

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 59th Legislature (2024)

4 ENGROSSED SENATE
5 BILL NO. 1568

By: Rader of the Senate

and

6 Boles and **Archer** of the
7 House

8
9
10 [Corporation Commission - jurisdiction - injection
11 wells - hearing requirements - rule promulgation -
12 unitization - procedures - certificate of completion
13 - obligations - fines and fees - Revolving Fund - cap
14 - report - codification - effective date]

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

16 SECTION 1. AMENDATORY 17 O.S. 2021, Section 52, is
17 amended to read as follows:

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

- 21 a. the conservation of oil and gas,
22 b. field operations for geologic and geophysical
23 exploration for oil, gas and brine, including seismic
24

1 survey wells, stratigraphic test wells and core test
2 wells,

3 c. the exploration, drilling, development, producing or
4 processing for oil and gas on the lease site,

5 d. the exploration, drilling, development, production and
6 operation of wells used in connection with the
7 recovery, injection or disposal of mineral brines,

8 e. reclaiming facilities only for the processing of salt
9 water, crude oil, natural gas condensate and tank
10 bottoms or basic sediment from crude oil tanks,
11 pipelines, pits and equipment associated with the
12 exploration, drilling, development, producing or
13 transportation of oil or gas,

14 f. injection wells known as Class II wells under the
15 federal Underground Injection Control ~~Program~~ program,
16 and any aspect of any CO2 sequestration facility,
17 including any associated Class VI CO2 injection well,
18 over which the Commission is given jurisdiction
19 pursuant to the Oklahoma Carbon Capture and Geologic
20 Sequestration Act. Any substance that the United
21 States Environmental Protection Agency allows to be
22 injected into a Class II well may continue to be so
23 injected,

- 1 g. tank farms for storage of crude oil and petroleum
2 products which are located outside the boundaries of
3 refineries, petrochemical manufacturing plants,
4 natural gas liquid extraction plants, or other
5 facilities which are subject to the jurisdiction of
6 the Department of Environmental Quality with regard to
7 point source discharges,
- 8 h. the construction and operation of pipelines and
9 associated rights-of-way, equipment, facilities or
10 buildings used in the transportation of oil, gas,
11 petroleum, petroleum products, anhydrous ammonia or
12 mineral brine, or in the treatment of oil, gas or
13 mineral brine during the course of transportation but
14 not including line pipes in any:
- 15 (1) natural gas liquids extraction plant,
16 (2) refinery,
17 (3) reclaiming facility other than for those
18 specified within subparagraph e of this
19 ~~subsection~~ paragraph,
- 20 (4) mineral brine processing plant, and
21 (5) petrochemical manufacturing plant,
- 22 i. the handling, transportation, storage and disposition
23 of saltwater, mineral brines, waste oil and other
24 deleterious substances produced from or obtained or

1 used in connection with the drilling, development,
2 producing and operating of oil and gas wells, at:

3 (1) any facility or activity specifically listed in
4 ~~paragraphs 1~~ this paragraph and paragraph 2 of
5 this subsection as being subject to the
6 jurisdiction of the Commission, and

7 (2) other oil and gas extraction facilities and
8 activities,

9 j. spills of deleterious substances associated with
10 facilities and activities specified in ~~paragraph 1~~ of
11 this ~~subsection~~ paragraph or associated with other oil
12 and gas extraction facilities and activities, and

13 k. subsurface storage of oil, natural gas and liquefied
14 petroleum gas in geologic strata.

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

20 3. When a deleterious substance from a Commission-regulated
21 facility or activity enters a point source discharge of pollutants
22 or storm water from a facility or activity regulated by the
23 Department of Environmental Quality, the Department shall have sole
24 jurisdiction over the point source discharge of the commingled

1 pollutants and storm water from the two facilities or activities
2 insofar as Department-regulated facilities and activities are
3 concerned.

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

14 5. The Corporation Commission shall have jurisdiction over:

- 15 a. underground storage tanks that contain antifreeze,
16 motor oil, motor fuel, gasoline, kerosene, diesel, or
17 aviation fuel and that are not located at refineries
18 or at upstream or intermediate shipment points of
19 pipeline operations, including, but not limited to,
20 tanks from which these materials are dispensed into
21 vehicles, or tanks used in wholesale or bulk
22 distribution activities, as well as leaks from pumps,
23 hoses, dispensers, and other ancillary equipment
24 associated with the tanks, whether above the ground or

1 below; provided that any point source discharge of a
2 pollutant to waters of the United States during site
3 remediation or the off-site disposal of contaminated
4 soil, media, or debris shall be regulated by the
5 Department of Environmental Quality,

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

21 c. the Petroleum Storage Tank Release Environmental
22 Cleanup Indemnity Fund and Program and the Oklahoma
23 Leaking Underground Storage Tank Trust Fund.
24

1 6. The Department of Environmental Quality shall have sole
2 jurisdiction to regulate the transportation, discharge or release of
3 deleterious substances or hazardous or solid waste or other
4 pollutants from rolling stock and rail facilities. The Department
5 of Environmental Quality shall not have any jurisdiction with
6 respect to pipeline transportation of carbon dioxide.

