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March 31, 2016

ENGROSSED HOUSE
BILL NO. 3158

By: Hickman, Morrisette, Scott
and Murphey of the House

and

Justice of the Senate

An Act relating to the Corporation Commission; amending 17 O.S. 2011, Section 52, which relates to the jurisdiction, power and authority of the Corporation Commission; authorizing the Commission to take certain emergency action in emergency situations; and declaring an emergency.

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

SECTION 1. AMENDATORY 17 O.S. 2011, Section 52, is amended to read as follows:

Section 52. A. 1. Except as otherwise provided by this section, the Corporation Commission is hereby vested with exclusive jurisdiction, power and authority with reference to:

- a. the conservation of oil and gas,
- b. field operations for geologic and geophysical exploration for oil, gas and brine, including seismic survey wells, stratigraphic test wells and core test wells,

- 1 c. the exploration, drilling, development, producing or
2 processing for oil and gas on the lease site,
- 3 d. the exploration, drilling, development, production and
4 operation of wells used in connection with the
5 recovery, injection or disposal of mineral brines,
- 6 e. reclaiming facilities only for the processing of salt
7 water, crude oil, natural gas condensate and tank
8 bottoms or basic sediment from crude oil tanks,
9 pipelines, pits and equipment associated with the
10 exploration, drilling, development, producing or
11 transportation of oil or gas,
- 12 f. injection wells known as Class II wells under the
13 federal Underground Injection Control Program, and any
14 aspect of any CO₂ sequestration facility, including any
15 associated CO₂ injection well, over which the
16 Commission is given jurisdiction pursuant to the
17 Oklahoma Carbon Capture and Geologic Sequestration
18 Act. Any substance that the United States
19 Environmental Protection Agency allows to be injected
20 into a Class II well may continue to be so injected,
- 21 g. tank farms for storage of crude oil and petroleum
22 products which are located outside the boundaries of
23 refineries, petrochemical manufacturing plants,
24 natural gas liquid extraction plants, or other

1 facilities which are subject to the jurisdiction of
2 the Department of Environmental Quality with regard to
3 point source discharges,

4 h. the construction and operation of pipelines and
5 associated rights-of-way, equipment, facilities or
6 buildings used in the transportation of oil, gas,
7 petroleum, petroleum products, anhydrous ammonia or
8 mineral brine, or in the treatment of oil, gas or
9 mineral brine during the course of transportation but
10 not including line pipes in any:

11 (1) natural gas liquids extraction plant,

12 (2) refinery,

13 (3) reclaiming facility other than for those
14 specified within subparagraph e of this
15 subsection,

16 (4) mineral brine processing plant, and

17 (5) petrochemical manufacturing plant,

18 i. the handling, transportation, storage and disposition
19 of saltwater, mineral brines, waste oil and other
20 deleterious substances produced from or obtained or
21 used in connection with the drilling, development,
22 producing and operating of oil and gas wells, at:

23 (1) any facility or activity specifically listed in
24 paragraphs 1 and 2 of this subsection as being

1 subject to the jurisdiction of the Commission,
2 and

3 (2) other oil and gas extraction facilities and
4 activities,

5 j. spills of deleterious substances associated with
6 facilities and activities specified in paragraph 1 of
7 this subsection or associated with other oil and gas
8 extraction facilities and activities, and

9 k. subsurface storage of oil, natural gas and liquefied
10 petroleum gas in geologic strata.

11 2. The exclusive jurisdiction, power and authority of the
12 Corporation Commission shall also extend to the construction,
13 operation, maintenance, site remediation, closure and abandonment of
14 the facilities and activities described in paragraph 1 of this
15 subsection.

16 3. When a deleterious substance from a Commission-regulated
17 facility or activity enters a point source discharge of pollutants
18 or storm water from a facility or activity regulated by the
19 Department of Environmental Quality, the Department shall have sole
20 jurisdiction over the point source discharge of the commingled
21 pollutants and storm water from the two facilities or activities
22 insofar as Department-regulated facilities and activities are
23 concerned.

