

1 STATE OF OKLAHOMA

2 2nd Session of the 56th Legislature (2018)

3 SENATE BILL 1476

By: Paxton

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5  
6 AS INTRODUCED

7 An Act relating to the Corporation Commission;  
8 amending 17 O.S. 2011, Section 52, as amended by  
9 Section 1, Chapter 77, O.S.L. 2016 (17 O.S. Supp.  
10 2017, Section 52), which relates to power and  
11 authority; modifying jurisdiction of Corporation  
Commission; establishing procedures for the issuance  
and denial of permits for the drilling and operation  
of oil and gas wells; and providing an effective  
date.

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14 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

15 SECTION 1. AMENDATORY 17 O.S. 2011, Section 52, as  
16 amended by Section 1, Chapter 77, O.S.L. 2016 (17 O.S. Supp. 2017,  
17 Section 52), is amended to read as follows:

18 Section 52. A. 1. Except as otherwise provided by this  
19 section, the Corporation Commission is hereby vested with exclusive  
20 jurisdiction, power and authority with reference to:

- 21 a. the conservation of oil and gas,  
22 b. field operations for geologic and geophysical  
23 exploration for oil, gas and brine, including seismic  
24

1 survey wells, stratigraphic test wells and core test  
2 wells,

3 c. the exploration, drilling, development, producing or  
4 processing for oil and gas on the lease site,

5 d. the exploration, drilling, development, production and  
6 operation of wells used in connection with the  
7 recovery, injection or disposal of mineral brines,

8 e. reclaiming facilities only for the processing of salt  
9 water, crude oil, natural gas condensate and tank  
10 bottoms or basic sediment from crude oil tanks,  
11 pipelines, pits and equipment associated with the  
12 exploration, drilling, development, producing or  
13 transportation of oil or gas,

14 f. injection wells known as Class II wells under the  
15 federal Underground Injection Control Program, and any  
16 aspect of any CO2 sequestration facility, including  
17 any associated CO2 injection well, over which the  
18 Commission is given jurisdiction pursuant to the  
19 Oklahoma Carbon Capture and Geologic Sequestration  
20 Act. Any substance that the United States  
21 Environmental Protection Agency allows to be injected  
22 into a Class II well may continue to be so injected,

23 g. tank farms for storage of crude oil and petroleum  
24 products which are located outside the boundaries of

1 refineries, petrochemical manufacturing plants,  
2 natural gas liquid extraction plants, or other  
3 facilities which are subject to the jurisdiction of  
4 the Department of Environmental Quality with regard to  
5 point source discharges,

6 h. the construction and operation of pipelines and  
7 associated rights-of-way, equipment, facilities or  
8 buildings used in the transportation of oil, gas,  
9 petroleum, petroleum products, anhydrous ammonia or  
10 mineral brine, or in the treatment of oil, gas or  
11 mineral brine during the course of transportation but  
12 not including line pipes in any:

13 (1) natural gas liquids extraction plant,

14 (2) refinery,

15 (3) reclaiming facility other than for those  
16 specified within subparagraph e of this  
17 subsection,

18 (4) mineral brine processing plant, and

19 (5) petrochemical manufacturing plant,

20 i. the handling, transportation, storage and disposition  
21 of saltwater, mineral brines, waste oil and other  
22 deleterious substances produced from or obtained or  
23 used in connection with the drilling, development,  
24 producing and operating of oil and gas wells, at:

1 (1) any facility or activity specifically listed in  
2 paragraphs 1 and 2 of this subsection as being  
3 subject to the jurisdiction of the Commission,  
4 and

5 (2) other oil and gas extraction facilities and  
6 activities,

7 j. spills of deleterious substances associated with  
8 facilities and activities specified in paragraph 1 of  
9 this subsection or associated with other oil and gas  
10 extraction facilities and activities, and

11 k. subsurface storage of oil, natural gas and liquefied  
12 petroleum gas in geologic strata.

13 2. The exclusive jurisdiction, power and authority of the  
14 Corporation Commission shall also extend to the construction,  
15 operation, maintenance, site remediation, closure and abandonment of  
16 the facilities and activities described in paragraph 1 of this  
17 subsection.

18 3. When a deleterious substance from a Commission-regulated  
19 facility or activity enters a point source discharge of pollutants  
20 or storm water from a facility or activity regulated by the  
21 Department of Environmental Quality, the Department shall have sole  
22 jurisdiction over the point source discharge of the commingled  
23 pollutants and storm water from the two facilities or activities  
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1 insofar as Department-regulated facilities and activities are  
2 concerned.

