

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 COMMITTEE SUBSTITUTE  
4 FOR ENGROSSED  
5 SENATE BILL NO. 200

By: Rader of the Senate

and

Boles of the House

6  
7  
8  
9 COMMITTEE SUBSTITUTE

10 An Act relating to carbon sequestration; amending 27A  
11 O.S. 2021, Section 3-5-104, which relates to permits  
12 and orders; requiring certain state agencies to  
13 compile and submit certain report to certain state  
14 officials by specified date; updating statutory  
15 reference; and declaring an emergency.

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

17 SECTION 1. AMENDATORY 27A O.S. 2021, Section 3-5-104, is  
18 amended to read as follows:

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

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

15 C. To the extent not already authorized by laws governing the  
16 state's federally approved Underground Injection Control Program,  
17 the Agency having jurisdiction may issue and enforce such orders,  
18 and may adopt, modify, repeal and enforce such emergency or  
19 permanent rules, including establishment of appropriate and  
20 sufficient fees to cover the cost of the program, financial sureties  
21 or bonds, and monitoring at CO<sub>2</sub> sequestration facilities, as may be  
22 necessary, for the purpose of regulating the drilling of CO<sub>2</sub>  
23 injection wells related to a CO<sub>2</sub> sequestration facility, the  
24 injection and withdrawal of carbon dioxide, the operation of the CO<sub>2</sub>

1 sequestration facility, CO<sub>2</sub> injection well plugging and abandonment,  
2 removal of surface buildings and equipment of the CO<sub>2</sub> sequestration  
3 facility and for any other purpose necessary to implement the  
4 provisions of ~~this act~~ the Oklahoma Carbon Capture and Geologic  
5 Sequestration Act.

6 D. The applicant for any permit to be issued pursuant to ~~this~~  
7 ~~act~~ the Oklahoma Carbon Capture and Geologic Sequestration Act shall  
8 give all surface owners and mineral owners, including working  
9 interest and royalty owners, of the land to be encompassed within  
10 the defined geographic boundary of the CO<sub>2</sub> sequestration facility as  
11 established by the Agency, and whose addresses are known or could be  
12 known through the exercise of due diligence, at least fifteen (15)  
13 days' notice of the hearing by mail, return receipt requested. The  
14 applicant shall also give notice by one publication, at least  
15 fifteen (15) days prior to the hearing, in some newspaper of general  
16 circulation published in Oklahoma County, and by one publication, at  
17 least fifteen (15) days prior to the date of the hearing, in some  
18 newspaper published in the county, or in each county, if there be  
19 more than one, in which the defined geographic boundary of the CO<sub>2</sub>  
20 sequestration facility, as established by the Agency, is situated.  
21 The applicant shall file proof of publication and an affidavit of  
22 mailing with the Agency prior to the hearing.

23 E. In addition to all other powers and duties prescribed in  
24 ~~this act~~ the Oklahoma Carbon Capture and Geologic Sequestration Act

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

9 F. The Corporation Commission and Department of Environmental  
10 Quality, which are required to comply with the federal Safe Drinking  
11 Water Act, 42 U.S.C. 300f et seq., as amended, shall evaluate the  
12 regulatory and statutory framework that governs the agency and  
13 identify and report any areas in which modifications may be needed  
14 to the Secretary of Energy and Environment to provide for the  
15 development of underground injection control Class VI wells. The  
16 agencies reporting under this subsection shall consult the Secretary  
17 and work in conjunction with the Office of the Secretary of Energy  
18 and Environment to ensure timely analysis. Identified areas and  
19 recommended modifications to the regulatory and statutory framework  
20 of the agency shall be submitted in a report to the Governor,  
21 Secretary of Energy and Environment, President Pro Tempore of the  
22 Senate, and the Speaker of the House of Representatives not later  
23 than August 1, 2023.

24

1       SECTION 2. It being immediately necessary for the preservation  
2 of the public peace, health or safety, an emergency is hereby  
3 declared to exist, by reason whereof this act shall take effect and  
4 be in full force from and after its passage and approval.

5

6       59-1-8140       JBH       04/05/23

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24