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

- 10 a. refineries, petrochemical manufacturing plants and
11 natural gas liquid extraction plants,
- 12 b. manufacturing of oil and gas related equipment and
13 products,
- 14 c. bulk terminals, aboveground and underground storage
15 tanks not subject to the jurisdiction of the
16 Commission pursuant to this subsection, and
- 17 d. other facilities, activities and sources not subject
18 to the jurisdiction of the Corporation Commission or
19 Oklahoma Department of Agriculture, Food, and Forestry
20 as specified by this section.

21 8. The Department of Environmental Quality shall have sole
22 environmental jurisdiction to regulate air emissions from all
23 facilities and sources subject to operating permit requirements
24 under Title V of the ~~Federal~~ federal Clean Air Act as amended.

1 B. The Corporation Commission and incorporated cities and towns
2 shall have exclusive jurisdiction over permit fees for the drilling
3 and operation of oil and gas wells.

4 C. The Corporation Commission shall comply with and enforce the
5 Oklahoma Water Quality Standards.

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

14 SECTION 2. AMENDATORY 27A O.S. 2021, Section 1-3-101, as
15 last amended by Section 2, Chapter 164, O.S.L. 2023 (27A O.S. Supp.
16 2023, Section 1-3-101), is amended to read as follows:

17 Section 1-3-101. A. The provisions of this section specify the
18 jurisdictional areas of responsibility for each state environmental
19 agency and state agencies with limited environmental responsibility.
20 The jurisdictional areas of environmental responsibility specified
21 in this section shall be in addition to those otherwise provided by
22 law and assigned to the specific state environmental agency;
23 provided that any rule, interagency agreement or executive order
24 enacted or entered into prior to ~~the effective date of this section~~

1 July 1, 1993, which conflicts with the assignment of jurisdictional
2 environmental responsibilities specified by this section is hereby
3 superseded. The provisions of this subsection shall not nullify any
4 financial obligation arising from services rendered pursuant to any
5 interagency agreement or executive order entered into prior to July
6 1, 1993, nor nullify any obligations or agreements with private
7 persons or parties entered into with any state environmental agency
8 before July 1, 1993.

9 B. Department of Environmental Quality. The Department of
10 Environmental Quality shall have the following jurisdictional areas
11 of environmental responsibility:

12 1. All point source discharges of pollutants and storm water to
13 waters of the state which originate from municipal, industrial,
14 commercial, mining, transportation and utilities, construction,
15 trade, real estate and finance, services, public administration,
16 manufacturing and other sources, facilities and activities, except
17 as provided in subsections D and E of this section;

18 2. All nonpoint source discharges and pollution except as
19 provided in subsections D, E and F of this section;

20 3. Technical lead agency for point source, nonpoint source and
21 storm water pollution control programs funded under Section 106 of
22 the federal Clean Water Act, for areas within the Department's
23 jurisdiction as provided in this subsection;

1 4. Surface water and groundwater quality and protection and
2 water quality certifications;

3 5. Waterworks and wastewater works operator certification;

4 6. Public and private water supplies;

5 7. Underground injection control pursuant to the federal Safe
6 Drinking Water Act and 40 CFR Parts 144 through 148, except for:

7 a. Class II injection wells,

8 b. Class V injection wells utilized in the remediation of
9 groundwater associated with underground or aboveground
10 storage tanks regulated by the Corporation Commission,

11 c. those wells used for the recovery, injection or
12 disposal of mineral brines as defined in the Oklahoma
13 Brine Development Act regulated by the Commission, and

14 d. any aspect of ~~any~~ a Class VI CO2 sequestration
15 facility including ~~any~~ associated Class VI CO2
16 injection ~~well,~~ wells over which the Commission is
17 given jurisdiction pursuant to the Oklahoma Carbon
18 Capture and Geologic Sequestration Act;

19 8. Notwithstanding any other provision in this section or other
20 environmental jurisdiction statute, sole and exclusive jurisdiction
21 for air quality under the federal Clean Air Act and applicable state
22 law, except for indoor air quality and asbestos as regulated for
23 worker safety by the federal Occupational Safety and Health Act of
24

1 1970 and by Chapter 11 of Title 40 of the Oklahoma Statutes the
2 Oklahoma Asbestos Control Act;

3 9. Hazardous waste and solid waste including industrial,
4 commercial and municipal waste;

5 10. Superfund responsibilities of the state under the
6 Comprehensive Environmental Response, Compensation, and Liability
7 Act of 1980 and amendments thereto, except the planning requirements
8 of Title III of the Superfund ~~Amendment~~ Amendments and
9 Reauthorization Act of 1986;

10 11. Radioactive waste and all regulatory activities for the use
11 of atomic energy and sources of radiation except for electronic
12 products used for diagnosis by diagnostic ~~X-ray~~ x-ray facilities and
13 electronic products used for bomb detection by public safety bomb
14 squads within law enforcement agencies of this state or within law
15 enforcement agencies of any political subdivision of this state;

