

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

SENATE BILL 1568

By: Rader

AS INTRODUCED

An Act relating to the Corporation Commission; amending 17 O.S. 2021, Section 52, which relates to jurisdiction of the Commission; clarifying well jurisdiction; amending 27A O.S. 2021, Sections 1-3-101, as last amended by Section 2, Chapter 164, O.S.L. 2023, 3-5-102, 3-5-103, 3-5-104, as amended by Section 1, Chapter 353, O.S.L. 2023, 3-5-105, and 3-5-106 (27A O.S. Supp. 2023, Sections 1-3-101 and 3-5-104), which relate to jurisdiction of environmental agencies; conforming language; modifying definitions; modifying authority over certain injection wells; modifying hearing requirements; directing rule promulgation; providing for pore space unitization for certain purpose; establishing application and hearing procedures; providing for issuance of certain order by Commission; directing issuance of certificate of completion to certain facility following certain time period; providing for release from certain obligations under certain circumstances; prescribing fines and fees; creating the Class VI Carbon Sequestration Storage Facility Revolving Fund; establishing fund purpose; directing source of funds; establishing cap on funds to be incurred from single facility; directing furnishing of certain report; amending 52 O.S. 2021, Section 139, which relates to jurisdiction of the Commission; conforming language; providing for codification; updating statutory references; updating statutory language; and providing an effective date.

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

1 SECTION 1. AMENDATORY 17 O.S. 2021, Section 52, is
2 amended to read as follows:

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

- 6 a. the conservation of oil and gas,
- 7 b. field operations for geologic and geophysical
8 exploration for oil, gas and brine, including seismic
9 survey wells, stratigraphic test wells and core test
10 wells,
- 11 c. the exploration, drilling, development, producing or
12 processing for oil and gas on the lease site,
- 13 d. the exploration, drilling, development, production and
14 operation of wells used in connection with the
15 recovery, injection or disposal of mineral brines,
- 16 e. reclaiming facilities only for the processing of salt
17 water, crude oil, natural gas condensate and tank
18 bottoms or basic sediment from crude oil tanks,
19 pipelines, pits and equipment associated with the
20 exploration, drilling, development, producing or
21 transportation of oil or gas,
- 22 f. injection wells known as Class II wells under the
23 federal Underground Injection Control ~~Program~~ program,
24 and any aspect of any CO2 sequestration facility,

1 including any associated Class VI CO2 injection well,
2 over which the Commission is given jurisdiction
3 pursuant to the Oklahoma Carbon Capture and Geologic
4 Sequestration Act. Any substance that the United
5 States Environmental Protection Agency allows to be
6 injected into a Class II well may continue to be so
7 injected,

8 g. tank farms for storage of crude oil and petroleum
9 products which are located outside the boundaries of
10 refineries, petrochemical manufacturing plants,
11 natural gas liquid extraction plants, or other
12 facilities which are subject to the jurisdiction of
13 the Department of Environmental Quality with regard to
14 point source discharges,

15 h. the construction and operation of pipelines and
16 associated rights-of-way, equipment, facilities or
17 buildings used in the transportation of oil, gas,
18 petroleum, petroleum products, anhydrous ammonia or
19 mineral brine, or in the treatment of oil, gas or
20 mineral brine during the course of transportation but
21 not including line pipes in any:

22 (1) natural gas liquids extraction plant,

23 (2) refinery,

1 (3) reclaiming facility other than for those
2 specified within subparagraph e of this
3 ~~subsection~~ paragraph,

4 (4) mineral brine processing plant, and

5 (5) petrochemical manufacturing plant,

6 i. the handling, transportation, storage and disposition
7 of saltwater, mineral brines, waste oil and other
8 deleterious substances produced from or obtained or
9 used in connection with the drilling, development,
10 producing and operating of oil and gas wells, at:

11 (1) any facility or activity specifically listed in
12 ~~paragraphs 1~~ this paragraph and paragraph 2 of
13 this subsection as being subject to the
14 jurisdiction of the Commission, and

15 (2) other oil and gas extraction facilities and
16 activities,

17 j. spills of deleterious substances associated with
18 facilities and activities specified in ~~paragraph 1~~ of
19 this ~~subsection~~ paragraph or associated with other oil
20 and gas extraction facilities and activities, and

21 k. subsurface storage of oil, natural gas and liquefied
22 petroleum gas in geologic strata.

23 2. The exclusive jurisdiction, power and authority of the
24 Corporation Commission shall also extend to the construction,

1 operation, maintenance, site remediation, closure and abandonment of
2 the facilities and activities described in paragraph 1 of this
3 subsection.

4 3. When a deleterious substance from a Commission-regulated
5 facility or activity enters a point source discharge of pollutants
6 or storm water from a facility or activity regulated by the
7 Department of Environmental Quality, the Department shall have sole
8 jurisdiction over the point source discharge of the commingled
9 pollutants and storm water from the two facilities or activities
10 insofar as Department-regulated facilities and activities are
11 concerned.

12 4. For purposes of the ~~Federal~~ federal Clean Water Act, any
13 facility or activity which is subject to the jurisdiction of the
14 Corporation Commission pursuant to paragraph 1 of this subsection
15 and any other oil and gas extraction facility or activity which
16 requires a permit for the discharge of a pollutant or storm water to
17 waters of the United States shall be subject to the direct
18 jurisdiction of the United States Environmental Protection Agency
19 and shall not be required to be permitted by the Department of
20 Environmental Quality or the Corporation Commission for such
21 discharge.

22 5. The Corporation Commission shall have jurisdiction over:

- 23 a. underground storage tanks that contain antifreeze,
24 motor oil, motor fuel, gasoline, kerosene, diesel, or
25

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

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

1 pollutant to waters of the United States during site
2 remediation or the off-site disposal of contaminated
3 soil, media, or debris shall be regulated by the
4 Department of Environmental Quality, and

- 5 c. the Petroleum Storage Tank Release Environmental
6 Cleanup Indemnity Fund and Program and the Oklahoma
7 Leaking Underground Storage Tank Trust Fund.

8 6. The Department of Environmental Quality shall have sole
9 jurisdiction to regulate the transportation, discharge or release of
10 deleterious substances or hazardous or solid waste or other
11 pollutants from rolling stock and rail facilities. The Department
12 of Environmental Quality shall not have any jurisdiction with
13 respect to pipeline transportation of carbon dioxide.

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

- 17 a. refineries, petrochemical manufacturing plants and
18 natural gas liquid extraction plants,
19 b. manufacturing of oil and gas related equipment and
20 products,
21 c. bulk terminals, aboveground and underground storage
22 tanks not subject to the jurisdiction of the
23 Commission pursuant to this subsection, and
24

1 d. other facilities, activities and sources not subject
2 to the jurisdiction of the Corporation Commission or
3 Oklahoma Department of Agriculture, Food, and Forestry
4 as specified by this section.

5 8. The Department of Environmental Quality shall have sole
6 environmental jurisdiction to regulate air emissions from all
7 facilities and sources subject to operating permit requirements
8 under Title V of the ~~Federal~~ federal Clean Air Act as amended.

9 B. The Corporation Commission and incorporated cities and towns
10 shall have exclusive jurisdiction over permit fees for the drilling
11 and operation of oil and gas wells.

12 C. The Corporation Commission shall comply with and enforce the
13 Oklahoma Water Quality Standards.

14 D. For purposes of immediately responding to emergency
15 situations having potentially critical environmental or public
16 safety impact and resulting from activities within its jurisdiction,
17 the Corporation Commission may take whatever action is necessary,
18 without notice and hearing, including without limitation the
19 issuance or execution of administrative agreements by the Oil and
20 Gas Conservation Division of the Corporation Commission, to promptly
21 respond to the emergency.

22 SECTION 2. AMENDATORY 27A O.S. 2021, Section 1-3-101, as
23 last amended by Section 2, Chapter 164, O.S.L. 2023 (27A O.S. Supp.
24 2023, Section 1-3-101), is amended to read as follows:

1 Section 1-3-101. A. The provisions of this section specify the
2 jurisdictional areas of responsibility for each state environmental
3 agency and state agencies with limited environmental responsibility.
4 The jurisdictional areas of environmental responsibility specified
5 in this section shall be in addition to those otherwise provided by
6 law and assigned to the specific state environmental agency;
7 provided that any rule, interagency agreement or executive order
8 enacted or entered into prior to ~~the effective date of this section~~
9 July 1, 1993, which conflicts with the assignment of jurisdictional
10 environmental responsibilities specified by this section is hereby
11 superseded. The provisions of this subsection shall not nullify any
12 financial obligation arising from services rendered pursuant to any
13 interagency agreement or executive order entered into prior to July
14 1, 1993, nor nullify any obligations or agreements with private
15 persons or parties entered into with any state environmental agency
16 before July 1, 1993.

