



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Alaska Oil and Gas Conservation Commission

333 West Seventh Avenue
Anchorage, Alaska 99501-3572
Main: 907.279.1433
Fax: 907.276.7542
www.aogcc.alaska.gov

May 16, 2025

Mr. Joe Balash
Senior Vice President External Affairs
Santos
601 West 5th Avenue
Anchorage, AK, 99501

Re: Santos Comments on AOGCC's Intention to Pursue Class VI Primacy
Docket Number: R-24-002
Carbon Storage Facility Regulations
Class VI Primacy Application

Dear Mr. Balash:

Thank you for submitting your comments to the Alaska Oil and Gas Conservation Commission (AOGCC) in response to the Notice of Public Scoping and Notice of Public Hearing (Notice). The hearing was held on November 7, 2024. As was stated in the Notice, AOGCC is intending to apply for Class VI primary enforcement authority (Primacy) from the United States Environmental Protection Agency (EPA) as a new well Class within the Underground Injection Control (UIC) program, and to engage with surface and subsurface landowners, industry, and other interested or affected stakeholders for their ideas and suggestions before the AOGCC undertakes the task of drafting any specific proposed regulations for public review.

AOGCC is now developing draft regulations for carbon storage and Class VI wells in Alaska. When ready, these proposed regulations will be noticed for public comment and public hearing. We encourage you to continue to engage with AOGCC throughout this regulation development process.

AOGCC's responses to your comments are below:

- The intent of the AOGCC Class VI permitting regulations is to evaluate each prospective project on a case-by-case basis. AOGCC, in general, agrees with the Santos comment that existing oil and gas reservoirs would seem to make promising storage reservoirs, and believes that the EPA and the existing Class II and Class VI code is structured to evaluate this. AOGCC plans to consider and allow the use of active or depleted oil and gas reservoirs for carbon storage purposes and enhanced oil recovery.*

2. *Converting an existing Class II enhanced oil or gas recovery well to a Class VI well will be detailed in proposed regulations at 20 AAC 25.444 which will be reviewed by EPA during the primacy process to ensure the AOGCC regulations are as stringent as the federal code of [40 CFR 144.19](#). AOGCC also notes that Class II EOR transition to carbon storage can occur under the Class II program when it can be determined there is no increased risk to USDW's compared to Class II operations. AOGCC's priority in drafting regulations is to achieve a Class VI program for carbon storage. A future goal is a regulation package integrating carbon storage within the existing Class II program that would include mandated requirements of AS 41.06.105 – AS 41.06.210, the Carbon Capture, Utilization, and Storage Act. AOGCC regulations should complement DNR regulations (effective February 2025), while also accommodating yet to be determined non-DNR landowner leasing structures.*
3. *Alaska Statute AS 41.06.105 – AS 41.06.210 provides for AOGCC issuing a certificate of completion prior to DNR taking on the long term monitoring requirements of the carbon storage Class VI program.*
4. *Class VI financial responsibility (bonding) will be as stringent as the [40 CFR 144.85](#). Issuance of a certificate of completion would release a storage operator from some financial responsibility and as per AS 41.06.105 – AS 41.06.210 the title to carbon dioxide would revert to the pore space owner. Surface facility and other pipelines etc would be as per land use agreements with the respective surface and subsurface owners. DNR bonding requirements would be in addition to AOGCC financial responsibility, but if in the acceptable format and amount could be utilized by either DNR or AOGCC so as to not impose duplicative bonding.*
5. *AOGCC agrees that multiple aspects of the existing oil and gas regulatory framework work well with the Class VI program, but to meet the Class VI primacy stringency requirements, the federal code is taking precedent.*
6. *The interaction of the various reservoir leasing scenarios and interaction between enhanced oil recovery and carbon storage will need careful management. The leasing requirements will dictate the use of the subsurface. AOGCC, by statute, has amalgamating authority to ensure correlative rights are protected.*

Sincerely,

Jessie L.
Chmielowski

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Jessie L. Chmielowski
Commissioner

Gregory C. Wilson

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Gregory C. Wilson
Commissioner