16 12. Water, waste, and wastewater treatment systems including,
17 but not limited to, septic tanks or other public or private waste
18 disposal systems;

19 13. Emergency response as specified by law;

20 14. Environmental laboratory services and laboratory
21 certification;

22 15. Hazardous substances other than branding, package and
23 labeling requirements;

24 16. Freshwater wellhead protection;

1 17. Groundwater protection for activities subject to the
2 jurisdictional areas of environmental responsibility of the
3 Department;

4 18. Utilization and enforcement of Oklahoma Water Quality
5 Standards and implementation documents;

6 19. Environmental regulation of any entity or activity, and the
7 prevention, control and abatement of any pollution, not subject to
8 the specific statutory authority of another state environmental
9 agency;

10 20. Development and maintenance of a computerized information
11 system relating to water quality pursuant to Section 1-4-107 of this
12 title;

13 21. Development and promulgation of Oklahoma Water Quality
14 Standards, their accompanying use support assessment protocols,
15 anti-degradation policies generally affecting Oklahoma Water Quality
16 Standards application and implementation including but not limited
17 to mixing zones, low flows and variances or any modification or
18 change thereof pursuant to Section 1085.30 of Title 82 of the
19 Oklahoma Statutes, and the Water Quality Standards Implementation
20 Plan pursuant to Section 1-1-202 of this title for its
21 jurisdictional area of environmental responsibility; and

22 22. Development and utilization of policies and requirements
23 necessary for the implementation of Oklahoma Groundwater Quality
24 Standards to the extent that the implementation of such standards is

1 within the scope of the Department's jurisdiction including but not
2 limited to the establishment of points of compliance when warranted.

3 C. Oklahoma Water Resources Board. The Oklahoma Water
4 Resources Board shall have the following jurisdictional areas of
5 environmental responsibility:

6 1. Water quantity including, but not limited to, water rights,
7 surface water and underground water, planning, and interstate stream
8 compacts;

9 2. Weather modification;

10 3. Dam safety;

11 4. Flood plain management;

12 5. State water/wastewater loans and grants revolving fund and
13 other related financial aid programs;

14 6. Administration of the federal Clean Water State Revolving
15 Fund ~~Program~~ program including, but not limited to, making
16 application for and receiving capitalization grant awards,
17 wastewater prioritization for funding, technical project reviews,
18 environmental review ~~process~~ processing, and financial review and
19 administration;

20 7. Water well drillers/pump installers licensing;

21 8. Technical lead agency for clean lakes eligible for funding
22 under ~~Section 314 of the federal Clean Water Act~~ Lakes Program or
23 other applicable sections of the federal Clean Water Act or other
24 subsequent state and federal clean lakes programs; administration of

1 a state program for assessing, monitoring, studying and restoring
2 Oklahoma lakes with administration to include, but not be limited
3 to, receipt and expenditure of funds from federal, state and private
4 sources for clean lakes and implementation of a volunteer monitoring
5 program to assess and monitor state water resources, provided such
6 funds from federal Clean Water Act sources are administered and
7 disbursed by the Office of the Secretary of Environment;

8 9. Groundwater protection for activities subject to the
9 jurisdictional areas of environmental responsibility of the Board;

10 10. Development and promulgation of a Water Quality Standards
11 Implementation Plan pursuant to Section 1-1-202 of this title for
12 its jurisdictional area of environmental responsibility;

13 11. Development of classifications and identification of
14 permitted uses of groundwater, in recognized water rights, and
15 associated groundwater recharge areas;

16 12. Establishment and implementation of a statewide beneficial
17 use monitoring program for waters of the state in coordination with
18 the other state environmental agencies; and

19 13. Coordination with other state environmental agencies and
20 other public entities of water resource investigations conducted by
21 the federal United States Geological Survey for water quality and
22 quantity monitoring in the state.

23 D. Oklahoma Department of Agriculture, Food, and Forestry.
24

1 1. The Oklahoma Department of Agriculture, Food, and Forestry
2 shall have the following jurisdictional areas of environmental
3 responsibility except as provided in paragraph 2 of this subsection:

- 4 a. point source discharges and nonpoint source runoff
5 from agricultural crop production, agricultural
6 services, livestock production, silviculture, feed
7 yards, livestock markets and animal waste,
- 8 b. pesticide control,
- 9 c. forestry and nurseries,
- 10 d. fertilizer,
- 11 e. facilities which store grain, feed, seed, fertilizer
12 and agricultural chemicals,
- 13 f. dairy waste and wastewater associated with milk
14 production facilities,
- 15 g. groundwater protection for activities subject to the
16 jurisdictional areas of environmental responsibility
17 of the Department,
- 18 h. utilization and enforcement of Oklahoma Water Quality
19 Standards and implementation documents,
- 20 i. development and promulgation of a Water Quality
21 Standards Implementation Plan pursuant to Section 1-1-
22 202 of this title for its jurisdictional areas of
23 environmental responsibility, and
24

1 j. storm water discharges for activities subject to the
2 jurisdictional areas of environmental responsibility
3 of the Department.

