

1 STATE OF OKLAHOMA

2 2nd Session of the 52nd Legislature (2010)

3 SENATE BILL 2024

By: Myers

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5  
6 AS INTRODUCED

7 An Act relating to environment and natural resources;  
8 amending Section 1, Chapter 429, O.S.L. 2009 (27A  
9 O.S. Supp. 2009, Section 3-5-101), which relates to  
10 carbon sequestration activities; modifying name of  
11 certain act; and declaring an emergency.

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

13 SECTION 1. AMENDATORY Section 1, Chapter 429, O.S.L.  
14 2009 (27A O.S. Supp. 2009, Section 3-5-101), is amended to read as  
15 follows:

16 Section 3-5-101. A. This act shall be known and may be cited  
17 as the "Oklahoma Carbon Capture and Geologic Sequestration,  
18 Transportation and Investment Act".

19 B. The Legislature finds and declares that:

20 1. Carbon dioxide is a valuable commodity to the citizens of  
21 the state, particularly for its value in enhancing the recovery of  
22 oil and gas and for its use in other industrial and commercial  
23 processes and applications;

1           2. Carbon dioxide is a gas produced when carbon is oxidized by  
2 any process, including the combustion of material that contains  
3 carbon such as coal, natural gas, oil and wood, all of which exist  
4 in abundance in our state, and the production and use of which form  
5 one of the foundations of our state's economy;

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

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

15           5. In its first 100 years, Oklahoma produced approximately  
16 15 billion barrels of oil. The Department of Energy for the United  
17 States has determined that Oklahoma has the potential to produce at  
18 least 9 billion barrels of oil and possibly as much as 20 billion  
19 barrels of oil through the use of carbon dioxide in enhanced oil  
20 recovery. To fully produce those natural resources, additional  
21 regulation is not necessary or appropriate but state incentives may  
22 be helpful;

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

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

9       8. The transportation of carbon dioxide to, and the storage or  
10 sequestration of carbon dioxide in, underground geological  
11 formations for beneficial use or reuse in industrial and commercial  
12 applications is expected to increase in the United States and in  
13 Oklahoma due to initiatives by federal, state and local governments,  
14 industry and commerce, and other interested persons, and may present  
15 an opportunity for economic growth and development for the state;  
16 and

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

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

23       1. Efforts to capture, purify, compress, transport, inject, and  
24 store or sequester carbon dioxide will enhance the production of oil

1 and natural gas in the state, further the development and production  
2 of natural resources in the state, and provide opportunities for  
3 economic growth and development for the state; and

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

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

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