



**For Immediate Release**

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## **LEGISLATION TO EXTEND LIFE OF TEXAS OIL FIELDS REACHES HOUSE COMMITTEE**

*HB 3586 could help increase oil production by billions of barrels,  
add millions to state coffers, and reduce CO<sub>2</sub>*

**AUSTIN, Texas (April 18, 2011)** – This Wednesday the Texas Carbon Capture and Storage Association (TxCCSA) will testify in support of HB 3586, regarding majority rights protection (MRP) or “unitization” in Texas oil fields. The bill establishes a legal framework to protect the property rights of Texas’ oil field owners by allowing a supermajority of owners to redevelop the field and exercise their economic rights. The Texas House Energy Resources Committee will conduct the hearing.<sup>1</sup>

Among those testifying at the hearing will be Steve Melzer, President of TxCCSA. “MRP is critical to extending the life of our valuable oil fields in Texas,” said Melzer. “We also believe this legislation will enable Texans to breathe new life into dormant fields, thanks to carbon dioxide enhanced oil recovery (CO<sub>2</sub> EOR), which the Association enthusiastically supports.”

The hearing is historic and represents the first time in a decade that MRP or unitization has been debated in the Texas Legislature.

Under HB 3586, a supermajority of landowners of a reservoir can agree to operate the reservoir as a single unit, thereby increasing the life and economic yield of the reservoir.

The bill would also increase the scope of EOR in the state of Texas. CO<sub>2</sub> EOR is the process by which carbon dioxide is injected into oil reservoirs, yielding up to 30% of the “unrecoverable” oil still left in place. UT’s Bureau of Economic Geology estimates that CO<sub>2</sub> EOR could yield an additional 10 to 23 billion barrels of oil in Texas alone, while other studies that include residual oil zones estimate even greater yields.

EOR has been utilized in Texas for nearly 40 years, through the use of naturally-occurring underground CO<sub>2</sub>. TxCCSA and its members are working to make more man-made sources of CO<sub>2</sub> available for EOR through clean coal technology and capture of CO<sub>2</sub> from other industrial sources.

The Texas Carbon Capture and Storage Association supports MRP as a contributor to energy security, enhancements to Texas’ economic future, as well as a carbon mitigation technology. According to TxCCSA, General Counsel Darrick Eugene, “Through MRP-supported geological storage, Texas can realize a triple win by extending the life and tax contributions of Texas oilfields, contributing to finding and producing additional sources of domestic energy, and facilitating the use of our abundant coal reserves while reducing the emission of CO<sub>2</sub> into the atmosphere.”

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*The Texas Carbon Capture and Storage Association (TxCCSA)* is a privately-funded 501(c)(6) organization committed to promoting energy security and environmental benefits through the advancement of carbon capture and storage in Texas.

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<sup>1</sup> More information available at: <http://www.house.state.tx.us/committees/committee/?committee=250&session=82>