4 2. In addition to the jurisdictional areas of environmental
5 responsibility specified in subsection B of this section, the
6 Department of Environmental Quality shall have environmental
7 jurisdiction over:

8 a. (1) commercial manufacturers of fertilizers, grain
9 and feed products, and chemicals, and over
10 manufacturing of food and kindred products,
11 tobacco, paper, lumber, wood, textile mill and
12 other agricultural products,

13 (2) slaughterhouses, but not including feedlots at
14 these facilities, and

15 (3) aquaculture and fish hatcheries,
16 including, but not limited to, discharges of
17 pollutants and storm water to waters of the state,
18 surface impoundments and land application of wastes
19 and sludge, and other pollution originating at these
20 facilities, and

21 b. facilities which store grain, feed, seed, fertilizer,
22 and agricultural chemicals that are required by
23 federal ~~NPDES~~ National Pollutant Discharge Elimination
24 System (NPDES) regulations to obtain a permit for

1 storm water discharges shall only be subject to the
2 jurisdiction of the Department of Environmental
3 Quality with respect to such storm water discharges.

4 E. Corporation Commission.

5 1. The Corporation Commission is hereby vested with exclusive
6 jurisdiction, power and authority, and it shall be its duty to
7 promulgate and enforce rules, and issue and enforce orders governing
8 and regulating:

- 9 a. the conservation of oil and gas,
- 10 b. field operations for geologic and geophysical
11 exploration for oil, gas and brine including seismic
12 survey wells, stratigraphic test wells and core test
13 wells,
- 14 c. the exploration, drilling, development, producing or
15 processing for oil and gas on the lease site,
- 16 d. the exploration, drilling, development, production and
17 operation of wells used in connection with the
18 recovery, injection or disposal of mineral brines,
- 19 e. reclaiming facilities only for the processing of salt
20 water, crude oil, natural gas condensate and tank
21 bottoms or basic sediment from crude oil tanks,
22 pipelines, pits and equipment associated with the
23 exploration, drilling, development, producing or
24 transportation of oil or gas,

f. underground injection control pursuant to the federal Safe Drinking Water Act and 40 CFR Parts 144 through 148 of:

(1) Class II injection wells,

(2) Class V injection wells utilized in the remediation of groundwater associated with underground or aboveground storage tanks regulated by the Commission,

(3) those wells used for the recovery, injection or disposal of mineral brines as defined in the Oklahoma Brine Development Act, and

(4) any aspect of ~~any~~ a Class VI CO2 sequestration facility including ~~any~~ associated Class VI CO2 injection ~~well,~~ wells over which the Commission is given jurisdiction pursuant to the Oklahoma Carbon Capture and Geologic Sequestration Act.

Any substance that the United States Environmental Protection Agency allows to be injected into a Class II well may continue to be so injected,

g. tank farms for storage of crude oil and petroleum products which are located outside the boundaries of refineries, petrochemical manufacturing plants, natural gas liquid extraction plants, or other facilities which are subject to the jurisdiction of

1 the Department of Environmental Quality with regard to
2 point source discharges,

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

10 (1) natural gas liquids extraction plant,

11 (2) refinery,

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

15 (4) mineral brine processing plant, and

16 (5) petrochemical manufacturing plant,

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

22 (1) any facility or activity specifically listed in
23 ~~paragraphs 1~~ this paragraph and paragraph 2 of
24

1 this subsection as being subject to the
2 jurisdiction of the Commission, 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~~ paragraph or associated with other oil
8 and gas extraction facilities and activities,

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

11 l. groundwater protection for activities subject to the
12 jurisdictional areas of environmental responsibility
13 of the Commission,

14 m. utilization and enforcement of Oklahoma Water Quality
15 Standards and implementation documents, and

16 n. development and promulgation of a Water Quality
17 Standards Implementation Plan pursuant to Section 1-1-
18 202 of this title for its jurisdictional areas of
19 environmental responsibility.

20 2. The exclusive jurisdiction, power and authority of the
21 Commission shall also extend to the construction, operation,
22 maintenance, site remediation, closure and abandonment of the
23 facilities and activities described in paragraph 1 of this
24 subsection.

1 3. When a deleterious substance from a Commission-regulated
2 facility or activity enters a point source discharge of pollutants
3 or storm water from a facility or activity regulated by the
4 Department of Environmental Quality, the Department shall have sole
5 jurisdiction over the point source discharge of the commingled
6 pollutants and storm water from the two facilities or activities
7 insofar as Department-regulated facilities and activities are
8 concerned.

