

ENGROSSED HOUSE AMENDMENT

TO

ENGROSSED SENATE BILL NO. 1311

By: Gumm of the Senate

and

Langmacher of the House

An Act relating to environment and natural resources; amending 27A O.S. 2001, Section 2-4-201, as amended by Section 3, Chapter 118, O.S.L. 2003 (27A O.S. Supp. 2003, Section 2-4-201), which relates to state environmental laboratories; authorizing Department of Environmental Quality to operate laboratories for certain purposes; modifying purposes; and declaring an emergency.

AMENDMENT NO. 1. Strike the title, enacting clause and entire bill and insert

"An Act relating to environment and natural resources; amending 17 O.S. 2001, Section 53.2, which relates to well equipment; requiring certain laboratory analysis to be performed by certain laboratories; amending 27A O.S. 2001, Section 2-4-201, as amended by Section 3, Chapter 118, O.S.L. 2003 (27A O.S. Supp. 2003, Section 2-4-201), which relates to state environmental laboratories; authorizing Department of Environmental Quality to operate laboratories for certain purposes; amending 27A O.S. 2001, Section 2-5-112, which relates to air emissions; modifying air contaminant exemptions; modifying deadline for notification of change in ownership; modifying purposes; and declaring an emergency.

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

SECTION 1. AMENDATORY 17 O.S. 2001, Section 53.2, is amended to read as follows:

Section 53.2 A. The Corporation Commission shall ~~prescribe and~~ promulgate rules ~~and regulations~~ which require the lease operator to remove all unnecessary operating equipment, structures, surface

debris, abutment or obstacles used in the operation of the well from the land upon which the well is located, and shall grade or terrace the surface of the soil as required in this section unless the owner of the land and the lease operator have entered into a contract providing otherwise. Provided, however, the provisions of this section shall not apply to Osage County.

B. Within twelve (12) months after the completion of a producing well, the operator shall fill all the pits for containing muds, cuttings, salt water or oil that are not needed for production purposes or are not required by state or federal law or regulation and shall remove all concrete bases, drilling supplies and drilling equipment and all other equipment not necessary for producing said well, excluding guy line anchors. Within such period, the operator shall grade or terrace the land surface within the area disturbed in siting, drilling, completing and producing the well which land is not required in production of the well.

C. Within twelve (12) months after a well that has produced oil or gas is plugged or after the plugging of a dry hole, the operator shall remove all production and storage structures, supplies and equipment and any oil, salt water and debris and fill any remaining excavations. Within such period, the operator shall grade or terrace the area disturbed.

D. The operator shall be released from responsibility to perform any or all requirements of this section on any part or all of the area disturbed upon the filing of a request for a waiver with and obtaining the written approval of the Commission, which request shall be signed by the surface owner to certify the approval of the surface owner of the release sought. The Commission shall approve such requests unless it finds upon inspection that the waiver would be likely to result in substantial damage to adjoining property, substantial contamination of surface or underground water or

substantial erosion or sedimentation. If the Commission refuses to approve a request for waiver, it shall do so by order.

E. This act shall also apply to the operators of a secondary or enhanced oil recovery unit that is or has been operated under a plan of unitization approved by order of the Oklahoma Corporation Commission and established by a proper certificate of effectiveness. Nothing herein contained shall be construed to repeal the statutes governing the establishment and operation of such secondary or enhanced recovery unit.

F. The Commission may, upon written application by an operator showing reasonable cause, extend the period within which restoration shall be completed, but not to exceed a further six-month period, except under extraordinarily adverse weather conditions or when essential equipment, fuel or labor is unavailable to the operator. If the Commission refuses to approve a request for waiver or extension, it shall do so by order.

G. The provisions of this section shall also apply to the drilling of or conversion to a saltwater disposal or injection well and to any operation in connection with reentering or reworking any oil and gas well or saltwater injection or disposal well.

H. Any laboratory analysis performed in connection with any land application of oil field waste shall be performed by a laboratory which is certified for environmental analysis by the Department of Environmental Quality.

SECTION 2. AMENDATORY 27A O.S. 2001, Section 2-4-201, as amended by Section 3, Chapter 118, O.S.L. 2003 (27A O.S. Supp. 2003, Section 2-4-201), is amended to read as follows:

Section 2-4-201. A. The Department of Environmental Quality is authorized to acquire, operate and maintain laboratories to analyze samples to:

1. ~~From pollution studies to:~~

- ~~a. obtain~~ Obtain factual data to support any order, permit, function or program of the Department,;
- ~~b. provide accurate information on wastewater flows and discharges or the chemical, physical or biological characteristics of wastewater,~~
- ~~c. check the operations of treatment or disposal systems or works to determine whether they meet plans and specifications approved by the Department, and~~
- ~~d. provide~~

2. Provide laboratory service for individuals, cities, towns, counties, tribes, state institutions and other state and federal agencies;

~~2. From studies and investigations of any waste or pollutant entering treatment systems or waters of the state or any media in which the presence of a contaminant or pollutant is suspected; and~~

3. ~~To provide~~ Provide such services and perform such other analyses as is necessary to implement and enforce the programs and functions under the jurisdiction of the Department pursuant to this Code.

B. The Board of Environmental Quality shall promulgate rules for laboratory services under this Code. The Board shall follow the procedures required by the Administrative Procedures Act for promulgation of such rules.

C. 1. The Board, pursuant to the Administrative Procedures Act, shall promulgate as a rule a fee schedule based on actual cost of analyses and the costs of the provision of laboratory services. The schedule shall include fees for specific analytes and procedures.

2. Fees charged pursuant to this section shall be paid into the Department of Environmental Quality Revolving Fund and shall only be used by the Department in administering the Department's environmental laboratory.