17 B. Department of Environmental Quality. The Department of
18 Environmental Quality shall have the following jurisdictional areas
19 of environmental responsibility:

20 1. All point source discharges of pollutants and storm water to
21 waters of the state which originate from municipal, industrial,
22 commercial, mining, transportation and utilities, construction,
23 trade, real estate and finance, services, public administration,
24

1 manufacturing and other sources, facilities and activities, except
2 as provided in subsections D and E of this section;

3 2. All nonpoint source discharges and pollution except as
4 provided in subsections D, E and F of this section;

5 3. Technical lead agency for point source, nonpoint source and
6 storm water pollution control programs funded under Section 106 of
7 the federal Clean Water Act, for areas within the Department's
8 jurisdiction as provided in this subsection;

9 4. Surface water and groundwater quality and protection and
10 water quality certifications;

11 5. Waterworks and wastewater works operator certification;

12 6. Public and private water supplies;

13 7. Underground injection control pursuant to the federal Safe
14 Drinking Water Act and 40 CFR Parts 144 through 148, except for:

15 a. Class II injection wells,

16 b. Class V injection wells utilized in the remediation of
17 groundwater associated with underground or aboveground
18 storage tanks regulated by the Corporation Commission,

19 c. those wells used for the recovery, injection or

20 disposal of mineral brines as defined in the Oklahoma
21 Brine Development Act regulated by the Commission, and

22 d. any aspect of ~~any~~ a Class VI CO2 sequestration

23 facility including ~~any~~ associated Class VI CO2

24 injection ~~well,~~ wells over which the Commission is

1 given jurisdiction pursuant to the Oklahoma Carbon
2 Capture and Geologic Sequestration Act;

3 8. Notwithstanding any other provision in this section or other
4 environmental jurisdiction statute, sole and exclusive jurisdiction
5 for air quality under the federal Clean Air Act and applicable state
6 law, except for indoor air quality and asbestos as regulated for
7 worker safety by the federal Occupational Safety and Health Act of
8 1970 and by ~~Chapter 11 of Title 40 of the Oklahoma Statutes~~ the
9 Oklahoma Asbestos Control Act;

10 9. Hazardous waste and solid waste including industrial,
11 commercial and municipal waste;

12 10. Superfund responsibilities of the state under the
13 Comprehensive Environmental Response, Compensation, and Liability
14 Act of 1980 and amendments thereto, except the planning requirements
15 of Title III of the Superfund ~~Amendment~~ Amendments and
16 Reauthorization Act of 1986;

17 11. Radioactive waste and all regulatory activities for the use
18 of atomic energy and sources of radiation except for electronic
19 products used for diagnosis by diagnostic ~~X-ray~~ x-ray facilities and
20 electronic products used for bomb detection by public safety bomb
21 squads within law enforcement agencies of this state or within law
22 enforcement agencies of any political subdivision of this state;

1 12. Water, waste, and wastewater treatment systems including,
2 but not limited to, septic tanks or other public or private waste
3 disposal systems;

4 13. Emergency response as specified by law;

5 14. Environmental laboratory services and laboratory
6 certification;

7 15. Hazardous substances other than branding, package and
8 labeling requirements;

9 16. Freshwater wellhead protection;

10 17. Groundwater protection for activities subject to the
11 jurisdictional areas of environmental responsibility of the
12 Department;

13 18. Utilization and enforcement of Oklahoma Water Quality
14 Standards and implementation documents;

15 19. Environmental regulation of any entity or activity, and the
16 prevention, control and abatement of any pollution, not subject to
17 the specific statutory authority of another state environmental
18 agency;

19 20. Development and maintenance of a computerized information
20 system relating to water quality pursuant to Section 1-4-107 of this
21 title;

22 21. Development and promulgation of Oklahoma Water Quality
23 Standards, their accompanying use support assessment protocols,
24 anti-degradation policies generally affecting Oklahoma Water Quality

1 Standards application and implementation including but not limited
2 to mixing zones, low flows and variances or any modification or
3 change thereof pursuant to Section 1085.30 of Title 82 of the
4 Oklahoma Statutes, and the Water Quality Standards Implementation
5 Plan pursuant to Section 1-1-202 of this title for its
6 jurisdictional area of environmental responsibility; and

7 22. Development and utilization of policies and requirements
8 necessary for the implementation of Oklahoma Groundwater Quality
9 Standards to the extent that the implementation of such standards is
10 within the scope of the Department's jurisdiction including but not
11 limited to the establishment of points of compliance when warranted.

12 C. Oklahoma Water Resources Board. The Oklahoma Water
13 Resources Board shall have the following jurisdictional areas of
14 environmental responsibility:

15 1. Water quantity including, but not limited to, water rights,
16 surface water and underground water, planning, and interstate stream
17 compacts;

18 2. Weather modification;

19 3. Dam safety;

20 4. Flood plain management;

21 5. State water/wastewater loans and grants revolving fund and
22 other related financial aid programs;

23 6. Administration of the federal Clean Water State Revolving
24 Fund ~~Program~~ program including, but not limited to, making

1 application for and receiving capitalization grant awards,
2 wastewater prioritization for funding, technical project reviews,
3 environmental review ~~process~~ processing, and financial review and
4 administration;

5 7. Water well drillers/pump installers licensing;

6 8. Technical lead agency for clean lakes eligible for funding
7 under ~~Section 314 of the federal Clean Water Act~~ Lakes Program or
8 other applicable sections of the federal Clean Water Act or other
9 subsequent state and federal clean lakes programs; administration of
10 a state program for assessing, monitoring, studying and restoring
11 Oklahoma lakes with administration to include, but not be limited
12 to, receipt and expenditure of funds from federal, state and private
13 sources for clean lakes and implementation of a volunteer monitoring
14 program to assess and monitor state water resources, provided such
15 funds from federal Clean Water Act sources are administered and
16 disbursed by the Office of the Secretary of Environment;

17 9. Groundwater protection for activities subject to the
18 jurisdictional areas of environmental responsibility of the Board;

19 10. Development and promulgation of a Water Quality Standards
20 Implementation Plan pursuant to Section 1-1-202 of this title for
21 its jurisdictional area of environmental responsibility;

22 11. Development of classifications and identification of
23 permitted uses of groundwater, in recognized water rights, and
24 associated groundwater recharge areas;

1 12. Establishment and implementation of a statewide beneficial
2 use monitoring program for waters of the state in coordination with
3 the other state environmental agencies; and

4 13. Coordination with other state environmental agencies and
5 other public entities of water resource investigations conducted by
6 the federal United States Geological Survey for water quality and
7 quantity monitoring in the state.

8 D. Oklahoma Department of Agriculture, Food, and Forestry.

9 1. The Oklahoma Department of Agriculture, Food, and Forestry
10 shall have the following jurisdictional areas of environmental
11 responsibility except as provided in paragraph 2 of this subsection:

- 12 a. point source discharges and nonpoint source runoff
13 from agricultural crop production, agricultural
14 services, livestock production, silviculture, feed
15 yards, livestock markets and animal waste,
- 16 b. pesticide control,
- 17 c. forestry and nurseries,
- 18 d. fertilizer,
- 19 e. facilities which store grain, feed, seed, fertilizer
20 and agricultural chemicals,
- 21 f. dairy waste and wastewater associated with milk
22 production facilities,

- 1 g. groundwater protection for activities subject to the
2 jurisdictional areas of environmental responsibility
3 of the Department,
4 h. utilization and enforcement of Oklahoma Water Quality
5 Standards and implementation documents,
6 i. development and promulgation of a Water Quality
7 Standards Implementation Plan pursuant to Section 1-1-
8 202 of this title for its jurisdictional areas of
9 environmental responsibility, and
10 j. storm water discharges for activities subject to the
11 jurisdictional areas of environmental responsibility
12 of the Department.