1 4. For purposes of the Federal Clean Water Act, any facility or
2 activity which is subject to the jurisdiction of the Corporation
3 Commission pursuant to paragraph 1 of this subsection and any other
4 oil and gas extraction facility or activity which requires a permit
5 for the discharge of a pollutant or storm water to waters of the
6 United States shall be subject to the direct jurisdiction of the
7 United States Environmental Protection Agency and shall not be
8 required to be permitted by the Department of Environmental Quality
9 or the Corporation Commission for such discharge.

10 5. The Corporation Commission shall have jurisdiction over:

- 11 a. underground storage tanks that contain antifreeze,
12 motor oil, motor fuel, gasoline, kerosene, diesel, or
13 aviation fuel and that are not located at refineries
14 or at upstream or intermediate shipment points of
15 pipeline operations, including, but not limited to,
16 tanks from which these materials are dispensed into
17 vehicles, or tanks used in wholesale or bulk
18 distribution activities, as well as leaks from pumps,
19 hoses, dispensers, and other ancillary equipment
20 associated with the tanks, whether above the ground or
21 below; provided that any point source discharge of a
22 pollutant to waters of the United States during site
23 remediation or the off-site disposal of contaminated
24

1 soil, media, or debris shall be regulated by the
2 Department of Environmental Quality,

- 3 b. aboveground storage tanks that contain antifreeze,
4 motor oil, motor fuel, gasoline, kerosene, diesel, or
5 aviation fuel and that are not located at refineries
6 or at upstream or intermediate shipment points of
7 pipeline operations, including, but not limited to,
8 tanks from which these materials are dispensed into
9 vehicles, or tanks used in wholesale or bulk
10 distribution activities, as well as leaks from pumps,
11 hoses, dispensers, and other ancillary equipment
12 associated with the tanks, whether above the ground or
13 below; provided that any point source discharge of a
14 pollutant to waters of the United States during site
15 remediation or the off-site disposal of contaminated
16 soil, media, or debris shall be regulated by the
17 Department of Environmental Quality, and
18 c. the Petroleum Storage Tank Release Environmental
19 Cleanup Indemnity Fund and Program and the Leaking
20 Underground Storage Tank Trust Fund.

21 6. The Department of Environmental Quality shall have sole
22 jurisdiction to regulate the transportation, discharge or release of
23 deleterious substances or hazardous or solid waste or other
24 pollutants from rolling stock and rail facilities. The Department

1 of Environmental Quality shall not have any jurisdiction with
2 respect to pipeline transportation of carbon dioxide.

3 7. The Department of Environmental Quality shall have sole
4 environmental jurisdiction for point and nonpoint source discharges
5 of pollutants and storm water to waters of the state from:

6 a. refineries, petrochemical manufacturing plants and
7 natural gas liquid extraction plants,

8 b. manufacturing of oil and gas related equipment and
9 products,

10 c. bulk terminals, aboveground and underground storage
11 tanks not subject to the jurisdiction of the
12 Commission pursuant to this subsection, and

13 d. other facilities, activities and sources not subject
14 to the jurisdiction of the Corporation Commission or
15 Department of Agriculture as specified by this
16 section.

17 8. The Department of Environmental Quality shall have sole
18 environmental jurisdiction to regulate air emissions from all
19 facilities and sources subject to operating permit requirements
20 under Title V of the Federal Clean Air Act as amended.

21 B. The Corporation Commission and incorporated cities and towns
22 shall have exclusive jurisdiction over permit fees for the drilling
23 and operation of oil and gas wells.
24

1 C. The Corporation Commission shall comply with and enforce the
2 Oklahoma Water Quality Standards.

3 D. For purposes of immediately responding to emergency
4 situations having potentially critical environmental or public
5 safety impact and resulting from activities within its jurisdiction,
6 the Corporation Commission may take whatever action is necessary,
7 without notice and hearing, including without limitation the
8 issuance or execution of administrative agreements by the Oil and
9 Gas Conservation Division of the Corporation Commission, to promptly
10 respond to the emergency.

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

15 COMMITTEE REPORT BY: COMMITTEE ON ENERGY
16 March 31, 2016 - DO PASS
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