D. The Department may, if necessary to meet the demand for laboratory services, contract, pursuant to the provisions of the Oklahoma Central Purchasing Act, for the performance of analyses with laboratories accredited by the Department.

SECTION 3. AMENDATORY 27A O.S. 2001, Section 2-5-112, is amended to read as follows:

Section 2-5-112. A. Upon the effective date of permitting rules promulgated pursuant to the Oklahoma Clean Air Act, it shall be unlawful for any person to construct any new source, or to modify or operate any new or existing source of emission of air contaminants except in compliance with a permit issued by the Department of Environmental Quality, unless the source has been exempted or deferred or is in compliance with an applicable deadline for submission of an application for such permit.

B. The Department shall have the authority and the responsibility, in accordance with rules of the Environmental Quality Board, to implement a comprehensive permitting program for the state consistent with the requirements of the Oklahoma Clean Air Act. Such authority shall include but shall not be limited to the authority to:

1. Expeditiously issue, reissue, modify and reopen for cause, permits for new and existing sources for the emission of air contaminants, and to grant a reasonable measure of priority to the processing of applications for new construction or modifications. The Department may also revoke, suspend, deny, refuse to issue or to reissue a permit upon a determination that any permittee or applicant is in violation of any substantive provisions of the Oklahoma Clean Air Act, or any rule promulgated thereunder or any permit issued pursuant thereto;

2. Refrain from issuing a permit when issuance has been objected to by the Environmental Protection Agency in accordance with Title V of the Federal Clean Air Act;

3. Revise any permit for cause or automatically reopen it to incorporate newly applicable rules or requirements if the remaining permit term is greater than three (3) years; or incorporate insignificant changes into a permit without requiring a revision;

4. Establish and enforce reasonable permit conditions which may include, but not be limited to:

- a. emission limitations for regulated air contaminants,
- b. operating procedures when related to emissions,
- c. performance standards,
- d. provisions relating to entry and inspections, and
- e. compliance plans and schedules;

5. Require, if necessary, at the expense of the permittee or applicant:

- a. installation and utilization of continuous monitoring devices,
- b. sampling, testing and monitoring of emissions as needed to determine compliance,
- c. submission of reports and test results, and
- d. ambient air modeling and monitoring;

6. Issue:

- a. general permits covering similar sources, and
- b. permits to sources in violation, when compliance plans, which shall be enforceable by the Department, are incorporated into the permit;

7. Require, at a minimum, that emission control devices on stationary sources be reasonably maintained and properly operated;

8. Require that a permittee certify that the facility is in compliance with all applicable requirements of the permit and to promptly report any deviations therefrom to the Department;

9. Issue permits to sources requiring permits under Title V of the Federal Clean Air Act for a term not to exceed five (5) years, except that solid waste incinerators may be allowed a term of up to

twelve (12) years provided that the permit shall be reviewed no less frequently than every five (5) years;

10. Specify requirements and conditions applicable to the content and submittal of permit applications; set by rule, a reasonable time in which the Department must determine the completeness of such applications; and

11. Determine the form and content of emission inventories and require their submittal by any source or potential source of air contaminant emissions.

C. Rules of the Board may set ~~de minimis~~ limits below which a source of air contaminants may be exempted from the requirement to obtain a permit or to pay any fee, ~~or be subject to public review~~. Any source so exempted, however, shall remain under jurisdiction of the Department and shall be subject to any applicable rules or general permit requirements. Such rules shall not prohibit sawmill facilities from open burning any wood waste resulting from the milling of untreated cottonwood lumber in areas that have always attained ambient air quality standards.

D. To ensure against unreasonable delay on the part of the Department, the failure of the Department to act in either the issuance, denial or renewal of a permit in a reasonable time, as determined by rule, shall be deemed to be a final permit action solely for purpose of judicial review under the Administrative Procedures Act, with regard to the applicant or any person who participated in the public review process. The Supreme Court or the district court, as the case may be, may require that action be taken by the Department on the application without additional delay. No permit, however, may be issued by default.

E. The Department shall notify, or require that any applicant notify, all states whose air quality may be affected and that are contiguous to the State of Oklahoma, or are within fifty (50) miles of the source of each permit application or proposed permit for

those sources requiring permits under Title V of the Federal Clean Air Act, and shall provide an opportunity for such states to submit written recommendations respecting the issuance of the permit and its terms and conditions.

F. No person, including but not limited to the applicant, shall raise any reasonably ascertainable issue in any future proceeding, unless the same issues have been raised and documented before the close of the public comment period on the draft permit.

G. A change in ownership of any facility or source subject to permitting requirements under this section shall not necessitate any action by the Department not otherwise required by the Oklahoma Clean Air Act. Any permit applicable to such source at the time of transfer shall be enforceable in its entirety against the transferee in the same manner as it would have been against the transferor, as shall any requirement contained in any rule, or compliance schedule set forth in any variance or order regarding or applicable to such source. Provided, however, no transferee in good faith shall be held liable for penalties for violations of the transferor unless the transferee assumes all assets and liabilities through contract or other means. For the purposes of this subsection, good faith shall be construed to mean neither having actual knowledge of a previous violation nor constructive knowledge which would lead a reasonable person to know of the violation. It shall be the responsibility of the transferor to notify the Department in writing within ~~ten (10)~~ thirty (30) days of the change in ownership.

H. ~~Operating permits for new sources.~~

Operating permits may be issued to new sources without public review upon a proper determination by the Department that:

1. The construction permit was issued pursuant to the public review requirements of the Code and rules promulgated thereunder;

and

2. The operating permit, as issued, does not differ from the construction permit in any manner which would otherwise subject the permit to public review.

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

Passed the House of Representatives the 30th day of March, 2004.

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Presiding Officer of the House of  
Representatives

Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2004.

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Presiding Officer of the Senate