13 2. In addition to the jurisdictional areas of environmental
14 responsibility specified in subsection B of this section, the
15 Department of Environmental Quality shall have environmental
16 jurisdiction over:

- 17 a. (1) commercial manufacturers of fertilizers, grain
18 and feed products, and chemicals, and over
19 manufacturing of food and kindred products,
20 tobacco, paper, lumber, wood, textile mill and
21 other agricultural products,
22 (2) slaughterhouses, but not including feedlots at
23 these facilities, and
24 (3) aquaculture and fish hatcheries.

1 including, but not limited to, discharges of
2 pollutants and storm water to waters of the state,
3 surface impoundments and land application of wastes
4 and sludge, and other pollution originating at these
5 facilities, and

- 6 b. facilities which store grain, feed, seed, fertilizer,
7 and agricultural chemicals that are required by
8 federal ~~NPDES~~ National Pollutant Discharge Elimination
9 System (NPDES) regulations to obtain a permit for
10 storm water discharges shall only be subject to the
11 jurisdiction of the Department of Environmental
12 Quality with respect to such storm water discharges.

13 E. Corporation Commission.

14 1. The Corporation Commission is hereby vested with exclusive
15 jurisdiction, power and authority, and it shall be its duty to
16 promulgate and enforce rules, and issue and enforce orders governing
17 and regulating:

- 18 a. the conservation of oil and gas,
19 b. field operations for geologic and geophysical
20 exploration for oil, gas and brine including seismic
21 survey wells, stratigraphic test wells and core test
22 wells,
23 c. the exploration, drilling, development, producing or
24 processing for oil and gas on the lease site,

- 1 d. the exploration, drilling, development, production and
2 operation of wells used in connection with the
3 recovery, injection or disposal of mineral brines,
4 e. reclaiming facilities only for the processing of salt
5 water, crude oil, natural gas condensate and tank
6 bottoms or basic sediment from crude oil tanks,
7 pipelines, pits and equipment associated with the
8 exploration, drilling, development, producing or
9 transportation of oil or gas,
10 f. underground injection control pursuant to the federal
11 Safe Drinking Water Act and 40 CFR Parts 144 through
12 148 of:
13 (1) Class II injection wells,
14 (2) Class V injection wells utilized in the
15 remediation of groundwater associated with
16 underground or aboveground storage tanks
17 regulated by the Commission,
18 (3) those wells used for the recovery, injection or
19 disposal of mineral brines as defined in the
20 Oklahoma Brine Development Act, and
21 (4) any aspect of ~~any~~ a Class VI CO2 sequestration
22 facility including ~~any~~ associated Class VI CO2
23 injection ~~well,~~ wells over which the Commission
24

1 is given jurisdiction pursuant to the Oklahoma
2 Carbon Capture and Geologic Sequestration Act.
3 Any substance that the United States Environmental
4 Protection Agency allows to be injected into a Class
5 II well may continue to be so injected,

6 g. tank farms for storage of crude oil and petroleum
7 products which are located outside the boundaries of
8 refineries, petrochemical manufacturing plants,
9 natural gas liquid extraction plants, or other
10 facilities which are subject to the jurisdiction of
11 the Department of Environmental Quality with regard to
12 point source discharges,

13 h. the construction and operation of pipelines and
14 associated rights-of-way, equipment, facilities or
15 buildings used in the transportation of oil, gas,
16 petroleum, petroleum products, anhydrous ammonia or
17 mineral brine, or in the treatment of oil, gas or
18 mineral brine during the course of transportation but
19 not including line pipes in any:

20 (1) natural gas liquids extraction plant,

21 (2) refinery,

22 (3) reclaiming facility other than for those
23 specified within subparagraph e of this

24 ~~subsection~~ paragraph,

- 1 (4) mineral brine processing plant, and
2 (5) petrochemical manufacturing plant,
3 i. the handling, transportation, storage and disposition
4 of saltwater, mineral brines, waste oil and other
5 deleterious substances produced from or obtained or
6 used in connection with the drilling, development,
7 producing and operating of oil and gas wells, at:
8 (1) any facility or activity specifically listed in
9 ~~paragraphs 1~~ this paragraph and paragraph 2 of
10 this subsection as being subject to the
11 jurisdiction of the Commission, and
12 (2) other oil and gas extraction facilities and
13 activities,
14 j. spills of deleterious substances associated with
15 facilities and activities specified in ~~paragraph 1~~ of
16 this ~~subsection~~ paragraph or associated with other oil
17 and gas extraction facilities and activities,
18 k. subsurface storage of oil, natural gas and liquefied
19 petroleum gas in geologic strata,
20 l. groundwater protection for activities subject to the
21 jurisdictional areas of environmental responsibility
22 of the Commission,
23 m. utilization and enforcement of Oklahoma Water Quality
24 Standards and implementation documents, and
25

1 n. development and promulgation of a Water Quality
2 Standards Implementation Plan pursuant to Section 1-1-
3 202 of this title for its jurisdictional areas of
4 environmental responsibility.

5 2. The exclusive jurisdiction, power and authority of the
6 Commission shall also extend to the construction, operation,
7 maintenance, site remediation, closure and abandonment of the
8 facilities and activities described in paragraph 1 of this
9 subsection.

10 3. When a deleterious substance from a Commission-regulated
11 facility or activity enters a point source discharge of pollutants
12 or storm water from a facility or activity regulated by the
13 Department of Environmental Quality, the Department shall have sole
14 jurisdiction over the point source discharge of the commingled
15 pollutants and storm water from the two facilities or activities
16 insofar as Department-regulated facilities and activities are
17 concerned.

18 4. The Commission and the Department of Environmental Quality
19 are hereby authorized to obtain authorization from the United States
20 Environmental Protection Agency to administer, within their
21 respective jurisdictions, any and all programs regulating oil and
22 gas discharges into the waters of this state. For purposes of the
23 federal Clean Water Act, any facility or activity which is subject
24 to the jurisdiction of the Commission pursuant to paragraph 1 of

1 this subsection and any other oil and gas extraction facility or
2 activity which requires a permit for the discharge of a pollutant or
3 storm water to waters of the United States shall be subject to the
4 direct jurisdiction and permitting authority of the Oklahoma agency
5 having received delegation of this program from the United States
6 Environmental Protection Agency.

7 5. The Commission shall have jurisdiction over:

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

23 b. aboveground storage tanks that contain antifreeze,
24 motor oil, motor fuel, gasoline, kerosene, diesel, or

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

14 c. the Petroleum Storage Tank Release Environmental
15 Cleanup Indemnity Fund, the Oklahoma Petroleum Storage
16 Tank Release Indemnity Program, and the Oklahoma
17 Leaking Underground Storage Tank Trust Fund.

18 6. The Department of Environmental Quality shall have sole
19 jurisdiction to regulate the transportation, discharge or release of
20 deleterious substances or solid or hazardous waste or other
21 pollutants from rolling stock and rail facilities. The Department
22 of Environmental Quality shall not have any jurisdiction with
23 respect to pipeline transportation of carbon dioxide.
24

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

- 4 a. refineries, petrochemical manufacturing plants and
5 natural gas liquid extraction plants,
- 6 b. manufacturing of equipment and products related to oil
7 and gas,
- 8 c. bulk terminals, aboveground and underground storage
9 tanks not subject to the jurisdiction of the
10 Commission pursuant to this subsection, and
- 11 d. other facilities, activities and sources not subject
12 to the jurisdiction of the Commission or the Oklahoma
13 Department of Agriculture, Food, and Forestry as
14 specified by this section.

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

19 F. Oklahoma Conservation Commission. The Oklahoma Conservation
20 Commission shall have the following jurisdictional areas of
21 environmental responsibility:

- 22 1. Soil conservation, erosion control and nonpoint source
23 management except as otherwise provided by law;

1 2. Monitoring, evaluation and assessment of waters to determine
2 the condition of streams and rivers being impacted by nonpoint
3 source pollution. In carrying out this area of responsibility, the
4 Oklahoma Conservation Commission shall serve as the technical lead
5 agency for nonpoint source categories as defined in Section 319 of
6 the federal Clean Water Act or other subsequent federal or state
7 nonpoint source programs, except for activities related to
8 industrial and municipal storm water or as otherwise provided by
9 state law;

10 3. Wetlands strategy;

11 4. Abandoned mine reclamation;

12 5. Cost-share program for land use activities;

13 6. Assessment and conservation plan development and
14 implementation in watersheds of clean lakes, as specified by law;

15 7. Complaint data management;

16 8. Coordination of environmental and natural resources
17 education;

18 9. Federal upstream flood control program;

19 10. Groundwater protection for activities subject to the
20 jurisdictional areas of environmental responsibility of the
21 Commission;

22 11. Development and promulgation of a Water Quality Standards
23 Implementation Plan pursuant to Section 1-1-202 of this title for
24 its jurisdictional areas of environmental responsibility;

1 12. Utilization of Oklahoma Water Quality Standards and
2 ~~Implementation~~ implementation documents; and

3 13. Verification and certification of carbon sequestration
4 pursuant to the Oklahoma Carbon Sequestration Enhancement Act. This
5 responsibility shall not be superseded by the Oklahoma Carbon
6 Capture and Geologic Sequestration Act.

