

111TH CONGRESS
2^D SESSION

S. 3509

To amend the Energy Policy Act of 2005 to promote the research and development of technologies and best practices for the safe development and extraction of natural gas and other petroleum resources, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 17, 2010

Mr. UDALL of Colorado (for himself, Mrs. SHAHEEN, and Mr. BINGAMAN) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To amend the Energy Policy Act of 2005 to promote the research and development of technologies and best practices for the safe development and extraction of natural gas and other petroleum resources, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Safer Oil and Gas Pro-
5 duction Research and Development Act of 2010”.

1 **SEC. 2. PROGRAM AUTHORITY.**

2 Section 999A of the Energy Policy Act of 2005 (42
3 U.S.C. 16371) is amended—

4 (1) in subsection (a)—

5 (A) by striking “ultra-deepwater” and in-
6 serting “deepwater”; and

7 (B) by inserting “well control and accident
8 prevention,” after “safe operations,”;

9 (2) in subsection (b)—

10 (A) by striking paragraph (1) and insert-
11 ing the following:

12 “(1) Deepwater architecture, well control and
13 accident prevention, and deepwater technology, in-
14 cluding drilling to deep formations in waters greater
15 than 500 feet.”; and

16 (B) by striking paragraph (4) and insert-
17 ing the following:

18 “(4) Safety and environmental technology re-
19 search and development for drilling activities aimed
20 at well control and accident prevention performed by
21 the Department.”; and

22 (3) in subsection (d)—

23 (A) in the subsection heading, by striking
24 “NATIONAL ENERGY TECHNOLOGY LABORA-
25 TORY” and inserting “DEPARTMENT”; and

1 (B) by striking “, through the National
2 Energy Technology Laboratory,”.

3 **SEC. 3. SAFE OIL AND GAS PRODUCTION ACCIDENT PRE-**
4 **VENTION RESEARCH AND DEVELOPMENT**
5 **PROGRAM.**

6 Section 999B of the Energy Policy Act of 2005 (42
7 U.S.C. 16372) is amended—

8 (1) in the section heading, by striking “**ULTRA-**
9 **DEEPWATER AND UNCONVENTIONAL ONSHORE**
10 **NATURAL GAS AND OTHER PETROLEUM**” and
11 inserting “**SAFE OIL AND GAS PRODUCTION AND**
12 **ACCIDENT PREVENTION**”;

13 (2) in subsection (a), by striking “to maximize”
14 and all that follows through the period at the end
15 and inserting “to ensure the safe and environ-
16 mentally responsible production of natural gas and
17 other petroleum resources of the United States.”;

18 (3) in subsection (c)(1)—

19 (A) by redesignating subparagraphs (D)
20 and (E) as subparagraphs (E) and (F), respec-
21 tively; and

22 (B) by inserting after subparagraph (C)
23 the following:

24 “(D) select projects on a competitive, peer-
25 reviewed basis.”; and

1 (4) in subsection (d)—

2 (A) in paragraph (6), by striking “ultra-
3 deepwater” and inserting “deepwater”;

4 (B) by striking paragraph (7) and insert-
5 ing the following:

6 “(7) FOCUS AREAS FOR AWARDS.—

7 “(A) DEEPWATER RESOURCES.—Awards
8 from allocations under section 999H(d)(1) shall
9 focus on the research, development, and dem-
10 onstration of areas that include—

11 “(i) individual exploration and produc-
12 tion technologies aimed at improving oper-
13 ational safety and reducing environmental
14 impacts of exploration and production ac-
15 tivities, including drilling, well integrity
16 systems, well control, and blowout preven-
17 tion;

18 “(ii) nontoxic materials for use in ex-
19 ploration and production activities; and

20 “(iii) integrated systems approach
21 based management for exploration and
22 production in deepwater.

23 “(B) UNCONVENTIONAL RESOURCES.—
24 Awards from allocations under section
25 999H(d)(2) shall focus on research, develop-

1 ment, and demonstration of areas that in-
2 clude—

3 “(i) advanced coalbed methane, deep
4 drilling, natural gas production from tight
5 sands, natural gas production from gas
6 shales, stranded gas, innovative exploration
7 and production techniques, and enhanced
8 recovery techniques;

9 “(ii) nontoxic materials for use in ex-
10 ploration and production activities;

11 “(iii) safety and environmental miti-
12 gation in exploration and production activi-
13 ties; and

14 “(iv) accident prevention and environ-
15 mental mitigation of unconventional nat-
16 ural gas and other petroleum resources ex-
17 ploration and production.

