

THE STATE SENATE
Monday, February 22, 2010

Senate Bill No. 2024

SENATE BILL NO. 2024 - By: Myers of the Senate and Bengtson of the House.

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

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

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

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

B. The Legislature finds and declares that:

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

2. Carbon dioxide is a gas produced when carbon is oxidized by any process, including the combustion of material that contains carbon such as coal, natural gas, oil and wood, all of which exist

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

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

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

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

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

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

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

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

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

20 1. Efforts to capture, purify, compress, transport, inject, and
21 store or sequester carbon dioxide will enhance the production of oil
22 and natural gas in the state, further the development and production

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

3 2. In the event the State of Oklahoma establishes a unitization
4 process to support the establishment of CO₂ sequestration facilities
5 in this state, the Corporation Commission shall regulate all aspects
6 of such process, including being responsible for making any
7 necessary findings concerning the suitability of the reservoir
8 targeted for carbon sequestration, whether its use for such purpose
9 is in the public interest, and the impact of that use on the oil,
10 gas, coal-bed methane and mineral brine resources in the State of
11 Oklahoma.

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

16 COMMITTEE REPORT BY: COMMITTEE ON ENERGY & ENVIRONMENT, dated
17 2-18-10 - DO PASS, As Coauthored.