

CASE STUDIES

Baker Donelson Drafts Pore-Space Lease Agreement for Carbon Capture and Sequestration (CCS) Project

Pore-Space Lease Agreement

Client industry: Oil & Gas / Renewables / Carbon Capture & Sequestration

Type of Project: Pore-Space Lease Agreement

Result: Client entered into one of the first pore-space lease agreements in Louisiana

Baker Donelson's client, one of the largest private landowners in the State of Louisiana and the United States, asked Baker Donelson to assist it with the development of a pore-space lease agreement template that could be used for future Carbon Capture and Sequestration (CCS) projects in and around Louisiana. The client is the surface owner of numerous acres of pore space in Louisiana.

"Pore space" refers to geological formations that are located underground that can be used for storing carbon dioxide (or other oxides) in perpetuity in the designated pore space. Louisiana, in particular, is well suited for CCS and Carbon Capture Utilization and Storage (CCUS) projects because of its natural geology and the fact that Louisiana has a lot of old oil and gas formations that can be used to store carbon dioxide in Class VI wells.

Baker Donelson, given its experience in the area of CCS/CCUS, assisted its client regarding its first pore-space lease agreement that will be used for the evaluation and potential development of a CCS/CCUS project to be based in Livingston Parish, Louisiana. The development and construction of the pore-space lease agreement marks the client's first step in building its carbon capture and storage business across the Gulf Coast, and is one of the first such lease agreements in Louisiana.

Results may vary depending on your particular facts and legal circumstances.