9 4. The Commission and the Department of Environmental Quality
10 are hereby authorized to obtain authorization from the United States
11 Environmental Protection Agency to administer, within their
12 respective jurisdictions, any and all programs regulating oil and
13 gas discharges into the waters of this state. For purposes of the
14 federal Clean Water Act, any facility or activity which is subject
15 to the jurisdiction of the Commission pursuant to paragraph 1 of
16 this subsection and any other oil and gas extraction facility or
17 activity which requires a permit for the discharge of a pollutant or
18 storm water to waters of the United States shall be subject to the
19 direct jurisdiction and permitting authority of the Oklahoma agency
20 having received delegation of this program from the United States
21 Environmental Protection Agency.

22 5. The Commission shall have jurisdiction over:

- 23 a. underground storage tanks that contain antifreeze,
24 motor oil, motor fuel, gasoline, kerosene, diesel, or

1 aviation fuel and that are not located at refineries
2 or at the upstream or intermediate shipment points of
3 pipeline operations including, but not limited to,
4 tanks from which these materials are dispensed into
5 vehicles, or tanks used in wholesale or bulk
6 distribution activities, as well as leaks from pumps,
7 hoses, dispensers, and other ancillary equipment
8 associated with the tanks, whether above the ground or
9 below; provided, that any point source discharge of a
10 pollutant to waters of the United States during site
11 remediation or the off-site disposal of contaminated
12 soil, media, or debris shall be regulated by the
13 Department of Environmental Quality,

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

1 pollutant to waters of the United States during site
2 remediation or the off-site disposal of contaminated
3 soil, media, or debris shall be regulated by the
4 Department of Environmental Quality, and

5 c. the Petroleum Storage Tank Release Environmental
6 Cleanup Indemnity Fund, the Oklahoma Petroleum Storage
7 Tank Release Indemnity Program, and the Oklahoma
8 Leaking Underground Storage Tank Trust Fund.

9 6. The Department of Environmental Quality shall have sole
10 jurisdiction to regulate the transportation, discharge or release of
11 deleterious substances or solid or hazardous waste or other
12 pollutants from rolling stock and rail facilities. The Department
13 of Environmental Quality shall not have any jurisdiction with
14 respect to pipeline transportation of carbon dioxide.

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

18 a. refineries, petrochemical manufacturing plants and
19 natural gas liquid extraction plants,

20 b. manufacturing of equipment and products related to oil
21 and gas,

22 c. bulk terminals, aboveground and underground storage
23 tanks not subject to the jurisdiction of the
24 Commission pursuant to this subsection, and

1 d. other facilities, activities and sources not subject
2 to the jurisdiction of the Commission or the Oklahoma
3 Department of Agriculture, Food, and Forestry as
4 specified by this section.

5 8. The Department of Environmental Quality shall have sole
6 environmental jurisdiction to regulate air emissions from all
7 facilities and sources subject to operating permit requirements
8 under Title V of the federal Clean Air Act as amended.

9 F. Oklahoma Conservation Commission. The Oklahoma Conservation
10 Commission shall have the following jurisdictional areas of
11 environmental responsibility:

12 1. Soil conservation, erosion control and nonpoint source
13 management except as otherwise provided by law;

14 2. Monitoring, evaluation and assessment of waters to determine
15 the condition of streams and rivers being impacted by nonpoint
16 source pollution. In carrying out this area of responsibility, the
17 Oklahoma Conservation Commission shall serve as the technical lead
18 agency for nonpoint source categories as defined in Section 319 of
19 the federal Clean Water Act or other subsequent federal or state
20 nonpoint source programs, except for activities related to
21 industrial and municipal storm water or as otherwise provided by
22 state law;

23 3. Wetlands strategy;

24 4. Abandoned mine reclamation;

1 5. Cost-share program for land use activities;

2 6. Assessment and conservation plan development and
3 implementation in watersheds of clean lakes, as specified by law;

4 7. Complaint data management;

5 8. Coordination of environmental and natural resources
6 education;

7 9. Federal upstream flood control program;

8 10. Groundwater protection for activities subject to the
9 jurisdictional areas of environmental responsibility of the
10 Commission;

11 11. Development and promulgation of a Water Quality Standards
12 Implementation Plan pursuant to Section 1-1-202 of this title for
13 its jurisdictional areas of environmental responsibility;

14 12. Utilization of Oklahoma Water Quality Standards and
15 ~~Implementation~~ implementation documents; and

16 13. Verification and certification of carbon sequestration
17 pursuant to the Oklahoma Carbon Sequestration Enhancement Act. This
18 responsibility shall not be superseded by the Oklahoma Carbon
19 Capture and Geologic Sequestration Act.

20 G. Department of Mines. The Department of Mines shall have the
21 following jurisdictional areas of environmental responsibility:

22 1. Mining regulation;

23 2. Mining reclamation of active mines;

1 3. Groundwater protection for activities subject to the
2 jurisdictional areas of environmental responsibility of the
3 Commission; and

4 4. Development and promulgation of a Water Quality Standards
5 Implementation Plan pursuant to Section 1-1-202 of this title for
6 its jurisdictional areas of responsibility.

