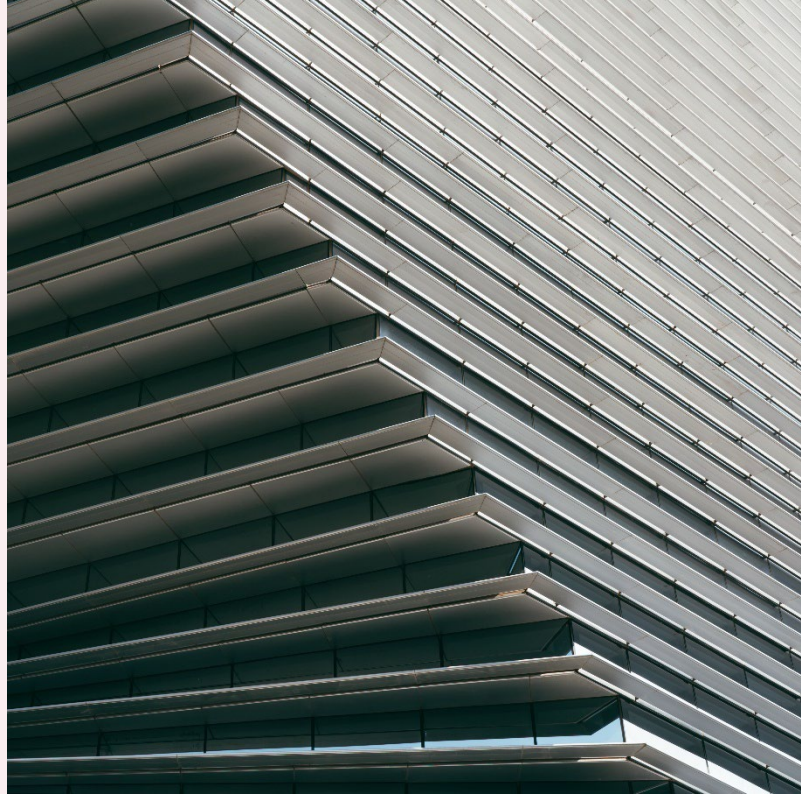


# Texas poised for carbon sequestration expansion as EPA Grants Class VI Primacy

January 8, 2026



Texas can expect an increase in the development of carbon capture and sequestration (CCS) projects following the approval by the U.S. Environmental Protection Agency (EPA) of Texas's application for primacy—primary authority to permit and regulate Class VI underground injection control (UIC) wells—on November 12, 2025. Texas is now the sixth state to receive Class VI primacy, following Arizona, North Dakota, Wyoming, Louisiana, and West Virginia. The Texas Railroad Commission (RRC) will now oversee a permitting process expected to be faster and more efficient, providing greater certainty for developers.

## Key issues

- 1 The EPA has granted Texas authority to oversee permitting and regulation of Class VI underground injection control wells for carbon capture and sequestration, making Texas the sixth state to receive this primacy.
- 2 With Texas's Railroad Commission now in charge, the permitting process for CCS projects in Texas is expected to be faster and more efficient, reducing bottlenecks and providing greater certainty for developers.
- 3 This move is expected to accelerate carbon capture project development in Texas, helping the state advance its energy transition goals and capitalize on enhanced federal incentives.

## Background

The Safe Drinking Water Act (SDWA) establishes the federal UIC program and requires the EPA to develop minimum requirements for UIC well operations with the goal of protecting underground sources of drinking water. The SDWA also outlines the procedures and requirements for UIC programs that have been delegated to states. In December 2010, the EPA established the Class VI UIC well program. The EPA's Class VI UIC program regulates deep injection wells for geologic sequestration of carbon dioxide within the U.S. Since the program's implementation, the EPA has retained primary administrative authority for Class VI wells, evaluating permit applications and issuing decisions through its regional offices. Since 2018, when Wyoming became the first state to be granted primacy, the EPA has been slowly delegating this authority to states.

Texas formally submitted its Class VI well primacy application in December 2022, initiating a multi-year process of review and negotiation with the EPA. A key milestone was the signing of a Memorandum of Agreement (MOA) in April 2025, which set out the framework for the RRC administration of Class VI well permitting, compliance, and enforcement. Throughout the process, Texas worked closely with EPA Region 6 to address amendments of state regulations and respond to stakeholder input.<sup>1</sup> For more information on the MOA process and implications, see our [prior briefing](#).