7 G. Department of Mines. The Department of Mines shall have the
8 following jurisdictional areas of environmental responsibility:

- 9 1. Mining regulation;
10 2. Mining reclamation of active mines;
11 3. Groundwater protection for activities subject to the
12 jurisdictional areas of environmental responsibility of the
13 Commission; and

14 4. Development and promulgation of a Water Quality Standards
15 Implementation Plan pursuant to Section 1-1-202 of this title for
16 its jurisdictional areas of responsibility.

17 H. Department of Wildlife Conservation. The Department of
18 Wildlife Conservation shall have the following jurisdictional areas
19 of environmental responsibilities:

- 20 1. Investigating wildlife kills;
21 2. Wildlife protection and seeking wildlife damage claims; and
22 3. Development and promulgation of a Water Quality Standards
23 Implementation Plan pursuant to Section 1-1-202 of this title for
24 its jurisdictional areas of environmental responsibility.

1 I. Department of Public Safety. The Department of Public
2 Safety shall have the following jurisdictional areas of
3 environmental responsibilities:

4 1. Hazardous waste, substances and material transportation
5 inspections as authorized by the Oklahoma Motor Carrier Safety and
6 Hazardous Materials Transportation Act; and

7 2. Inspection and audit activities of hazardous waste and
8 materials carriers and handlers as authorized by the Oklahoma Motor
9 Carrier Safety and Hazardous Materials Transportation Act.

10 J. Department of Labor. The Department of Labor shall have the
11 following jurisdictional areas of environmental responsibility:

12 1. Regulation of asbestos in the workplace pursuant to ~~Chapter~~
13 ~~11 of Title 40 of the Oklahoma Statutes~~ the Oklahoma Asbestos
14 Control Act;

15 2. Asbestos monitoring in public and private buildings; and

16 3. Indoor air quality as regulated under the authority of the
17 Oklahoma Occupational Health and Safety Standards Act, except for
18 those indoor air quality issues specifically authorized to be
19 regulated by another agency.

20 Such programs shall be a function of the Department's
21 occupational safety and health jurisdiction.

22 K. Oklahoma Department of Emergency Management. The Oklahoma
23 Department of Emergency Management shall have the following
24 jurisdictional areas of environmental responsibilities:

1 1. Coordination of all emergency resources and activities
2 relating to threats to citizens' lives and property pursuant to the
3 Oklahoma Emergency Resources Management Act of 1967;

4 2. Administer and enforce the planning requirements of Title
5 III of the Superfund Amendments and Reauthorization Act of 1986 and
6 develop such other emergency operations plans that will enable the
7 state to prepare for, respond to, recover from and mitigate
8 potential environmental emergencies and disasters pursuant to the
9 Oklahoma Hazardous Materials Planning and Notification Act;

10 3. Administer and conduct periodic exercises of emergency
11 operations plans provided for in this subsection pursuant to the
12 Oklahoma Emergency Resources Management Act of 1967;

13 4. Administer and facilitate hazardous materials training for
14 state and local emergency planners and first responders pursuant to
15 the Oklahoma Emergency Resources Management Act of 1967; and

16 5. Maintain a computerized emergency information system
17 allowing state and local access to information regarding hazardous
18 materials' location, quantity and potential threat.

19 SECTION 3. AMENDATORY 27A O.S. 2021, Section 3-5-102, is
20 amended to read as follows:

21 Section 3-5-102. As used in the Oklahoma Carbon Capture and
22 Geologic Sequestration Act:

1 1. ~~"Agency" means the Corporation Commission or the Department~~
2 ~~of Environmental Quality, as the case may be and as described in~~
3 ~~Section 3-5-103 of this title;~~

4 ~~2.~~ "Anthropogenic carbon dioxide" or "man-made carbon dioxide"
5 means the carbon dioxide compound manufactured, mechanically formed
6 or otherwise caused to occur, as a result of either:

- 7 a. a chemical process performed by or involving efforts
8 of a person, or
9 b. separation of carbon dioxide from natural gas.

10 The term shall not include carbon dioxide that is naturally present
11 in underground locations;

12 ~~3.~~ 2. "Approved reservoir" means a reservoir that is determined
13 by the ~~Agency with jurisdiction~~ Corporation Commission to be
14 suitable for the receipt, storage and/or sequestration of injected
15 carbon dioxide therein;

16 ~~4.~~ 3. "Carbon dioxide" or "CO₂" means an inorganic compound
17 containing one carbon atom and two oxygen atoms, and exists as a gas
18 at standard temperature and pressure. Carbon dioxide is an inert,
19 stable, colorless, odorless, nontoxic, incombustible, inorganic gas
20 that is dissolvable in water and is naturally present, such as in
21 underground locations and in the atmosphere as a trace gas;

22 ~~5.~~ 4. "Carbon sequestration" means long-term or short-term
23 underground storage or sequestration of anthropogenic carbon dioxide
24 in one or more reservoirs;

1 ~~6.~~ 5. "CO₂ injection well" means an artificial excavation or
2 opening in the ground made by digging, boring, drilling, jetting,
3 driving, or another method and is used to inject or transmit
4 anthropogenic carbon dioxide into one or more reservoirs;

5 ~~7.~~ 6. "CO₂ capture and compression equipment" means the
6 equipment, separation units, processing units, processing plants,
7 pipe, buildings, pumps, compressors, meters, facilities, motors,
8 fixtures, materials, and machinery, and all other improvements used
9 in the operation of any of them, and property, real or personal,
10 intangible or tangible, either attributable to or relating to, or
11 located thereon, used for the purpose of:

- 12 a. capturing carbon dioxide from a source that produces
13 anthropogenic carbon dioxide, and/or
- 14 b. compressing or otherwise increasing the pressure of
15 anthropogenic carbon dioxide;

16 ~~8.~~ 7. "CO₂ pipeline" means any pipeline, compressors, pumps,
17 meters, facilities, valves, fittings, right-of-way markers, cathodic
18 protection ground beds, anodes, rectifiers, and any other cathodic
19 protection devices, and other associated equipment, appurtenances
20 and fixtures located on, attributable to or used in connection with
21 the same, and used for the purpose of transporting carbon dioxide
22 for carbon sequestration in this state or another state, excluding:

- 23 a. CO₂ capture and compression equipment at the source of
24 the carbon dioxide, and

1 b. pipelines that are part of a CO₂ sequestration
2 facility;

3 ~~9.~~ 8. "CO₂ sequestration facility" means the approved
4 reservoir(s), and all associated underground equipment and
5 pipelines, all associated surface buildings and equipment, and all
6 associated CO₂ injection wells, utilized for carbon sequestration in
7 a defined geographic boundary established by the ~~Agency~~ Commission,
8 excluding any:

9 a. CO₂ capture and compression equipment at the source of
10 the carbon dioxide, and

11 b. CO₂ pipeline transporting carbon dioxide to the
12 facility from a source located outside the geographic
13 boundaries of the surface of the facility;

14 ~~10.~~ 9. "CO₂ trunkline" means a CO₂ pipeline that both exceeds
15 seventy-five (75) miles in distance and has a minimum pipe outside
16 diameter of at least twelve (12) inches;

17 ~~11.~~ 10. "Commission" means the Corporation Commission as
18 established by Section 15 of Article ~~9~~ IX of the Oklahoma
19 Constitution;

20 ~~12.~~ 11. "Common source of supply" shall have the same meaning
21 as in Section 86.1 of Title 52 of the Oklahoma Statutes;

22 ~~13.~~ 12. "Department" means the Department of Environmental
23 Quality as established by Section 2-3-101 et seq. of this title;