7 H. Department of Wildlife Conservation. The Department of
8 Wildlife Conservation shall have the following jurisdictional areas
9 of environmental responsibilities:

10 1. Investigating wildlife kills;

11 2. Wildlife protection and seeking wildlife damage claims; and

12 3. Development and promulgation of a Water Quality Standards
13 Implementation Plan pursuant to Section 1-1-202 of this title for
14 its jurisdictional areas of environmental responsibility.

15 I. Department of Public Safety. The Department of Public
16 Safety shall have the following jurisdictional areas of
17 environmental responsibilities:

18 1. Hazardous waste, substances and material transportation
19 inspections as authorized by the Oklahoma Motor Carrier Safety and
20 Hazardous Materials Transportation Act; and

21 2. Inspection and audit activities of hazardous waste and
22 materials carriers and handlers as authorized by the Oklahoma Motor
23 Carrier Safety and Hazardous Materials Transportation Act.

1 J. Department of Labor. The Department of Labor shall have the
2 following jurisdictional areas of environmental responsibility:

3 1. Regulation of asbestos in the workplace pursuant to ~~Chapter~~
4 ~~11 of Title 40 of the Oklahoma Statutes~~ the Oklahoma Asbestos
5 Control Act;

6 2. Asbestos monitoring in public and private buildings; and

7 3. Indoor air quality as regulated under the authority of the
8 Oklahoma Occupational Health and Safety Standards Act, except for
9 those indoor air quality issues specifically authorized to be
10 regulated by another agency.

11 Such programs shall be a function of the Department's
12 occupational safety and health jurisdiction.

13 K. Oklahoma Department of Emergency Management. The Oklahoma
14 Department of Emergency Management shall have the following
15 jurisdictional areas of environmental responsibilities:

16 1. Coordination of all emergency resources and activities
17 relating to threats to citizens' lives and property pursuant to the
18 Oklahoma Emergency Resources Management Act of 1967;

19 2. Administer and enforce the planning requirements of Title
20 III of the Superfund Amendments and Reauthorization Act of 1986 and
21 develop such other emergency operations plans that will enable the
22 state to prepare for, respond to, recover from and mitigate
23 potential environmental emergencies and disasters pursuant to the
24 Oklahoma Hazardous Materials Planning and Notification Act;

1 3. Administer and conduct periodic exercises of emergency
2 operations plans provided for in this subsection pursuant to the
3 Oklahoma Emergency Resources Management Act of 1967;

4 4. Administer and facilitate hazardous materials training for
5 state and local emergency planners and first responders pursuant to
6 the Oklahoma Emergency Resources Management Act of 1967; and

7 5. Maintain a computerized emergency information system
8 allowing state and local access to information regarding hazardous
9 materials' location, quantity and potential threat.

10 SECTION 3. AMENDATORY 27A O.S. 2021, Section 3-5-102, is
11 amended to read as follows:

12 Section 3-5-102. As used in the Oklahoma Carbon Capture and
13 Geologic Sequestration Act:

14 1. ~~"Agency" means the Corporation Commission or the Department~~
15 ~~of Environmental Quality, as the case may be and as described in~~
16 ~~Section 3-5-103 of this title;~~

17 2. "Anthropogenic carbon dioxide" or "man-made carbon dioxide"
18 means the carbon dioxide compound manufactured, mechanically formed
19 or otherwise caused to occur, as a result of either:

- 20 a. a chemical process performed by or involving efforts
21 of a person, or
22 b. separation of carbon dioxide from natural gas.

23 The term shall not include carbon dioxide that is naturally present
24 in underground locations;

1 ~~3.~~ 2. "Approved reservoir" means a reservoir that is determined
2 by the ~~Agency with jurisdiction~~ Corporation Commission to be
3 suitable for the receipt, storage and/or sequestration of injected
4 carbon dioxide therein;

5 ~~4.~~ 3. "Carbon dioxide" or "CO₂" means an inorganic compound
6 containing one carbon atom and two oxygen atoms, and exists as a gas
7 at standard temperature and pressure. Carbon dioxide is an inert,
8 stable, colorless, odorless, nontoxic, incombustible, inorganic gas
9 that is dissolvable in water and is naturally present, such as in
10 underground locations and in the atmosphere as a trace gas;

11 ~~5.~~ 4. "Carbon sequestration" means long-term or short-term
12 underground storage or sequestration of anthropogenic carbon dioxide
13 in one or more reservoirs;

14 ~~6.~~ 5. "CO₂ injection well" means an artificial excavation or
15 opening in the ground made by digging, boring, drilling, jetting,
16 driving, or another method and is used to inject or transmit
17 anthropogenic carbon dioxide into one or more reservoirs;

18 ~~7.~~ 6. "CO₂ capture and compression equipment" means the
19 equipment, separation units, processing units, processing plants,
20 pipe, buildings, pumps, compressors, meters, facilities, motors,
21 fixtures, materials, and machinery, and all other improvements used
22 in the operation of any of them, and property, real or personal,
23 intangible or tangible, either attributable to or relating to, or
24 located thereon, used for the purpose of:

