

Oxy Brown Pelican Facility – Class VI Sequestration Comments

Ector County, Texas

Overview

On October 16/2024, Staff published notice of the subject draft permit in *The Odessa American* and held a meeting at the Odessa Marriott Hotel and Conference Center, 305 East 5th St., Odessa, Texas 79761 on November 19th, 2024. In addition, a virtual meeting was held on Wednesday, November 20th, 2024. In response, Staff received comments from five persons who attended the in-person meeting and one person who attended the virtual meeting. Five persons commented in favor including civic, industry and academic personnel. One person was not opposed but questioned potential impacts to his pore space for further development. No changes were made to the draft permit in response to comments.

None of the persons speaking requested a hearing.

Comments and Responses

Comment

A mineral owner stated that there was a perception that the only potential threat associated with the injection of CO₂ was to underground sources of drinking water (USDW). Mineral owners are also concerned that oil and gas exploration may be negatively impacted near the injection wells resulting in loss of royalties and bonuses.

Response

Although the purpose of the federal Class VI Underground Injection Control (UIC) regulations is the protection of underground sources of drinking water (USDWs), Texas Water Code §27.051 authorizes the Commission to issue a Class VI permit only if it finds, among other things, that the injection and geologic storage of carbon dioxide will not endanger or injure any oil, gas, or other mineral formation; that, with proper safeguards, both ground and surface fresh water can be adequately protected from carbon dioxide migration or displaced formation fluids; and that the injection of carbon dioxide will not endanger or injure human health and safety. Section 5.206(b)(3) of the rules states that the director may issue a permit if the applicant demonstrates, and the director finds, that injection of carbon dioxide will not endanger or injure human health and safety.

In addition, §5.204 requires the Commission to give notice of a draft permit and any hearing on the draft permit. The Commission must give general notice of a draft permit by publication once a week for three consecutive weeks in a newspaper of general circulation in each county where the storage facility is located or is to be located and must post notice

of a draft permit on the Commission's website. The Commission must also give individual notice of a draft permit and any hearing on a draft permit by mailing a copy of the notice to, among other persons: each adjoining mineral interest owner, other than the applicant, of the outermost boundary of the proposed geologic storage facility; each leaseholder and interest owner of minerals lying above or below the proposed geologic storage facility; each adjoining leaseholder of minerals offsetting the outermost boundary of the proposed geologic storage facility; each owner or leaseholder of any portion of the surface overlying the proposed geologic storage facility and the adjoining area of the outermost boundary of the proposed geologic storage facility; the clerk of the county or counties where the proposed geologic storage facility is located or is proposed to be located; the city clerk or other appropriate city official where the proposed geologic storage facility is located within city limits; and persons on the mailing list developed by the Commission, including those who request in writing to be on the list and by soliciting participants in public hearings in that area for their interest in being included on area mailing lists. Such persons may protest the draft permit and request a hearing.

Furthermore, §5.206(o)(2)(G) requires the permittee of a geologic storage well to coordinate with any operator planning to drill through the area of review (AOR) to explore for oil and gas or geothermal resources. The Commission plans to designate the AOR of geologic storage projects on the GIS maps used by the Drilling Permits Section to alert the section of a drilling permit application for a well within the AOR. A condition will be included in the drilling permit requiring the drilling permittee to notify and coordinate with the permittee of the geologic storage project of its plans to drill.

Comment

A consulting engineer and a consulting geologist spoke in favor of the Carbon Sequestration project and touted the reputation of Oxy and its extensive experience in Class II CO₂ injection for Enhanced oil recovery (EOR). One of the commenters also spoke to the more rigid standards for Class VI over Class II as supporting evidence to the safety of the project while the other spoke to the ideal geology and suitability of the Permian Basin to sequester CO₂.

Response

The Commission performs extensive Geologic and Engineering assessments of all aspects of the proposed project to ensure that both Federal and State rules are being adequately addressed and followed and that proper geological assessments are performed to prevent the migration of injected CO₂ into underground sources of drinking water.

Comment

A senior research scientist in sub-surface CO₂ storage for a large Texas University spoke of strong confidence in the requirements needed for issuance of a Class VI permit, and the evidence that carbon storage can be safely done without endangering fresh water sources. The commenter recommends descriptive text to be added to the redacted portions of the

application documents to provide the public a better understanding of the information being withheld.

Response

The Commission agrees with the science of carbon sequestration and the demonstration of earth's ability to store CO₂ safely and effectively. The redacted portions are protected business information commonly claimed by the applicants to protect their processes and intellectual information from competitors. The Commission will ensure that sufficient information is available to the public in the draft permit to provide the public with a good understanding of the proposed project.

Comments

Odessa Civic officials spoke of working with Oxy to bring this project to the Permian Basin and the potential long term economic benefits of sequestration projects. Commentors also touted the good neighbor actions of Oxy and their experience with CO₂ injection over the years.

Regulatory and Legislative Context

The issuance of this permit