



KOGGA

KENTUCKY OIL & GAS ASSOCIATION

Carbon Capture Regulatory Efforts in Kentucky

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Kentucky Oil and Gas Workgroup



Background

- The Oil and Gas Workgroup was formed in the spring of 2014 by Secretary Len Peters
- The first meeting of the workgroup was held on May 29, 2014
- The workgroup has been re-appointed by Secretaries Charles Snavely and Rebecca Goodman.



Background (ctd.)

- The Workgroup has been successful at identifying topics and reaching consensus as to statutory and regulatory changes to address them.
- The efforts of the Workgroup have resulted in a number of Bills having been passed by the Legislature to modernize the oil and gas regulatory scheme in Kentucky.



Background (ctd.)

- Topics successfully addressed by the Workgroup include:
 - FracFocus
 - Reclamation Plans
 - TENORM
 - Hearing Process Reform
 - Stratigraphic Test Wells
 - Forced Pooling
 - Bonding
 - Abandoned Storage and *Orphan Well* Reclamation Fund
 - Amendment of Bonding and Well Transfers
 - “Bad Boy” Standards
 - Ground Water Protection Plan Template
 - Orphan Well Definition and Plugging Guidelines



Background (ctd.)

- The consensus process has been praised by Leadership of the Legislature and has resulted in all Workgroup sponsored legislation successfully passing ... with only one negative vote having been cast.



Background (ctd.)

- Current members of the Workgroup:
 - Seven members of KOGA
 - Representatives of the Energy and Environment Cabinet (Secretary's Office, Department of Environmental Protection, Division of Oil and Gas, Division of Water, Division of Air Quality, Office of Energy Policy, Office of General Counsel)
 - Representatives of the Environmental Community
 - Kentucky Geological Survey
 - Kentucky Chamber of Commerce



CO₂ Sequestration and Storage

Issues to Address in Work Group

Permit Application Process

- Who will oversee the process?
- Correlative Rights with Mineral Estates
- Notice to surface and mineral owners
- Public notice and participation
- Public hearing?



- Ownership of CO₂ after injection into storage facility
 - During injection?
 - After injections into facility end?
- Oil, Gas, and CBM/CMM Development in CCS Project Area
 - Extraction of CO₂ from storage facility
- Liability and regulatory responsibility after injections end

- Fees
 - Application
 - Injection

- Creation of funds
 - Carbon Dioxide Storage Facility Trust Fund
 - Carbon Dioxide Storage Facility Administration Fund

- CO₂ Pipelines
 - Siting and Safety

- Monitoring of Facilities
- Ownership of Pore Space
- “Pooling” of Pore Space
 - Percentage Interest Required
 - Hearings
- Primacy