1 a. capturing carbon dioxide from a source that produces
2 anthropogenic carbon dioxide, and/or

3 b. compressing or otherwise increasing the pressure of
4 anthropogenic carbon dioxide;

5 ~~8.~~ 7. "CO₂ pipeline" means any pipeline, compressors, pumps,
6 meters, facilities, valves, fittings, right-of-way markers, cathodic
7 protection ground beds, anodes, rectifiers, and any other cathodic
8 protection devices, and other associated equipment, appurtenances
9 and fixtures located on, attributable to or used in connection with
10 the same, and used for the purpose of transporting carbon dioxide
11 for carbon sequestration in this state or another state, excluding:

12 a. CO₂ capture and compression equipment at the source of
13 the carbon dioxide, and

14 b. pipelines that are part of a CO₂ sequestration
15 facility;

16 ~~9.~~ 8. "CO₂ sequestration facility" means the approved
17 reservoir(s), and all associated underground equipment and
18 pipelines, all associated surface buildings and equipment, and all
19 associated CO₂ injection wells, utilized for carbon sequestration in
20 a defined geographic boundary established by the ~~Agency~~ Commission,
21 excluding any:

22 a. CO₂ capture and compression equipment at the source of
23 the carbon dioxide, and

1 b. CO₂ pipeline transporting carbon dioxide to the
2 facility from a source located outside the geographic
3 boundaries of the surface of the facility;

4 ~~10.~~ 9. "CO₂ trunkline" means a CO₂ pipeline that both exceeds
5 seventy-five (75) miles in distance and has a minimum pipe outside
6 diameter of at least twelve (12) inches;

7 ~~11.~~ 10. "Commission" means the Corporation Commission as
8 established by Section 15 of Article ~~9~~ IX of the Oklahoma
9 Constitution;

10 ~~12.~~ 11. "Common source of supply" shall have the same meaning
11 as in Section 86.1 of Title 52 of the Oklahoma Statutes;

12 ~~13.~~ 12. "Department" means the Department of Environmental
13 Quality as established by Section 2-3-101 et seq. of this title;

14 ~~14.~~ 13. "Enhanced oil or gas recovery" means the increased
15 recovery of hydrocarbons, including oil and gas, from a common
16 source of supply achieved by artificial means or by the application
17 of energy extrinsic to the common source of supply, such as
18 pressuring, cycling, pressure maintenance or injection of a
19 substance or form of energy, such as injection of water and/or
20 carbon dioxide, including immiscible and miscible floods; provided
21 that enhanced oil or gas recovery shall not include injection of a
22 substance or form of energy for the sole purpose of either:

23 a. aiding in the lifting of fluids in the well, or
24

b. stimulation of the reservoir at or near the well by
mechanical, chemical, thermal or explosive means;

~~15.~~ 14. "Facility operator" means any person authorized by the
~~Agency~~ Commission to operate a CO₂ sequestration facility;

~~16.~~ 15. "Facility owner" means the person who owns the CO₂
sequestration facility;

~~17.~~ 16. "Gas" shall have the same meaning as in Section 86.1 of
Title 52 of the Oklahoma Statutes;

~~18.~~ 17. "Governmental entity" means any department, commission,
authority, council, board, bureau, committee, legislative body,
agency, beneficial public trust, or other establishment of the
executive, legislative or judicial branch of the United States, the
State of Oklahoma, any other state in the United States, the
District of Columbia, the Territories of the United States, and any
similar entity of any foreign country;

~~19.~~ 18. "Oil" shall have the same meaning as in Section 86.1 of
Title 52 of the Oklahoma Statutes;

~~20.~~ 19. "Person" means any individual, proprietorship,
association, firm, corporation, company, partnership, limited
partnership, limited liability company, joint venture, joint stock
company, syndicate, trust, organization, committee, club,
governmental entity, or other type of legal entity, or any group or
combination thereof either acting in concert or as a unit;

1 ~~21.~~ 20. "Private operator" means any person that is either a
2 facility operator or an operator of a CO₂ pipeline, but that is
3 neither a public utility nor a common carrier as such terms are
4 defined by the Oklahoma Statutes; and

5 ~~22.~~ 21. "Reservoir" means any portion of a separate and
6 distinct geologic or subsurface sedimentary stratum, formation,
7 aquifer, cavity or void, whether naturally occurring or artificially
8 created, including an oil or gas formation, saline formation, or
9 coal seam.

10 SECTION 4. AMENDATORY 27A O.S. 2021, Section 3-5-103, is
11 amended to read as follows:

12 Section 3-5-103. ~~A.~~ The Corporation Commission ~~shall be the~~
13 ~~"Agency" for, and shall have exclusive jurisdiction over~~ Class VI CO₂
14 sequestration facilities involving, and injection of Class VI CO₂ for
15 carbon sequestration into, ~~oil reservoirs, gas reservoirs, coal-bed~~
16 ~~methane reservoirs, and mineral brine reservoirs.~~ The Commission
17 shall have such jurisdiction regardless of whether such CO₂
18 sequestration facility or other injection of carbon dioxide involves
19 enhanced oil or gas recovery.