3 4. For purposes of the Federal Clean Water Act, any facility or  
4 activity which is subject to the jurisdiction of the Corporation  
5 Commission pursuant to paragraph 1 of this subsection and any other  
6 oil and gas extraction facility or activity which requires a permit  
7 for the discharge of a pollutant or storm water to waters of the  
8 United States shall be subject to the direct jurisdiction of the  
9 United States Environmental Protection Agency and shall not be  
10 required to be permitted by the Department of Environmental Quality  
11 or the Corporation Commission for such discharge.

12 5. The Corporation Commission shall have jurisdiction over:

13 a. underground storage tanks that contain antifreeze,  
14 motor oil, motor fuel, gasoline, kerosene, diesel, or  
15 aviation fuel and that are not located at refineries  
16 or at upstream or intermediate shipment points of  
17 pipeline operations, including, but not limited to,  
18 tanks from which these materials are dispensed into  
19 vehicles, or tanks used in wholesale or bulk  
20 distribution activities, as well as leaks from pumps,  
21 hoses, dispensers, and other ancillary equipment  
22 associated with the tanks, whether above the ground or  
23 below; provided that any point source discharge of a  
24 pollutant to waters of the United States during site

1 remediation or the off-site disposal of contaminated  
2 soil, media, or debris shall be regulated by the  
3 Department of Environmental Quality,

4 b. aboveground storage tanks that contain antifreeze,  
5 motor oil, motor fuel, gasoline, kerosene, diesel, or  
6 aviation fuel and that are not located at refineries  
7 or at upstream or intermediate shipment points of  
8 pipeline operations, including, but not limited to,  
9 tanks from which these materials are dispensed into  
10 vehicles, or tanks used in wholesale or bulk  
11 distribution activities, as well as leaks from pumps,  
12 hoses, dispensers, and other ancillary equipment  
13 associated with the tanks, whether above the ground or  
14 below; provided that any point source discharge of a  
15 pollutant to waters of the United States during site  
16 remediation or the off-site disposal of contaminated  
17 soil, media, or debris shall be regulated by the  
18 Department of Environmental Quality, and

19 c. the Petroleum Storage Tank Release Environmental  
20 Cleanup Indemnity Fund and Program and the Leaking  
21 Underground Storage Tank Trust Fund.

22 6. The Department of Environmental Quality shall have sole  
23 jurisdiction to regulate the transportation, discharge or release of  
24 deleterious substances or hazardous or solid waste or other

1 pollutants from rolling stock and rail facilities. The Department  
2 of Environmental Quality shall not have any jurisdiction with  
3 respect to pipeline transportation of carbon dioxide.

4 7. The Department of Environmental Quality shall have sole  
5 environmental jurisdiction for point and nonpoint source discharges  
6 of pollutants and storm water to waters of the state from:

7 a. refineries, petrochemical manufacturing plants and  
8 natural gas liquid extraction plants,

9 b. manufacturing of oil and gas related equipment and  
10 products,

11 c. bulk terminals, aboveground and underground storage  
12 tanks not subject to the jurisdiction of the  
13 Commission pursuant to this subsection, and

14 d. other facilities, activities and sources not subject  
15 to the jurisdiction of the Corporation Commission or  
16 Department of Agriculture as specified by this  
17 section.

18 8. The Department of Environmental Quality shall have sole  
19 environmental jurisdiction to regulate air emissions from all  
20 facilities and sources subject to operating permit requirements  
21 under Title V of the Federal Clean Air Act as amended.

22 B. The Corporation Commission and incorporated cities and towns  
23 shall have exclusive jurisdiction over permits and permit fees for  
24 the drilling and operation of oil and gas wells.

1 1. The permit shall include but is not limited to:

2 a. the location of the proposed well site,

3 b. any exemptions from statute or regulations sought,

4 c. proof of notification to landowners within one-half

5 (1/2) mile of the location of the proposed well site,

6 and

7 d. if the proposed well site is within city or town

8 limits, a certified document from the relevant

9 municipal government stating that the location of the

10 proposed well site has not been permitted or approved

11 for residential or commercial use within the next two

12 (2) years.

13 2. The Corporation Commission shall deny any permit for the  
14 drilling and operation of oil and gas wells where the location of  
15 the proposed well site is within three hundred (300) feet of a  
16 residential dwelling or commercial building.

17 C. The Corporation Commission shall comply with and enforce the  
18 Oklahoma Water Quality Standards.

19 D. For purposes of immediately responding to emergency  
20 situations having potentially critical environmental or public  
21 safety impact and resulting from activities within its jurisdiction,  
22 the Corporation Commission may take whatever action is necessary,  
23 without notice and hearing, including without limitation the  
24 issuance or execution of administrative agreements by the Oil and



1 Gas Conservation Division of the Corporation Commission, to promptly  
2 respond to the emergency.

3 SECTION 2. This act shall become effective November 1, 2018.  
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