Primacy

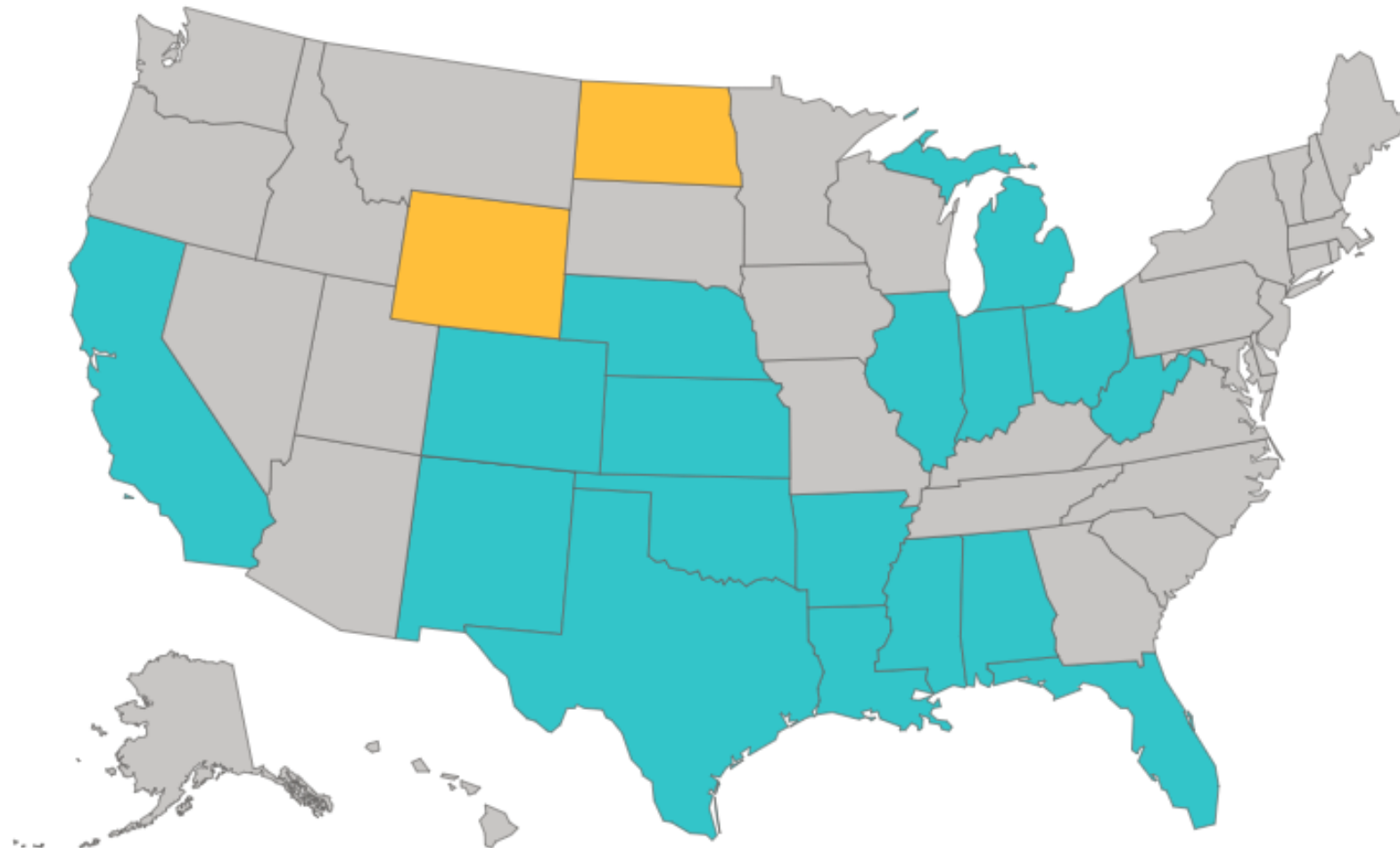
State Primacy Programs

Region	State	State Application Status	Primacy Granted Date
3	WV	Completeness Determination	
6	LA	Primacy Granted	12/28/2023
6	TX	Pre-Application Activities	
8	ND	Primacy Granted	4/4/2018
8	WY	Primacy Granted	9/3/2020
9	AZ	Completeness Determination	
10	AK	Pre-Application Activities	

Source: Hunton Andrews Kurth



Class VI Permit Applications by State



● No permits issued or pending; EPA primacy

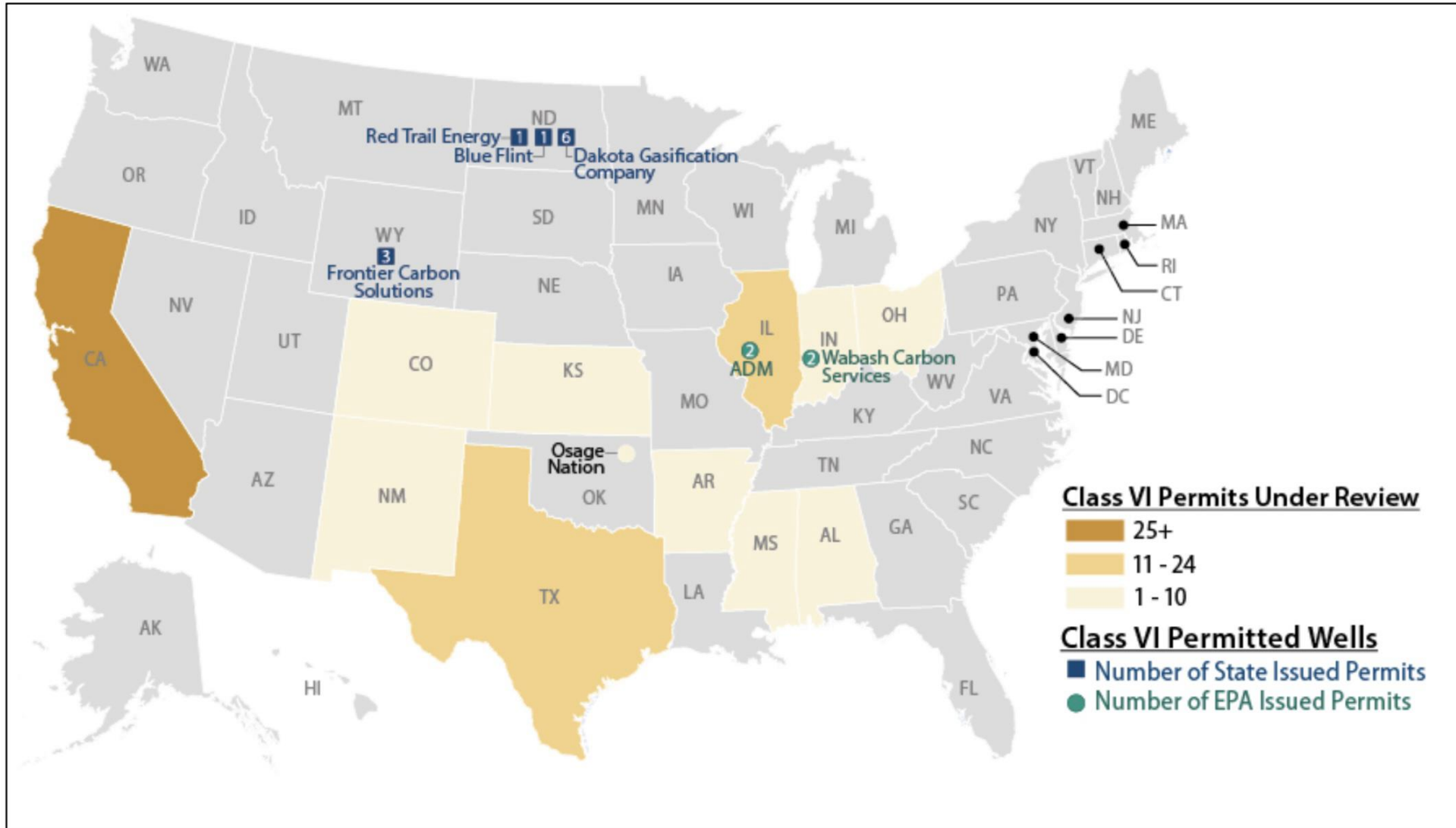
● Permits issued/applications pending; EPA primacy

