shall promote and facilitate the transfer
13 of new technologies developed at the institute throughout
14 the oil and gas industry in this state;

15

16 (v) May establish advisory task forces to
17 evaluate the responsiveness of programs developed under
18 this section, the effectiveness of technology transfer and
19 funding from nonstate sources.

20

21 (e) The commission shall provide preliminary progress
22 reports to the joint minerals, business and economic
23 development interim committee by November 1, 2004 and
24 November 1, 2005.

1

2 (f) As used in this section:

3

4 (i) "Commission" means the Wyoming enhanced and
5 improved oil recovery commission;

6

7 (ii) "Enhanced oil recovery and improved oil
8 recovery" means all existing and potential technology to
9 recover oil beyond traditional primary and secondary
10 methods;

11

12 (iii) "Institute" means the institute for energy
13 research and enhanced oil recovery at the University of
14 Wyoming.

15

16 **Section 2.** W.S. 9-2-1704(d) by creating a new
17 paragraph (xvi) is amended to read:

18

19 **9-2-1704. Reorganization plan; structure; time frame.**

20

21 (d) The entities of state government specified in
22 this subsection are designated as separate operating
23 agencies, which are separate and distinct from the
24 departments and offices specified in subsection (a) of this

1 section because of their quasi-judicial responsibility or
2 because of their unique, specialized function which
3 precludes their inclusion in another department. This act
4 does not otherwise apply to separate operating agencies.
5 Separate operating agencies are as follows:

6

7 (xvi) Wyoming enhanced and improved oil recovery
8 commission.

9

10 **Section 3.** The legislature finds the state's oil
11 fields are in most cases in declining production, yet the
12 majority of the oil in these fields remains untapped
13 underground. While unrecoverable by traditional production
14 methods, enhanced oil recovery and improved oil recovery
15 techniques exist to recover significantly more oil from
16 Wyoming fields. A successful enhanced oil recovery and
17 improved oil recovery program, focused on research and
18 technology transfer, can reasonably be expected to increase
19 oil production. A successful enhanced oil recovery and
20 improved oil recovery program will increase revenues to the
21 state and increase employment for its citizens; therefore
22 the state has a compelling interest in promoting widespread
23 application of enhanced oil recovery and improved oil
24 recovery technologies in Wyoming.

1

2 **Section 4.** Notwithstanding W.S. 30-8-101, of the
3 initial appointments to the enhanced and improved oil
4 recovery commission, the one (1) public at-large member,
5 one (1) member representing the oil and gas industry and
6 the legislative member shall be appointed to an initial
7 term of two (2) years.

8

9 **Section 5.** There is appropriated to the University of
10 Wyoming from the general fund, two million four hundred
11 eleven thousand five hundred dollars (\$2,411,500.00). This
12 appropriation shall be used solely to fund activities of
13 the institute for energy research and enhanced oil recovery
14 at the University of Wyoming taken in furtherance of this
15 act.

16

17 **Section 6.** This act is effective immediately upon
18 completion of all acts necessary for a bill to become law
19 as provided by Article 4, Section 8 of the Wyoming
20 Constitution.

21

22

(END)