Gov Visits First Injection Oil Wells in Montana

MATT GOURAS, Associated Press

BROADUS, Mont. (AP) — Gov. Steve Bullock joined oil company officials on Friday to laud the state's first production carbon dioxide injection oil field as a big step forward.

Denbury Resources Inc. held a ribbon-cutting at its Bell Creek plant in southeastern Montana.

The company said it has invested more than $300 million in an effort to revive a 1960s era oil field. Carbon dioxide is piped 232 miles to the plant from coal operations in Wyoming, and pumped underground to force out more oil.

Bullock said the technology is good for the environment by capturing the greenhouse gas, and good for the economy by bringing more jobs and tax base to the state. He said the enhanced oil recovery can help keep energy affordable.

"This is cutting edge technology, this is innovative, and we are all here to celebrate these accomplishments," Bullock said.

Supporters say the technology helps reduce carbon emission by giving other industrial plants a place to store it.

The Bell Creek plant, like other Denbury operations elsewhere, takes an oil field about tapped out through conventional methods and extends the production life decades by applying pressurized carbon dioxide to the oil.

"I know it's kind of funny to say you are an oil company that is good for the environment, but we really are," said Denbury President and CEO Phil Rykhoek.

The company began, earlier this summer, pumping carbon dioxide into the existing oil cavity through old oil wells.

The Plano, Texas-based company bought the oil field in 2010, and ultimately expects to produce another 30 million barrels of oil out of it. It is now making plans for a much larger recovery operation on the Montana and North Dakota border.

Bullock and company officials said they hope to find ways the state can help train workers for high-paying jobs at the expanding facilities. The company said it has also promised to ensure it doesn't disrupt sage grouse recovery efforts in the region.

"We plan to spend a lot of money, and be in Montana a long time," Rykhoek said.

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