● Permits issued/applications pending; State primacy

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Source: Hunton Andrews Kurth

Class VI Permits Issued and Under Review by EPA



Source: Congressional Research Service

Pending Permit
Applications

81

Issued Permits

16

Last Update: 6/21/2024

States with Primacy

3

Pending Primacy
Applications

2

Primacy
Pre-applications

2

Class VI Permit Applications

Source: Hunton Andrews Kurth

Class VI Summary Metrics

Projects Currently Under Review	Well Applications Currently Under Review	Final Permit Decisions Issued	% of Applications Received in Last 12 Months	Applications for which EPA is Waiting for Applicant Response	Applications Currently On Applicant Requested Hold
48	139	4	35%	48	1

Metrics for Well Applications Currently Under Review (by Review Phase)

Well Applications in Completeness Review Phase	Well Applications in Technical Review Phase	Well Applications in Prepare Draft Permit Phase	Well Applications in Public Comment Period Phase	Well Applications in Prepare Final Permit Decision Phase
6	129	0	0	4

Source: EPA

Class VI Permit Applications

Wells	No. of Projects	Permit Status
200	81	Pending
18	17	Issued
1	1	Denied
9	4	Application Withdrawn



Class VI Permit Applications

EPA Region State Wells No. of Projects Permit Status

3 WV 2 1 Pending



Class VI Permit Applications

EPA Region State Wells No. of Projects Permit Status

4	AL	7	2	Pending
4	FL	3	1	Pending
4	MS	2	1	Pending
4	MS	6	1	Application Withdrawn



Class VI Permit Applications

EPA Region	State	Wells	No. of Projects	Permit Status
5	IL	20	7	Pending
5	IL	2	2	Issued
5	IL	1	1	Application Withdrawn
5	IN	2	2	Pending
5	IN	2	1	Issued
5	MI	2	1	Pending
5	OH	1	1	Pending

Class VI Permit Applications

EPA Region State Wells No. of Projects Permit Status

6	AR	2	1	Pending
6	LA	60	25	Pending
6	NM	1	1	Pending
6	OK	2	1	Pending
6	TX	34	14	Pending



Class VI Permit Applications

EPA Region State Wells No. of Projects Permit Status

7	KS	2	2	Pending
7	NE	1	1	Pending



Class VI Permit Applications

EPA Region State Wells No. of Projects Permit Status

8	CO	2	2	Pending
8	ND	6	6	Pending
8	ND	11	11	Issued
8	WY	1	1	Pending
8	WY	3	3	Issued
8	WY	1	1	Denied

Class VI Permit Applications

EPA Region	State	Wells	No. of Projects	Permit Status
9	CA	50	11	Pending
9	CA	2	2	Application Withdrawn





Thank you.



KOGA

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