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Media Contact:

Melita Elmore  
512-801-1515  
melmore@txccsa.org

Darrick Eugene  
512-423-4266  
deugene@txccsa.org

## **TEXAS LEADERSHIP ON CO<sub>2</sub> MAPS FUTURE FOR PIPELINE INFRASTRUCTURE IN U.S.**

*State-level regulation, market-driven development lead recommendations in new report co-authored by TxCCSA*

**AUSTIN, Texas (February 1, 2011)** – Texas’ development of a thriving CO<sub>2</sub> pipeline infrastructure years before carbon restrictions were ever considered could be the key to a national infrastructure in the future, according to a joint task force report released this week. The Dept. of Energy-funded report recommends a private-sector model with federal incentives for the widespread deployment of pipelines connecting sources of carbon dioxide with appropriate geologic formations for storage. Officers of the Texas Carbon Capture and Storage Association contributed to this report, which included input from across the industry.

“We have been moving very large quantities of CO<sub>2</sub> in pipelines while safely and profitably injecting it underground in the Permian Basin for over 35 years,” said TxCCSA President Steve Melzer. “The model employed to date has been exclusively through private-sector funding. Many of us believe that model will scale up quite nicely and work well for carbon capture and storage, becoming the key to swift and more widespread deployment.”

The U.S. currently has about 4,000 miles of CO<sub>2</sub> pipelines, with nearly 1,700 miles in Texas. The state currently produces 15% of its oil by means of CO<sub>2</sub>-based enhanced oil recovery (EOR). A wider CO<sub>2</sub> pipeline network could increase EOR operations around the country, create jobs, provide much-needed tax revenues, and sequester CO<sub>2</sub> from the atmosphere.

Last month, TxCCSA member Denbury Resources announced plans to begin EOR operations in the historic yet long-dormant Hastings oil field, thanks to the near-completion of Denbury’s Green Pipeline Project. It is expected this CO<sub>2</sub> pipeline will revive several older oil fields along the way, stretching from south Louisiana to Hastings.

The report recommends allowing states to implement policies necessary to deploy a wide-scale CO<sub>2</sub> pipeline network. It recommends the federal government respect market forces, by providing financial and other incentives to ease rollout.

Melzer, TxCCSA vice president Michael Moore, and general counsel Darrick Eugene contributed to the report. The authors, who included policymakers, regulators, and industry leaders, comprised the DOE-funded Pipeline Transportation Task Force, which was led by the Southern States Energy Board and the Interstate Oil and Gas Compact Commission.

According to the report, the goal of the task force has been to “provide recommendations to help facilitate a national CO<sub>2</sub> pipeline infrastructure with rational regulatory oversight that is responsive to market forces and national carbon management policies.”

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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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Full report available online, <http://www.sseb.org/downloads/pipeline.pdf>

Dept. of Energy press release available online, [http://www.fossil.energy.gov/news/techlines/2011/11007-New\\_Report\\_Analyzes\\_CO2\\_Pipeline\\_S.html](http://www.fossil.energy.gov/news/techlines/2011/11007-New_Report_Analyzes_CO2_Pipeline_S.html)