

ESB 2024

THE HOUSE OF REPRESENTATIVES  
Thursday, April 1, 2010

ENGROSSED  
**Senate Bill No. 2024**  
**As Amended**

ENGROSSED SENATE BILL NO. 2024 - By: MYERS of the Senate and BENGGE of the House.

[ environment and natural resources - carbon sequestration activities -  
emergency ]

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

- 1 SECTION 1. AMENDATORY Section 1, Chapter 429, O.S.L. 2009 (27A O.S.  
2 Supp. 2009, Section 3-5-101), is amended to read as follows:
- 3 Section 3-5-101. A. This act shall be known and may be cited as the "Oklahoma  
4 Carbon Capture and Geologic Sequestration, Transportation and Investment Act".
- 5 B. The Legislature finds and declares that:
- 6 1. Carbon dioxide is a valuable commodity to the citizens of the state, particularly  
7 for its value in enhancing the recovery of oil and gas and for its use in other industrial  
8 and commercial processes and applications;
- 9 2. Carbon dioxide is a gas produced when carbon is oxidized by any process,  
10 including the combustion of material that contains carbon such as coal, natural gas, oil

1 and wood, all of which exist in abundance in our state, and the production and use of  
2 which form one of the foundations of our state's economy;

3 3. Carbon dioxide is currently being released into the atmosphere in substantial  
4 volumes;

5 4. In 1982, Oklahoma became the first state in the Union to inject anthropogenic  
6 carbon dioxide underground. Since that time, the continued injection of carbon dioxide  
7 has benefited the citizens of the state by assisting enhanced oil recovery efforts. When  
8 carbon dioxide is injected for enhanced oil recovery and not otherwise vented, emitted or  
9 removed, such carbon dioxide is sequestered and/or stored underground;

10 5. In its first 100 years, Oklahoma produced approximately 15 billion barrels of oil.  
11 The Department of Energy for the United States has determined that Oklahoma has the  
12 potential to produce at least 9 billion barrels of oil and possibly as much as 20 billion  
13 barrels of oil through the use of carbon dioxide in enhanced oil recovery. To fully produce  
14 those natural resources, additional regulation is not necessary or appropriate but state  
15 incentives may be helpful;

16 6. Storage of carbon dioxide in geological formations is an effective and feasible  
17 strategy to deposit, store or sequester large volumes of carbon dioxide over long periods  
18 of time;

19 7. Geologic storage and sequestration of carbon dioxide allows for the capture of  
20 carbon dioxide emissions and the orderly withdrawal of the carbon dioxide as appropriate  
21 or necessary, thereby allowing carbon dioxide to be available for commercial, industrial,  
22 or other uses, including enhanced oil or gas recovery;

1           8. The transportation of carbon dioxide to, and the storage or sequestration of  
2 carbon dioxide in, underground geological formations for beneficial use or reuse in  
3 industrial and commercial applications is expected to increase in the United States and  
4 in Oklahoma due to initiatives by federal, state and local governments, industry and  
5 commerce, and other interested persons, and may present an opportunity for economic  
6 growth and development for the state; and

7           9. It remains in the public interest for carbon dioxide to be injected underground in  
8 this state. The geologic sequestration and storage of anthropogenic carbon dioxide for  
9 purposes other than injection for enhanced oil or gas recovery will benefit the citizens of  
10 the state.

11           C. It is the intent of the Legislature that:

12           1. Efforts to capture, purify, compress, transport, inject, and store or sequester  
13 carbon dioxide will enhance the production of oil and natural gas in the state, further the  
14 development and production of natural resources in the state, and provide opportunities  
15 for economic growth and development for the state; and

16           2. In the event the State of Oklahoma establishes a unitization process to support  
17 the establishment of CO<sub>2</sub> sequestration facilities in this state, the Corporation  
18 Commission shall regulate all aspects of such process, including being responsible for  
19 making any necessary findings concerning the suitability of the reservoir targeted for  
20 carbon sequestration, whether its use for such purpose is in the public interest, and the  
21 impact of that use on the oil, gas, coal-bed methane and mineral brine resources in the  
22 State of Oklahoma.

1 SECTION 2. It being immediately necessary for the preservation of the public  
2 peace, health and safety, an emergency is hereby declared to exist, by reason whereof  
3 this act shall take effect and be in full force from and after its passage and approval.  
4 COMMITTEE REPORT BY: COMMITTEE ON ENERGY AND UTILITY  
5 REGULATION, dated 03-31-10 - DO PASS, As Amended.