18 “(C) SMALL PRODUCERS.—Awards from
19 allocations under section 999H(d)(3) shall be
20 made to consortia consisting of small producers
21 or organized primarily for the benefit of small
22 producers, and shall focus on areas that in-
23 clude—

24 “(i) safety and accident prevention,
25 environmental mitigation, well control and

1 systems integrity, and complex geology in-
 2 volving rapid changes in the type and qual-
 3 ity of the oil and gas reservoirs across the
 4 reservoir;

5 “(ii) low reservoir pressure, unconven-
 6 tional natural gas reservoirs in coalbeds,
 7 deep reservoirs, tight sands, or shales; and

8 “(iii) unconventional oil reservoirs in
 9 tar sands and oil shales.

10 “(D) SAFETY AND ACCIDENT PREVENTION
 11 TECHNOLOGY RESEARCH AND DEVELOP-
 12 MENT.—Awards from allocations under section
 13 999H(d)(4) shall be expended on areas that in-
 14 clude—

15 “(i) the development of improved ce-
 16 menting and casing technologies;

17 “(ii) the best management practices
 18 for cementing, casing, and other well con-
 19 trol activities and technologies; and

20 “(iii) the development of integrity and
 21 stewardship guidelines for—

22 “(I) well-plugging and abandon-
 23 ment;

24 “(II) development of wellbore
 25 sealant technologies; and

1 “(III) improvement and stand-
2 ardization of blowout prevention de-
3 vices.”; and

4 (C) by adding at the end the following:

5 “(8) STUDY; REPORT.—

6 “(A) STUDY.—As soon as practicable after
7 the date of enactment of this paragraph, the
8 Secretary shall enter into an arrangement with
9 the National Academy of Sciences under which
10 the Academy shall conduct a study to deter-
11 mine—

12 “(i) whether the benefits provided
13 through each award under this subsection
14 during calendar year 2011 have been maxi-
15 mized; and

16 “(ii) the new areas of research that
17 could be carried out to meet the overall ob-
18 jectives of the program.

19 “(B) REPORT.—Not later than January 1,
20 2012, the Secretary shall submit to the appro-
21 priate committees of Congress a report that
22 contains a description of the results of the
23 study conducted under subparagraph (A).

24 “(C) OPTIONAL UPDATES.—The Secretary
25 may update the report described in subpara-

1 graph (B) for the 5-year period beginning on
2 the date described in that subparagraph and
3 each 5-year period thereafter.”;

4 (5) in subsection (e)—

5 (A) in paragraph (2)—

6 (i) in the second sentence of subpara-
7 graph (A), by inserting “to the Secretary
8 for review” after “submit”; and

9 (ii) in the first sentence of subpara-
10 graph (B), by striking “Ultra-Deepwater”
11 and all that follows through “and such Ad-
12 visory Committees” and inserting “Pro-
13 gram Advisory Committee established
14 under section 999D(a), and the Advisory
15 Committee”; and

16 (B) by adding at the end the following:

17 “(6) RESEARCH FINDINGS AND RECOMMENDA-
18 TIONS FOR IMPLEMENTATION.—The Secretary, in
19 consultation with the Secretary of the Interior and
20 the Administrator of the Environmental Protection
21 Agency, shall publish in the Federal Register an an-
22 nual report on the research findings of the program
23 carried out under this section and any recommenda-
24 tions for implementation that the Secretary, in con-
25 sultation with the Secretary of the Interior and the

1 Administrator of the Environmental Protection
2 Agency, determines to be necessary.”;

3 (6) in subsection (i)—

4 (A) in the subsection heading, by striking
5 “UNITED STATES GEOLOGICAL SURVEY” and
6 inserting “DEPARTMENT OF THE INTERIOR”;
7 and

8 (B) by striking “, through the United
9 States Geological Survey,”; and

10 (7) in the first sentence of subsection (j), by
11 striking “National Energy Technology Laboratory,
12 on behalf of the”.

13 **SEC. 4. ADDITIONAL REQUIREMENTS FOR AWARDS.**

14 Section 999C(b) of the Energy Policy Act of 2005
15 (42 U.S.C. 16373(b)) is amended by striking “an ultra-
16 deepwater technology or an ultra-deepwater architecture”
17 and inserting “a deepwater technology”.

18 **SEC. 5. PROGRAM ADVISORY COMMITTEE.**

19 Section 999D of the Energy Policy Act of 2005 (42
20 U.S.C. 16374) is amended to read as follows:

21 **“SEC. 999D. PROGRAM ADVISORY COMMITTEE.**

22 “(a) ESTABLISHMENT.—Not later than 270 days
23 after the date of enactment of the Safer Oil and Gas Pro-
24 duction Research and Development Act of 2010, the Sec-
25 retary shall establish an advisory committee to be known

1 as the ‘Program Advisory Committee’ (referred to in this
2 section as the ‘Advisory Committee’).