1 ~~14.~~ 13. "Enhanced oil or gas recovery" means the increased
2 recovery of hydrocarbons, including oil and gas, from a common
3 source of supply achieved by artificial means or by the application
4 of energy extrinsic to the common source of supply, such as
5 pressuring, cycling, pressure maintenance or injection of a
6 substance or form of energy, such as injection of water and/or
7 carbon dioxide, including immiscible and miscible floods; provided
8 that enhanced oil or gas recovery shall not include injection of a
9 substance or form of energy for the sole purpose of either:

- 10 a. aiding in the lifting of fluids in the well, or
- 11 b. stimulation of the reservoir at or near the well by
- 12 mechanical, chemical, thermal or explosive means;

13 ~~15.~~ 14. "Facility operator" means any person authorized by the
14 ~~Agency~~ Commission to operate a CO₂ sequestration facility;

15 ~~16.~~ 15. "Facility owner" means the person who owns the CO₂
16 sequestration facility;

17 ~~17.~~ 16. "Gas" shall have the same meaning as in Section 86.1 of
18 Title 52 of the Oklahoma Statutes;

19 ~~18.~~ 17. "Governmental entity" means any department, commission,
20 authority, council, board, bureau, committee, legislative body,
21 agency, beneficial public trust, or other establishment of the
22 executive, legislative or judicial branch of the United States, the
23 State of Oklahoma, any other state in the United States, the

1 District of Columbia, the Territories of the United States, and any
2 similar entity of any foreign country;

3 ~~19.~~ 18. "Oil" shall have the same meaning as in Section 86.1 of
4 Title 52 of the Oklahoma Statutes;

5 ~~20.~~ 19. "Person" means any individual, proprietorship,
6 association, firm, corporation, company, partnership, limited
7 partnership, limited liability company, joint venture, joint stock
8 company, syndicate, trust, organization, committee, club,
9 governmental entity, or other type of legal entity, or any group or
10 combination thereof either acting in concert or as a unit;

11 ~~21.~~ 20. "Private operator" means any person that is either a
12 facility operator or an operator of a CO₂ pipeline, but that is
13 neither a public utility nor a common carrier as such terms are
14 defined by the Oklahoma Statutes; and

15 ~~22.~~ 21. "Reservoir" means any portion of a separate and
16 distinct geologic or subsurface sedimentary stratum, formation,
17 aquifer, cavity or void, whether naturally occurring or artificially
18 created, including an oil or gas formation, saline formation, or
19 coal seam.

20 SECTION 4. AMENDATORY 27A O.S. 2021, Section 3-5-103, is
21 amended to read as follows:

22 Section 3-5-103. ~~A.~~ The Corporation Commission ~~shall be the~~
23 ~~"Agency" for, and~~ shall have exclusive jurisdiction over Class VI CO₂
24 sequestration facilities involving, and injection of Class VI CO₂ for

1 carbon sequestration into, ~~oil reservoirs, gas reservoirs, coal bed~~
2 ~~methane reservoirs, and mineral brine reservoirs.~~ The Commission
3 shall have such jurisdiction regardless of whether such CO₂
4 sequestration facility or other injection of carbon dioxide involves
5 enhanced oil or gas recovery.

6 ~~B. The Department of Environmental Quality shall be the~~
7 ~~"Agency" for, and shall have exclusive jurisdiction over CO₂~~
8 ~~sequestration facilities involving, and injection of CO₂ for carbon~~
9 ~~sequestration into all reservoirs other than those described in~~
10 ~~subsection A of this section, which shall include, but not be~~
11 ~~limited to, deep saline formations, unmineable coal seams where~~
12 ~~methane is not produced, basalt reservoirs, salt domes, and non-~~
13 ~~mineral bearing shales.~~

14 SECTION 5. AMENDATORY 27A O.S. 2021, Section 3-5-104, as
15 amended by Section 1, Chapter 353, O.S.L. 2023 (27A O.S. Supp. 2023,
16 Section 3-5-104), is amended to read as follows:

17 Section 3-5-104. A. The Corporation Commission and the
18 Department of Environmental Quality shall execute a Memorandum of
19 Understanding to address areas in which the implementation of the
20 Oklahoma Carbon Capture and Geologic Sequestration Act will require
21 interagency cooperation or interaction, ~~including procedures for~~
22 ~~directing applicants through the application process.~~

23 B. The operator of a CO₂ sequestration facility shall obtain a
24 permit pursuant to the Oklahoma Carbon Capture and Geologic

1 Sequestration Act from the ~~Agency having jurisdiction~~ Commission
2 prior to the operation of a CO2 sequestration facility, after the
3 Operator provides notice of the application for such permit pursuant
4 to subsection D of this section, and the ~~Agency~~ Commission has a
5 hearing thereon upon request; provided that no permit pursuant to
6 the Oklahoma Carbon Capture and Geologic Sequestration Act is
7 required if the facility operator obtains permission, by permit or
8 order, by the ~~Agency~~ Commission pursuant to the rules and
9 regulations of the state's federally approved Underground Injection
10 Control ~~Program~~ program and such permission authorizes carbon
11 sequestration or injection of carbon dioxide underground and
12 incorporates any additional requirements adopted pursuant to
13 subsection C of this section.

14 C. To the extent not already authorized by laws governing the
15 state's federally approved Underground Injection Control ~~Program~~
16 program, the ~~Agency having jurisdiction~~ Commission may issue and
17 enforce such orders, and may adopt, modify, repeal and enforce such
18 emergency or permanent rules, including establishment of appropriate
19 and sufficient fees to cover the cost of the program, financial
20 sureties or bonds, and monitoring at CO2 sequestration facilities,
21 as may be necessary, for the purpose of regulating the drilling of
22 CO2 injection wells related to a CO2 sequestration facility, the
23 injection and withdrawal of carbon dioxide, the operation of the CO2
24 sequestration facility, CO2 injection well plugging and abandonment,

1 removal of surface buildings and equipment of the CO2 sequestration
2 facility and for any other purpose necessary to implement the
3 provisions of the Oklahoma Carbon Capture and Geologic Sequestration
4 Act.

5 D. The applicant for any permit to be issued pursuant to the
6 Oklahoma Carbon Capture and Geologic Sequestration Act shall give
7 all surface owners and mineral owners, including working interest
8 and royalty owners, of the land to be encompassed within the defined
9 geographic boundary of the CO2 sequestration facility as established
10 by the Agency Commission, and whose addresses are known or could be
11 known through the exercise of due diligence, at least ~~fifteen (15)~~
12 thirty (30) days' notice of the hearing by mail, return receipt
13 requested. The applicant shall also give notice by ~~one publication~~
14 two publications, with one publishing at least ~~fifteen (15)~~ thirty
15 (30) days prior to the hearing and again at least fifteen (15) days
16 prior to the hearing, in some newspaper of general circulation
17 published in Oklahoma County, and by ~~one publication~~ two
18 publications, with one publishing at least ~~fifteen (15)~~ thirty (30)
19 days prior to the date of the hearing and again at least fifteen
20 (15) days prior to the hearing, in some newspaper published in the
21 county, or in each county, if there ~~be~~ is more than one, in which
22 the defined geographic boundary of the CO2 sequestration facility,
23 as established by the Agency Commission, is situated. The applicant

1 shall file proof of publication and an affidavit of mailing with the
2 Agency Commission prior to the hearing.

3 E. In addition to all other powers and duties prescribed in the
4 Oklahoma Carbon Capture and Geologic Sequestration Act or otherwise
5 by law, and unless otherwise specifically set forth in the Oklahoma
6 Carbon Capture and Geologic Sequestration Act, the ~~Agency having~~
7 ~~jurisdiction~~ Commission shall have the authority to perform any and
8 all acts necessary to carry out the purposes and requirements of the
9 federal Safe Drinking Water Act, as amended, relating to this
10 state's participation in the federal Underground Injection Control
11 ~~Program~~ program established under that act with respect to the
12 storage and/or sequestration of carbon dioxide.

