

NATURAL RESOURCES CODE

TITLE 3. OIL AND GAS

SUBTITLE D. REGULATION OF SPECIFIC BUSINESSES AND OCCUPATIONS
CHAPTER 119. OWNERSHIP OF CARBON DIOXIDE CAPTURED BY CLEAN COAL
PROJECT

Sec. 119.001. DEFINITIONS. In this chapter:

(1) "Clean coal project" has the meaning assigned by Section 5.001, Water Code.

(2) "Commission" means the Railroad Commission of Texas.

Added by Acts 2006, 79th Leg., 3rd C.S., Ch. 8 (H.B. 149), Sec. 1, eff. September 1, 2006.

Sec. 119.002. ACQUISITION OF CARBON DIOXIDE. (a) The commission shall acquire title to carbon dioxide captured by a clean coal project.

(b) The right, title, and interest in carbon dioxide acquired under this section are the property of the commission, acting on behalf of the state, and shall be administered and controlled by the commission in the name of the state.

(c) A right, title, or interest acquired under this section does not vest in any fund created by the Texas Constitution.

Added by Acts 2006, 79th Leg., 3rd C.S., Ch. 8 (H.B. 149), Sec. 1, eff. September 1, 2006.

Sec. 119.0025. MONITORING OF SEQUESTERED CARBON DIOXIDE. The Bureau of Economic Geology of The University of Texas at Austin shall monitor, measure, and verify the permanent status of sequestered carbon dioxide in which the commission has acquired the right, title, and interest under Section 119.002.

Added by Acts 2007, 80th Leg., R.S., Ch. 562 (S.B. 1461), Sec. 3, eff. September 1, 2007.

Sec. 119.003. TRANSFER COSTS. Carbon dioxide transferred to the state under Section 119.002 shall be transferred to the state without cost, other than administrative and legal costs incurred in

making the transfer.

Added by Acts 2006, 79th Leg., 3rd C.S., Ch. 8 (H.B. 149), Sec. 1, eff. September 1, 2006.

Sec. 119.004. LIABILITY. (a) The transfer of title to the state under Section 119.002 does not relieve an owner or operator of a clean coal project of liability for any act or omission regarding the generation of carbon dioxide performed before the carbon dioxide was captured.

(b) On the date the commission acquires the right, title, and interest in carbon dioxide captured by a clean coal project under Section 119.002, the owner or operator of the clean coal project is relieved from liability for any act or omission regarding the carbon dioxide injection location, and the method or means of performing carbon dioxide injection, if the injection location and method or means of injection comply with the terms of a license or permit issued by the state and applicable state law and regulations.

(c) Notwithstanding Subsection (b), no owner, operator, or contractor of the clean coal project is immune from liability for personal injury or death that results from construction of the site, or drilling or operation of the injection wells.

Added by Acts 2006, 79th Leg., 3rd C.S., Ch. 8 (H.B. 149), Sec. 1, eff. September 1, 2006.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 562 (S.B. 1461), Sec. 4, eff. September 1, 2007.

Sec. 119.005. SALE OF CARBON DIOXIDE FOR BENEFICIAL USE.

(a) The commission may sell, for enhanced oil recovery or other beneficial use, carbon dioxide that is:

- (1) captured by a clean coal project; and
- (2) not injected for permanent storage in a geologic formation.

(b) The commission shall deposit any proceeds from the sale of carbon dioxide under this section to the credit of the general revenue fund.

Added by Acts 2006, 79th Leg., 3rd C.S., Ch. 8 (H.B. 149), Sec. 1, eff. September 1, 2006.

Sec. 119.006. INDEMNIFICATION. The University of Texas System, the permanent university fund, and the Texas Board of Criminal Justice may enter into a lease with the commission or with an owner or operator of a clean coal project for the use of lands owned or controlled by the system, the fund, or the board for permanent storage of carbon dioxide captured by a clean coal project, provided that such lease adequately indemnifies the system, the fund, the board, and the Texas Department of Criminal Justice against liability for personal injury or property damage incurred by the system, the fund, the board, or the department as a result of the escape or migration of the carbon dioxide after it is injected into a zone or reservoir. This section does not affect the application of Chapter 101, Civil Practice and Remedies Code, to any activity carried out by a governmental unit, as defined by that chapter.

Added by Acts 2006, 79th Leg., 3rd C.S., Ch. 8 (H.B. 149), Sec. 1, eff. September 1, 2006.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 562 (S.B. 1461), Sec. 5, eff. September 1, 2007.

Sec. 119.007. REPRESENTATION BY ATTORNEY GENERAL. (a) In this section, "state agency" includes:

(1) a department, commission, board, office, or other agency in the legislative, executive, or judicial branch of state government; and

(2) a university system or institution of higher education as defined by Section 61.003, Education Code.

(b) A state agency may request the attorney general to represent the state agency in a legal proceeding that arises from an escape or migration of carbon dioxide captured or sequestered in connection with a clean coal project.

(c) If the attorney general declines to represent the state agency, the state agency may obtain outside counsel in accordance

with Section [402.0212](#), Government Code, and for purposes of that section, the attorney general's declination to represent the agency constitutes the attorney general's approval of the outside counsel for the matter.

Added by Acts 2007, 80th Leg., R.S., Ch. 562 (S.B. [1461](#)), Sec. 6, eff. September 1, 2007.