



18 July 2023



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## ExxonMobil to become No. 1 owner-operator of CO2 pipelines in U.S. with Denbury purchase

By **10/12 Industry Report Staff**

ExxonMobil Corp. [announced](#) last week that it has entered into a definitive agreement to acquire Denbury Inc. in an all-stock transaction valued at \$4.9 billion.

The acquisition will make ExxonMobil the largest owner and operator of carbon dioxide, or CO2, pipelines in the U.S. at 1,300 miles, with almost 925 miles of that network concentrated in Louisiana, Texas and Mississippi.

Denbury recently announced its plans to develop an 8,500-acre CO2 sequestration site about 50 miles northeast of Baton Rouge, as [reported](#) in *Daily Report*. Named Virgo, the site will have an estimated storage capacity of at least 100 million metric tons of CO2 and be ready to accept its first injection as early as 2026. The company also has sequestration projects planned near Donaldsonville and New Orleans.

Once Denbury's Gulf Coast-based carbon capture, sequestration and storage assets are fully developed, the combined assets of both companies will have the potential to reduce the region's emissions by 100 million metric tons per year, according to Dan Ammann, president of ExxonMobil Low Carbon Solutions.

In addition to its carbon capture and storage assets, ExxonMobil will also acquire Denbury's oil and natural gas operations in the Gulf Coast and Rocky Mountain regions, which have proven reserves totaling over 200 million barrels of oil equivalent and a daily production capacity of 47,000 oil-equivalent barrels per day.

The boards of both companies have unanimously approved the deal, which is also subject to approval by Denbury shareholders. The transaction is expected to close in the fourth quarter. [Read the full announcement.](#)

GREATER  BATON ROUGE  
**BusinessReport**

TUESDAY, JUNE 27, 2023

Company plans to develop a CO2 sequestration site north of Baton Rouge



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By **Eric L. Taylor**

Denbury Inc. will develop an 8,500-acre site to sequester carbon dioxide, or CO<sub>2</sub>, about 50 miles northeast of Baton Rouge in St. Helena Parish, the company [announced](#) this morning.

Denbury estimates the site, named Virgo, will have a storage capacity of at least 100 million metric tons and will be ready to accept its first injection as early as 2026.

Nik Wood, senior vice president of carbon capture, utilization and storage for Denbury, says in a prepared statement that the site was chosen in part because of its proximity to the company's existing pipeline infrastructure. Virgo is less than 5 miles from Denbury's Northeast Jackson Dome pipeline, which runs from Donaldsonville to Jackson, Mississippi.

Denbury also announced the formation of a joint venture with Lapis Energy to develop a CO<sub>2</sub> sequestration project 20 miles outside of New Orleans, in St. Charles Parish. That site, named Libra, is expected to have a storage capacity of 200 million metric tons of CO<sub>2</sub> and be ready for its first injection in 2027. The location lacks pipeline infrastructure, so the joint venture partners plan to build a 45-mile connection to the existing pipeline network.

Last year, Denbury signed a lease for an 18,000-acre CO<sub>2</sub> sequestration site in Donaldsonville. [Read the announcement.](#)



Texas firm expands Louisiana carbon capture reach with St. Charles, St. Helena projects

### **Denbury signs storage pacts with Lapis Energy, Soterra LLC**

**BY ROBERT STEWART | Staff writer**

June 27, 2023

Denbury Inc., a Texas exploration, pipeline and carbon sequestration company, has announced two new projects in south Louisiana, marking at least its sixth carbon capture endeavor in the state.

The first of the two new projects is a joint venture with Lapis Energy, a Dallas firm that specializes in carbon sequestration. The joint venture, dubbed Libra CO<sub>2</sub> Storage Solutions LLC, calls for a carbon sequestration complex at Lapis Energy's 14,000-acre site in St. Charles Parish, about 20 miles west of



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New Orleans. Denbury and Lapis Energy will each own a 50% interest in the joint venture, according to a news release.

Lapis Energy will lead the initial construction of the project and the carbon injection well permitting process, while Denbury will assume operatorship and construction management once carbon injection begins, the news release said.

Denbury and Lapis Energy officials believe the site can hold at least 200 million metric tons of carbon dioxide. Initial carbon injection is slated for 2027.

For reference, 200 million tons of carbon dioxide is equivalent to 44.5 million gasoline-powered vehicles driven for one year or about 22.5 million gallons of gasoline consumed, according to Environmental Protection Agency estimates. The state's largest greenhouse gas emitter is CF Industries' ammonia plant in Donaldsonville at roughly 10 million tons per year.

Denbury will connect the Lapis Energy site to its existing carbon dioxide pipeline network via a 45-mile pipeline in southeast Louisiana.

"This high-quality CO<sub>2</sub> storage opportunity was first identified by the Lapis subsurface team, and Denbury's entrance has now confirmed its potential commercial attractiveness to emitters in the region," Lapis CEO Reg Manhas said in a statement.

Denbury also announced deal with Soterra LLC, a subsidiary of Greif Inc., to develop a carbon sequestration site on roughly 8,500 acres in St. Helena Parish, about 50 miles northeast of Baton Rouge and less than five miles from Denbury's NEJD CO<sub>2</sub> pipeline.

That site, nicknamed Virgo, could hold up to 100 million tons and could be ready for injection by 2026, Denbury officials said.

"Our joint venture with Lapis provides access to an ideal site that is extremely well positioned in a high-emissions area along the Mississippi River between Donaldsonville and New Orleans, and we are excited to work with the Lapis team," Nik Wood, Denbury's senior vice president of carbon capture, utilization and storage, said in a statement.

"Our Virgo site is also an ideal CO<sub>2</sub> sequestration site, as it is located a very short distance from our existing infrastructure," Wood added. "Adding both of these sites furthers our strategy to provide the industry's largest, most reliable, and efficient CO<sub>2</sub> transportation and storage network."

Denbury said the latest two deals will push its total carbon dioxide sequestration portfolio to roughly 2 billion tons across 10 sites in Louisiana, Alabama, Mississippi, Texas and Wyoming.



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In July 2022, Denbury signed a lease for about 18,000 acres in Assumption and St. James parishes for a future carbon sequestration project. That land is about five miles from the company's CO2 Green Pipeline near Donaldsonville.

That site is projected to hold more than 80 million tons of carbon dioxide. It is expected to be live as early as 2025.

The company in March 2022 announced similar lease agreements for an 84,000-acre site about 30 miles southeast of New Orleans that could hold about 500 million tons, as well as an 11,000-acre site near Donaldsonville to hold about 30 million tons.

Denbury also signed a deal in May 2022 to help expand the carbon storage capabilities of Nutrien's Geismar complex. Nutrien is considering building a "clean" ammonia plant at the Geismar site.

The Texas firm is also teaming up with Clean Hydrogen Works and Hafia for a proposed \$7.5 billion "blue" ammonia plant in Ascension Parish that would create ammonia using carbon capture.

The latest announcements come as the future of carbon capture in Louisiana hangs in the balance. Last week the EPA held public hearings on the state's bid to claim primacy, or direct regulatory control, over Class VI carbon dioxide injection wells from the federal government. State officials are hopeful the EPA will make a primacy decision by the end of the year.

Gov. John Bel Edwards and industry advocates have championed carbon capture as an economic driver and a greenhouse gas restrictor. However, critics have questioned the technology's effectiveness and safety. Pushback against a proposed well in Livingston Parish led to a slew of bills attempting to curb carbon capture, though most of those bills failed amid industry pushback.

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