13 ~~F. The Corporation Commission and Department of Environmental~~
14 ~~Quality, which are required to comply with the federal Safe Drinking~~
15 ~~Water Act, 42 U.S.C. 300f et seq., as amended, shall evaluate the~~
16 ~~regulatory and statutory framework that governs the agency and~~
17 ~~identify and report any areas in which modifications may be needed~~
18 ~~to the Secretary of Energy and Environment to provide for the~~
19 ~~development of underground injection control Class VI wells. The~~
20 ~~agencies reporting under this subsection shall consult the Secretary~~
21 ~~and work in conjunction with the Office of the Secretary of Energy~~
22 ~~and Environment to ensure timely analysis. Identified areas and~~
23 ~~recommended modifications to the regulatory and statutory framework~~
24 ~~of the agency shall be submitted in a report to the Governor,~~

1 ~~Secretary of Energy and Environment, President Pro Tempore of the~~
2 ~~Senate, and the Speaker of the House of Representatives not later~~
3 ~~than August 1, 2023.~~

4 SECTION 6. AMENDATORY 27A O.S. 2021, Section 3-5-105, is
5 amended to read as follows:

6 Section 3-5-105. A. Unless otherwise expressly provided by a
7 contract, bill of sale, deed, mortgage, deed of trust, or other
8 legally binding document or by other law, carbon dioxide injected
9 into a CO₂ sequestration facility is considered to be the personal
10 property of the facility owner.

11 B. Absent a final judgment of willful abandonment rendered by a
12 court of competent jurisdiction, or a regulatory determination of
13 willful abandonment, carbon dioxide injected into a CO₂ sequestration
14 facility is not considered to be the property of the owner of the
15 surface or mineral estate in the land encompassing the geographic
16 boundary of the CO₂ sequestration facility, or any person claiming
17 under the owner of the surface or mineral estate.

18 C. The facility operator, with permission of the facility
19 owner, may produce, take, extract or reduce to possession any carbon
20 dioxide injected, stored or sequestered in a CO₂ sequestration
21 facility. In the event an operator informs the Commission that it
22 intends to conduct enhanced oil or gas recovery operations on a
23 compulsory unit formed pursuant to Section 287.1 et seq. of Title 52
24 of the Oklahoma ~~statutes~~ Statutes, or its predecessor unitization

1 act, then during the time that such unit is in operation, such
2 operator shall be relieved of any obligation to either:

3 1. Plug and abandon any injection or production well within
4 such unit that is intended to be used in such enhanced oil or gas
5 recovery operations, unless required by the Corporation Commission
6 pursuant to Section 53 of Title 17 of the Oklahoma Statutes; or

7 2. Remove any surface equipment that is associated with any
8 such well and intended to be used in such enhanced oil or gas
9 recovery operations, or both.

10 D. ~~The Agency having jurisdiction over the injection of carbon~~
11 ~~dioxide under this act~~ Commission shall also have jurisdiction over
12 a facility operator that produces, takes, extracts or reduces to
13 possession any injected, stored or sequestered carbon dioxide in a
14 CO₂ sequestration facility.

15 SECTION 7. AMENDATORY 27A O.S. 2021, Section 3-5-106, is
16 amended to read as follows:

17 Section 3-5-106. A. Nothing in ~~this act~~ the Oklahoma Carbon
18 Capture and Geologic Sequestration Act shall supersede the
19 provisions of the Oklahoma Carbon Sequestration Enhancement Act,
20 Section 3-4-101 et seq. of ~~Title 27A of the Oklahoma Statutes~~ this
21 title.

22 B. Nothing in ~~this act~~ the Oklahoma Carbon Capture and Geologic
23 Sequestration Act shall alter the incidents of ownership, or other
24

1 rights, of the owners of the mineral estate or adversely affect
2 enhanced oil or gas recovery efforts in the state.

3 C. Any right granted to a facility operator pursuant to ~~this~~
4 ~~act~~ the Oklahoma Carbon Capture and Geologic Sequestration Act shall
5 be without prejudice to the rights of any surface owner or mineral
6 owner, including working interest and royalty ~~owner~~ owners, of the
7 land encompassed within the defined geographic boundary of the CO₂
8 sequestration facility, as established by the Agency Corporation
9 Commission, to drill or bore through the approved reservoir in a
10 manner as shall comply with orders, rules and regulations issued for
11 the purpose of protecting the approved reservoir against the escape
12 of CO₂. ~~For purposes of this subsection, the Agency with~~
13 ~~jurisdiction under other state law for regulating the well being~~
14 ~~drilled or bored through the approved reservoir is the Agency having~~
15 ~~jurisdiction to adopt orders and rules for such well in order to~~
16 ~~protect the CO₂ sequestration facility, regardless of which Agency~~
17 ~~has jurisdiction to permit the CO₂ sequestration facility pursuant to~~
18 ~~Section 3 of this act. If the Agency with jurisdiction under other~~
19 ~~state law for regulating the well being drilled or bored through the~~
20 ~~approved reservoir is not the Agency that has jurisdiction to permit~~
21 ~~the CO₂ sequestration facility pursuant to Section 3 of this act,~~
22 ~~then the former shall promptly notify the latter in writing of the~~
23 ~~receipt of an application for the drilling or boring of such a well~~
24 ~~and shall consider all timely submitted comments of the latter in~~

1 ~~approving, denying, or setting conditions for the well being drilled~~
2 ~~or bored. The additional cost of complying with such orders, rules~~
3 ~~or regulations in order to protect the CO₂ sequestration facility~~
4 ~~shall be borne by the facility operator.~~

5 D. Nothing in ~~this act~~ the Oklahoma Carbon Capture and Geologic
6 Sequestration Act shall grant a private operator the right of
7 condemnation or eminent domain for any purpose.

8 SECTION 8. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 3-5-107 of Title 27A, unless
10 there is created a duplication in numbering, reads as follows:

11 A. Subject to the limitations of this section, the Corporation
12 Commission shall have jurisdiction to effectuate and enforce the
13 provisions of this section. The Commission shall promulgate rules
14 pursuant to the requirements of this section.

15 B. The provisions of this section shall apply only to the
16 permanent sequestration of carbon dioxide in a geologic storage
17 facility.

18 C. 1. A party desiring to unitize pore space for the purpose
19 of geologic sequestration of carbon dioxide shall file with the
20 Corporation Commission an application setting forth a description of
21 the proposed unit area. The application shall include:

- 22 a. a map or plat attachment of the proposed unit area,
23 b. the name and address of each surface owner and mineral
24 owner, including working interest and royalty owners,

1 of the land to be encompassed within the defined
2 geographic boundary of the proposed carbon
3 sequestration facility,

4 c. the name and address of each surface owner and mineral
5 owner, including working interest and royalty owners,
6 of the land immediately adjacent to the geographic
7 boundary of the proposed carbon sequestration
8 facility, and

9 d. a recommended plan of unitization applicable to the
10 proposed unit area.

11 2. Each person named within the application as prescribed
12 pursuant to paragraph 1 of this subsection shall be a respondent to
13 the application.

14 D. 1. Notice of filing for the creation of a unit for carbon
15 sequestration shall be mailed to each respondent to the application
16 whose address is known, or whose address can be found with
17 reasonable diligence, not less than thirty (30) days prior to the
18 date set for hearing.

19 2. Notice of filing and the date of hearing shall be published
20 once a week for four consecutive weeks beginning thirty (30) days
21 prior to the date of the hearing by publication in some newspaper of
22 general circulation printed in Oklahoma County, and by publication
23 in some newspaper of general circulation in each county in which the
24

1 lands embraced within the application are situated. The Commission
2 may require additional notice to be given through promulgated rule.

3 SECTION 9. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 3-5-108 of Title 27A, unless
5 there is created a duplication in numbering, reads as follows:

6 A. A unitization order shall be issued if the Corporation
7 Commission finds that:

8 1. The application meets all statutory and regulatory
9 requirements for issuance;

10 2. The geologic storage facility into which the carbon dioxide
11 is to be injected is suitable or capable of being made suitable for
12 storing the carbon dioxide;

13 3. Both surface water and groundwater can be adequately
14 protected;

15 4. The injection and geologic storage of carbon dioxide will
16 not injure oil, gas, or any other mineral formation in any material
17 respect, or such injury has been addressed in an arrangement between
18 the applicant and the mineral lessee or owner. Provided, however,
19 such arrangement shall be in written form and submitted to the
20 Commission prior to approval of the unit;

21 5. The applicant has obtained the consent of the owners
22 representing no less than sixty-three percent (63%) of the ownership
23 of the pore space, based on the surface acreage of the proposed
24 geologic storage facility. Provided, such consent shall be in
25

1 written form and submitted to the Commission prior to approval of
2 the unit;

3 6. The applicant has made a fair and reasonable offer to
4 unitize the nonconsenting pore space owners' interests; and

5 7. All pore space owners who did not consent to unitize their
6 interests in order to develop the pore space as a proposed geologic
7 storage facility but who are or will be subject to a unitization
8 order are or will be equitably compensated for the appurtenant and
9 reasonable use of the pore space and surface.