3 “(b) MEMBERSHIP.—

4 “(1) IN GENERAL.—The Advisory Committee
5 shall be composed of members appointed by the Sec-
6 retary, including—

7 “(A) individuals with extensive research
8 experience or operational knowledge of hydro-
9 carbon exploration and production;

10 “(B) individuals broadly representative of
11 the affected interests in hydrocarbon produc-
12 tion, including interests in environmental pro-
13 tection and safety operations;

14 “(C) representatives of Federal agencies,
15 including the Environmental Protection Agency
16 and the Department of the Interior;

17 “(D) State regulatory agency representa-
18 tives; and

19 “(E) other individuals, as determined by
20 the Secretary.

21 “(2) LIMITATIONS.—

22 “(A) IN GENERAL.—The Advisory Com-
23 mittee shall not include individuals who are
24 board members, officers, or employees of the
25 program consortium.

1 “(B) CATEGORICAL REPRESENTATION.—In
2 appointing members of the Advisory Committee,
3 the Secretary shall ensure that no class of indi-
4 viduals described in any of subparagraphs (A),
5 (B), (D), or (E) of paragraph (1) comprises
6 more than $\frac{1}{3}$ of the membership of the Advi-
7 sory Committee.

8 “(c) SUBCOMMITTEES.—The Advisory Committee
9 may establish subcommittees for separate research pro-
10 grams carried out under this subtitle.

11 “(d) DUTIES.—The Advisory Committee shall—

12 “(1) advise the Secretary on the development
13 and implementation of programs under this subtitle;
14 and

15 “(2) carry out section 999B(e)(2)(B).

16 “(e) COMPENSATION.—A member of the Advisory
17 Committee shall serve without compensation but shall be
18 entitled to receive travel expenses in accordance with sub-
19 chapter I of chapter 57 of title 5, United States Code.

20 “(f) PROHIBITION.—The Advisory Committee shall
21 not make recommendations on funding awards to par-
22 ticular consortia or other entities, or for specific
23 projects.”.

1 **SEC. 6. DEFINITIONS.**

2 Section 999G of the Energy Policy Act of 2005 (42
3 U.S.C. 16377) is amended—

4 (1) in paragraph (1), by striking “200 but less
5 than 1,500 meters” and inserting “500 feet”;

6 (2) by striking paragraphs (8), (9), and (10);

7 (3) by redesignating paragraphs (2) through
8 (7) and (11) as paragraphs (4) through (9) and
9 (10), respectively;

10 (4) by inserting after paragraph (1) the fol-
11 lowing:

12 “(2) DEEPWATER ARCHITECTURE.—The term
13 ‘deepwater architecture’ means the integration of
14 technologies for the exploration for, or production of,
15 natural gas or other petroleum resources located at
16 deepwater depths.

17 “(3) DEEPWATER TECHNOLOGY.—The term
18 ‘deepwater technology’ means a discrete technology
19 that is specially suited to address 1 or more chal-
20 lenges associated with the exploration for, or produc-
21 tion of, natural gas or other petroleum resources lo-
22 cated at deepwater depths.”; and

23 (5) in paragraph (10) (as redesignated by para-
24 graph (3)), by striking “in an economically inacces-
25 sible geological formation, including resources of
26 small producers”.

1 **SEC. 7. FUNDING.**

2 Section 999H of the Energy Policy Act of 2005 (42
3 U.S.C. 16378) is amended—

4 (1) in the first sentence of subsection (a) by
5 striking “Ultra-Deepwater and Unconventional Nat-
6 ural Gas and Other Petroleum Research Fund” and
7 inserting “Safe Oil and Gas Production and Acci-
8 dent Prevention Research Fund”;

9 (2) in subsection (d)—

10 (A) in paragraph (1), by striking “35 per-
11 cent” and inserting “21.5 percent”;

12 (B) in paragraph (2), by striking “32.5
13 percent” and inserting “21 percent”; and

14 (C) in paragraph (4)—

15 (i) by striking “25 percent” and in-
16 serting “50 percent”;

17 (ii) by striking “complementary re-
18 search” and inserting “safety technology
19 research and development”; and

20 (iii) by striking “contract manage-
21 ment,” and all that follows through the pe-
22 riod at the end and inserting “and contract
23 management.”; and

24 (3) in subsection (f), by striking “Ultra-Deep-
25 water and Unconventional Natural Gas and Other

1 Petroleum Research Fund” and inserting “Safe and
2 Responsible Energy Production Research Fund”.

3 **SEC. 8. CONFORMING AMENDMENT.**

4 Subtitle J of title IX of the Energy Policy Act of
5 2005 (42 U.S.C. 16371 et seq.) is amended by striking
6 the subtitle heading and inserting “**Safe Oil and Gas**
7 **Production and Accident Prevention Pro-**
8 **gram**”.

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