The EPA's substantial approval backlog in the state—over 60 pending Class VI well applications—underscored the urgency for streamlined permitting. CCS project developers nationwide have faced significant permitting delays, with (as of January 8, 2025) approximately 207 pending well applications still under review with EPA (see [EPA dashboard](#)).

## Expected Impacts on CCS Development in Texas

With the granting of primacy to Texas, the RRC will oversee all aspects of Class VI well permitting, compliance monitoring, and enforcement in Texas. The EPA will continue to provide technical assistance and maintain an oversight role. Since the RRC also administers Class II wells and the Texas Commission on Environmental Quality (TCEQ) administers Class I, III, IV, and V wells in the state, Texas has become one of six states with primacy over all six UIC well classes.

Given the increased focus on CCS projects in Texas, the transfer of Class VI well permitting authority to the RRC is expected to have a positive impact on CCS development, including by accelerating project timelines and providing greater certainty for developers and stakeholders, as noted below.

- **Reduced permitting bottlenecks for CCS projects.** Historically, the EPA's Class VI well permitting process could take a minimum of two years (and often longer), resulting in a significant backlog for permit approvals. State primacy minimizes the need for federal review thereby speeding up permit approval and project development. The RRC has indicated that it anticipates issuing about 25 Class VI well

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<sup>1</sup> See Office of General Counsel, Railroad Commission of Texas, *Amendments to 16 TAC Chapter 5, relating to Carbon Dioxide (CO<sub>2</sub>), memorandum*, August 2023, available at <https://www.rrc.texas.gov/media/ungffxks/adopt-amend-ch5-epa-2023-sig-082223.pdf>.

permits within the next two years.<sup>2</sup> This streamlined process is expected to cut permitting timelines by up to six months (when compared to historical EPA review), potentially accelerating CCS project deployment and corresponding 45Q tax credit benefits for developers.

- **More direct engagement between developers and state regulators.** Given the RRC's experience in managing Texas's extensive network of oil and gas-related injection wells, the RRC is well suited to manage the complex review process required for Class VI well permitting. Now that Texas has been granted Class VI primacy, developers will work directly with the RRC. This local oversight is expected to provide faster resolution of technical questions and compliance issues, including issues specific to Gulf Coast geology, to support timely project development.
- **Advancing Texas's broader efforts to advance carbon management and meet energy transition goals.** Texas's Gulf Coast region hosts one of the nation's largest concentrations of industrial CO<sub>2</sub> emissions and offers significant geologic storage potential in deep saline formations, making it a priority area for CCS deployment. By streamlining Class VI well permitting within the state, Texas developers may be able to better capitalize on enhanced federal incentives such as the 45Q tax credit expanded by the One Big Beautiful Bill Act (OBBBA). For more information on the impacts of the OBBBA to the tax credit regime for carbon capture, see our [prior briefing](#).

## Conclusion

The EPA's decision to grant Texas primacy for Class VI UIC permitting marks a significant step forward for CCS development in the state. While permitting timelines will depend on the RRC's ability to quickly implement its Class VI program, a more streamlined permitting process and increased regulatory certainty is expected to expedite, and attract, future CCS development. As the program administrator, the RRC will shape project schedules, budgeting, and stakeholder engagement, while balancing these activities with the potential increase in demand for Class VI permits within the state. Other states' journeys to primacy offer additional insight—for example, Louisiana, which received primacy in late 2023, did not issue its first Class VI well permit until late 2025 and recently paused review of all new Class VI well permit applications in the state due to an increased backlog of applications.<sup>3</sup> We will continue to track Texas's Class VI UIC well primacy and provide updates as further information develops.

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<sup>2</sup> See Railroad Commission of Texas, *Class VI UIC Primacy Application: II. State of Texas Class VI Underground Injection Control Program Description*, p. 20, available at <https://www.regulations.gov/document/EPA-HQ-OW-2025-0157-0002>; select PDF attachment titled "3 - Texas Class VI UIC-Program Description-Final Revised 02.19.2025 Revised 03.18.2025".

<sup>3</sup> See Office of the Governor, State of Louisiana, *Executive Order Number JML 25-119: CO<sub>2</sub> Capture and Storage Limits and Moratorium*, available at <https://gov.louisiana.gov/assets/ExecutiveOrders/2025/Department-Directive-Order-No-B-2025-01-combined.pdf>.



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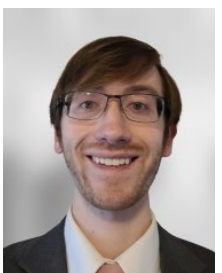
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