10 B. To amend a unitization order for the purpose of changing the
11 size of a geologic storage facility, the storage operator shall
12 demonstrate to the Commission that the operator has obtained the
13 consent of the owners representing no less than sixty-three percent
14 (63%) of the ownership of the pore space based on the surface
15 acreage of the proposed geologic storage facility as described in
16 the proposed amended order.

17 C. An unknown or unlocatable pore space owner is considered to
18 have consented to unitize the owner's interest, provided that the
19 proposed storage operator complied with the notice requirements
20 described in Section 8 of this act. An unknown or unlocatable pore
21 space owner is eligible for compensation under paragraph 8 of
22 subsection A of this section.

23 D. An offer made to unitize the nonconsenting pore space
24 owners' interest shall be considered fair and reasonable under

1 paragraph 7 of subsection A of this section if it is made in a
2 similar manner as the offer made to the other owners of pore space
3 in the proposed unit, taking into account any material differences
4 in circumstances.

5 E. A final unitization order entered by the Commission under
6 this section, unless modified or overturned by a final order from a
7 court, shall be considered final and conclusive as to all facts,
8 findings, and conclusions contained in the order for all purposes
9 and as to all parties notified and their heirs, successors, and
10 assigns.

11 SECTION 10. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 3-5-109 of Title 27A, unless
13 there is created a duplication in numbering, reads as follows:

14 A. 1. Not later than fifty (50) years after cessation of
15 injection into a geologic storage facility for carbon dioxide, or
16 following the end of any other time frame established on a site-
17 specific basis by application to the Corporation Commission, the
18 Commission shall issue a certificate of completion of injection
19 operations, upon a showing by the current storage operator of all of
20 the following:

- 21 a. the reservoir is reasonably expected to retain
22 mechanical integrity,
 - 23 b. the carbon dioxide will reasonably remain emplaced,
- 24
25

- 1 c. the storage facility does not pose an endangerment to
2 underground sources of drinking water, or to public
3 health or public safety,
4 d. the current storage facility operator has complied
5 with all applicable regulations related to post-
6 injection monitoring and the issuance of the
7 certificate of completion of injection operations, and
8 e. the storage facility has been closed in accordance
9 with all applicable requirements related to site
10 closure.

11 2. Upon issuance of a certificate of completion of injection
12 operations, ownership of the remaining project including the stored
13 carbon dioxide shall transfer to the state.

14 3. Upon issuance of a certificate of completion of injection
15 operations, the storage facility operator, all owners of carbon
16 dioxide stored in the facility, and all owners otherwise having any
17 interest in the storage facility, shall be released from any and all
18 future duties or obligations relating to the facility and any and
19 all liability associated with or related to that facility which
20 arises after the issuance of the certificate of completion of
21 injection operations.

22 B. The release from duties or obligations under paragraph 3 of
23 subsection A of this section shall not apply to:
24

1 1. A current or former owner or operator of a storage facility
2 when such duties or obligations arise from that owner or operator's
3 noncompliance with applicable underground injection control laws and
4 regulations prior to issuance of the certificate; or

5 2. Any owner or operator of a storage facility if it is
6 demonstrated that such owner or operator intentionally and knowingly
7 concealed or misrepresented material facts related to the mechanical
8 integrity of the storage facility or the chemical composition of any
9 injected carbon dioxide.

10 C. Continued monitoring of the site, including remediation of
11 any well leakage, shall become the principal responsibility of the
12 Commission.

13 D. The Commission may levy fees for the purpose of implementing
14 the provisions of this act in a form and schedule to be determined
15 by the Oil and Gas Conservation Division of the Commission for each
16 ton of carbon dioxide injected into a storage facility. At the end
17 of each fiscal year, the Commission may redetermine the fees
18 collected based upon the estimated cost of administering and
19 enforcing the provisions of this act for the upcoming year divided
20 by the tonnage of carbon dioxide expected to be injected during the
21 upcoming year. The total fee assessed shall be sufficient to assure
22 a balance in the Class VI Carbon Sequestration Storage Facility
23 Revolving Fund not to exceed Five Million Dollars (\$5,000,000.00)
24 for any active storage facility within the state at the beginning of

1 each fiscal year. Any amount received by the Commission that
2 exceeds the annual balance required under this subsection shall be
3 deposited into the fund, but appropriate credits shall be given
4 against future fees for the storage facility. The Commission shall
5 promulgate rules regarding the form and manner for fee amount and
6 payment method.

7 SECTION 11. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 3-5-110 of Title 27A, unless
9 there is created a duplication in numbering, reads as follows:

10 A. There is hereby created in the State Treasury a revolving
11 fund for the Corporation Commission to be designated the "Class VI
12 Carbon Sequestration Storage Facility Revolving Fund". The fund
13 shall be a continuing fund, not subject to fiscal year limitations,
14 and shall consist of all monies received by the Commission from
15 fines and fees paid to the Commission pursuant to Sections 9 through
16 11 of this act. All monies accruing to the credit of the fund are
17 hereby appropriated and may be budgeted and expended by the
18 Commission for the purposes provided for in this section.
19 Expenditures from the fund shall be made upon warrants issued by the
20 State Treasurer against claims filed as prescribed by law with the
21 Director of the Office of Management and Enterprise Services for
22 approval and payment.

23 B. If a storage facility at any time deposits more than Five
24 Million Dollars (\$5,000,000.00) to the fund, the fee assessments to

1 that storage facility shall cease until such time as funds begin to
2 be expended for that facility. The State Treasurer shall certify to
3 the Commission the date on which the balance in the fund for a
4 storage facility equals or exceeds Five Million Dollars
5 (\$5,000,000.00). On and after the first day of the second month
6 following the certification, fees shall not be collected from the
7 facility; provided, fee collection shall resume on receipt of a
8 certification by the State Treasurer that, based on the expenditures
9 and commitments to expend monies, the fund has fallen below Four
10 Million Dollars (\$4,000,000.00) of funds collected from that
11 facility.

12 C. Expenditures from the fund may be used to:

13 1. Remediate any issues associated with, arising from, or
14 related to the site, including remediation of property, of site
15 infrastructure, and of any mechanical problems associated with the
16 remaining wells;

17 2. Fund research and development in connection with carbon
18 sequestration technologies and methods;

19 3. Monitor any remaining surface facilities and wells;

20 4. Repair any mechanical leaks at the storage facility;

21 5. Hire outside legal counsel as needed to effectuate the
22 provisions of this act;

23 6. Plug remaining injection wells, except for those wells to be
24 used as observation wells; and

25

1 7. Contract for assistance with permit or application review.

2 D. Not later than November 1 annually, the Commission shall
3 furnish a report electronically to the Secretary of Energy and
4 Environment, the President Pro Tempore of the Senate, and the
5 Speaker of the House of Representatives. The report shall address
6 the administration of funds, fund balances, expenditures made, and
7 any other information deemed necessary by the Commission.

8 E. Not later than November 1, 2029, and every five (5) years
9 thereafter, the Commission shall furnish a report electronically to
10 the President Pro Tempore of the Senate and the Speaker of the House
11 of Representatives assessing the effectiveness of the fund and other
12 related provisions within this act. The Commission shall provide
13 such other information as may be requested by the Legislature.

14 SECTION 12. AMENDATORY 52 O.S. 2021, Section 139, is
15 amended to read as follows:

16 Section 139. A. The Corporation Commission is vested with
17 exclusive jurisdiction, power and authority, and it shall be its
18 duty, to make and enforce such rules and orders governing and
19 regulating the handling, storage and disposition of saltwater,
20 mineral brines, waste oil and other deleterious substances produced
21 from or obtained or used in connection with the drilling,
22 development, producing, and operating of oil and gas wells and brine
23 wells within this state as are reasonable and necessary for the
24 purpose of preventing the pollution of the surface and subsurface

1 waters in the state, and to otherwise carry out the purpose of ~~this~~
2 ~~act~~ Section 139 et seq. of this title.

3 B. 1. Except as otherwise provided by this subsection, the
4 Corporation Commission is hereby vested with exclusive jurisdiction,
5 power and authority, and it shall be its duty to promulgate and
6 enforce rules, and issue and enforce orders governing and
7 regulating:

- 8 a. the conservation of oil and gas,
- 9 b. field operations for geologic and geophysical
10 exploration for oil, gas and brine, including seismic
11 survey wells, stratigraphic test wells and core test
12 wells,
- 13 c. the exploration, drilling, development, producing or
14 processing for oil and gas on the lease site,
- 15 d. the exploration, drilling, development, production and
16 operation of wells used in connection with the
17 recovery, injection or disposal of mineral brines,
- 18 e. reclaiming facilities only for the processing of salt
19 water, crude oil, natural gas condensate and tank
20 bottoms or basic sediment from crude oil tanks,
21 pipelines, pits and equipment associated with the
22 exploration, drilling, development, producing or
23 transportation of oil or gas,

1 f. ~~injection wells known as Class II wells under the~~
2 ~~federal Underground Injection Control Program, and any~~
3 ~~aspect of any CO2 sequestration facility, including~~
4 ~~any associated CO2 injection well, over which the~~
5 ~~Commission is given jurisdiction pursuant to the~~
6 ~~Oklahoma Carbon Capture and Geologic Sequestration~~
7 ~~Act. Any substance that the United States~~
8 ~~Environmental Protection Agency allows to be injected~~
9 ~~into a Class II well may continue to be so injected,~~
10 underground injection control pursuant to the federal
11 Safe Drinking Water Act and 40 CFR Parts 144 through
12 148, including:

13 (1) Class II injection wells,

14 (2) Class V injection wells utilized in the
15 remediation of groundwater associated with
16 underground or aboveground storage tanks
17 regulated by the Commission,

18 (3) those wells used for the recovery, injection, or
19 disposal of mineral brines as defined in the
20 Oklahoma Brine Development Act, and

21 (4) any aspect of a Class VI CO2 sequestration
22 facility including associated Class VI CO2
23 injection wells, over which the Commission is
24

given jurisdiction pursuant to the Oklahoma
Carbon Capture and Geologic Sequestration Act,

g. tank farms for storage of crude oil and petroleum products which are located outside the boundaries of the refineries, petrochemical manufacturing plants, natural gas liquid extraction plants, or other facilities which are subject to the jurisdiction of the Department of Environmental Quality with regard to point source discharges,

h. the construction and operation of pipelines and associated rights-of-way, equipment, facilities or buildings used in the transportation of oil, gas, petroleum, petroleum products, anhydrous ammonia or mineral brine, or in the treatment of oil, gas or mineral brine during the course of transportation but not including line pipes associated with processing at or in any:

(1) natural gas liquids extraction plant,

(2) refinery,

(3) reclaiming facility other than for those specified within subparagraph e of this paragraph,

(4) mineral brine processing plant, and

(5) petrochemical manufacturing plant,

1 i. the handling, transportation, storage and disposition
2 of saltwater, mineral brines, waste oil and other
3 deleterious substances produced from or obtained or
4 used in connection with the drilling, development,
5 producing and operating of oil and gas wells, at:

6 (1) any facility or activity specifically listed in
7 ~~paragraphs 1~~ this paragraph and paragraph 2 of
8 this subsection as being subject to the
9 jurisdiction of the Commission, and

10 (2) other oil and gas extraction facilities and
11 activities,

12 j. spills of deleterious substances associated with
13 facilities and activities specified in ~~paragraph 1~~ of
14 this ~~subsection~~ paragraph or associated with other oil
15 and gas extraction facilities and activities, and

16 k. subsurface storage of oil, natural gas and liquefied
17 petroleum gas in geologic strata.

18 2. The exclusive jurisdiction, power and authority of the
19 Corporation Commission shall also extend to the construction,
20 operation, maintenance, site remediation, closure and abandonment of
21 the facilities and activities described in paragraph 1 of this
22 subsection.

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

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

17 5. The Corporation Commission shall have jurisdiction over:

- 18 a. underground storage tanks that contain antifreeze,
19 motor oil, motor fuel, gasoline, kerosene, diesel, or
20 aviation fuel and that are not located at refineries
21 or at upstream or intermediate shipment points of
22 pipeline operations, including, but not limited to,
23 tanks from which these materials are dispensed into
24 vehicles, or tanks used in wholesale or bulk

1 distribution activities, as well as leaks from pumps,
2 hoses, dispensers, and other ancillary equipment
3 associated with the tanks, whether above the ground or
4 below; provided that any point source discharge of a
5 pollutant to waters of the United States during site
6 remediation or the off-site disposal of contaminated
7 soil, media, or debris shall be regulated by the
8 Department of Environmental Quality,

- 9 b. aboveground storage tanks that contain antifreeze,
10 motor oil, motor fuel, gasoline, kerosene, diesel, or
11 aviation fuel and that are not located at refineries
12 or at upstream or intermediate shipment points of
13 pipeline operations, including, but not limited to,
14 tanks from which these materials are dispensed into
15 vehicles, or tanks used in wholesale or bulk
16 distribution activities, as well as leaks from pumps,
17 hoses, dispensers, and other ancillary equipment
18 associated with the tanks, whether above the ground or
19 below; provided that any point source discharge of a
20 pollutant to waters of the United States during site
21 remediation or the off-site disposal of contaminated
22 soil, media, or debris shall be regulated by the
23 Department of Environmental Quality, and
24

1 c. the Petroleum Storage Tank Release Environmental
2 Cleanup Indemnity Fund and Program and the Oklahoma
3 Leaking Underground Storage Tank Trust Fund.

4 6. The Department of Environmental Quality shall have sole
5 jurisdiction to regulate the transportation, discharge or release of
6 deleterious substances or hazardous or solid waste or other
7 pollutants from rolling stock and rail facilities. The Department
8 of Environmental Quality shall not have any jurisdiction with
9 respect to pipeline transportation of carbon dioxide.

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

- 13 a. refineries, petrochemical manufacturing plants and
14 natural gas liquid extraction plants,
15 b. manufacturing of oil and gas related equipment and
16 products,
17 c. bulk terminals, aboveground and underground storage
18 tanks not subject to the jurisdiction of the
19 Commission pursuant to this subsection, and
20 d. other facilities, activities and sources not subject
21 to the jurisdiction of the Corporation Commission or
22 Oklahoma Department of Agriculture, Food, and Forestry
23 as specified by this section.

1 8. The Department of Environmental Quality shall have sole
2 environmental jurisdiction to regulate air emissions from all
3 facilities and sources subject to operating permit requirements
4 under Title V of the ~~Federal~~ federal Clean Air Act as amended.

5 C. The Corporation Commission shall comply with and enforce the
6 Oklahoma Water Quality Standards.

7 D. 1. For the purpose of immediately responding to emergency
8 situations having potentially critical environmental or public
9 safety impact and resulting from activities within its jurisdiction,
10 the Commission may take whatever necessary action, without notice
11 and hearing, including the expenditure of monies from the
12 Corporation Commission Revolving Fund, to promptly respond to the
13 emergency. Such emergency expenditure shall be made pursuant to the
14 provisions of ~~The~~ the Oklahoma Central Purchasing Act, upon such
15 terms and conditions established by the Office of Management and
16 Enterprise Services to accomplish the purposes of this section.
17 Thereafter, the Commission shall seek reimbursement from the
18 responsible person, firm or corporation for all expenditures made
19 from the Corporation Commission Revolving Fund. Any monies received
20 as reimbursement shall be deposited to the credit of the Corporation
21 Commission Revolving Fund.

22 2. The Commission shall not expend from any fund in the State
23 Treasury, in any fiscal year, for the purposes herein provided, an
24 amount of money in excess of the total sum specifically authorized
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1 annually by the Legislature for such purposes. Any monies received
2 by the Commission through execution on any required surety shall not
3 be subject to such limitation on expenditure for remedial action.

4 3. Neither the Commission nor any independent contractor of the
5 Commission authorized to conduct remedial action under this section
6 shall be held liable or responsible for any damages resulting from
7 non-negligent actions reasonably necessary for conducting remedial
8 work. Nothing in this section shall limit the authority of the
9 Commission or relieve any person or persons otherwise legally
10 responsible from any obligation to prevent or remediate pollution.

11 SECTION 13. This act shall become effective November 1, 2024.

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