20 ~~B.~~ ~~The Department of Environmental Quality shall be the~~
21 ~~"Agency" for, and shall have exclusive jurisdiction over~~ CO₂
22 ~~sequestration facilities involving, and injection of~~ CO₂ ~~for carbon~~
23 ~~sequestration into all reservoirs other than those described in~~
24 ~~subsection A of this section, which shall include, but not be~~

1 ~~limited to, deep saline formations, unmineable coal seams where~~
2 ~~methane is not produced, basalt reservoirs, salt domes, and non-~~
3 ~~mineral bearing shales.~~

4 SECTION 5. AMENDATORY 27A O.S. 2021, Section 3-5-104, as
5 amended by Section 1, Chapter 353, O.S.L. 2023 (27A O.S. Supp. 2023,
6 Section 3-5-104), is amended to read as follows:

7 Section 3-5-104. A. The Corporation Commission and the
8 Department of Environmental Quality shall execute a Memorandum of
9 Understanding to address areas in which the implementation of the
10 Oklahoma Carbon Capture and Geologic Sequestration Act will require
11 interagency cooperation or interaction, ~~including procedures for~~
12 ~~directing applicants through the application process.~~

13 B. The operator of a CO2 sequestration facility shall obtain a
14 permit pursuant to the Oklahoma Carbon Capture and Geologic
15 Sequestration Act from the ~~Agency having jurisdiction~~ Commission
16 prior to the operation of a CO2 sequestration facility, after the
17 Operator provides notice of the application for such permit pursuant
18 to subsection D of this section, and the ~~Agency~~ Commission has a
19 hearing thereon upon request; provided that no permit pursuant to
20 the Oklahoma Carbon Capture and Geologic Sequestration Act is
21 required if the facility operator obtains permission, by permit or
22 order, by the ~~Agency~~ Commission pursuant to the rules and
23 regulations of the state's federally approved Underground Injection
24 Control ~~Program~~ program and such permission authorizes carbon

1 sequestration or injection of carbon dioxide underground and
2 incorporates any additional requirements adopted pursuant to
3 subsection C of this section.

4 C. To the extent not already authorized by laws governing the
5 state's federally approved Underground Injection Control ~~Program~~
6 program, the ~~Agency having jurisdiction~~ Commission may issue and
7 enforce such orders, and may adopt, modify, repeal and enforce such
8 emergency or permanent rules, including establishment of appropriate
9 and sufficient fees to cover the cost of the program, financial
10 sureties or bonds, and monitoring at CO2 sequestration facilities,
11 as may be necessary, for the purpose of regulating the drilling of
12 CO2 injection wells related to a CO2 sequestration facility, the
13 injection and withdrawal of carbon dioxide, the operation of the CO2
14 sequestration facility, CO2 injection well plugging and abandonment,
15 removal of surface buildings and equipment of the CO2 sequestration
16 facility and for any other purpose necessary to implement the
17 provisions of the Oklahoma Carbon Capture and Geologic Sequestration
18 Act.

19 D. The applicant for any permit to be issued pursuant to the
20 Oklahoma Carbon Capture and Geologic Sequestration Act shall give
21 all surface owners and mineral owners, including working interest
22 and royalty owners, of the land to be encompassed within the defined
23 geographic boundary of the CO2 sequestration facility as established
24 by the ~~Agency~~ Commission, and whose addresses are known or could be

1 known through the exercise of due diligence, at least ~~fifteen (15)~~
2 thirty (30) days' notice of the hearing by mail, return receipt
3 requested. The applicant shall also give notice by ~~one publication~~
4 two publications, with one publishing at least fifteen (15) thirty
5 (30) days prior to the hearing and again at least fifteen (15) days
6 prior to the hearing, in some newspaper of general circulation
7 published in Oklahoma County, and by ~~one publication~~ two
8 publications, with one publishing at least fifteen (15) thirty (30)
9 days prior to the date of the hearing and again at least fifteen
10 (15) days prior to the hearing, in some newspaper published in the
11 county, or in each county, if there ~~be~~ is more than one, in which
12 the defined geographic boundary of the CO2 sequestration facility,
13 as established by the ~~Agency~~ Commission, is situated. The applicant
14 shall file proof of publication and an affidavit of mailing with the
15 ~~Agency~~ Commission prior to the hearing.

16 E. In addition to all other powers and duties prescribed in the
17 Oklahoma Carbon Capture and Geologic Sequestration Act or otherwise
18 by law, and unless otherwise specifically set forth in the Oklahoma
19 Carbon Capture and Geologic Sequestration Act, the ~~Agency having~~
20 ~~jurisdiction~~ Commission shall have the authority to perform any and
21 all acts necessary to carry out the purposes and requirements of the
22 federal Safe Drinking Water Act, as amended, relating to this
23 state's participation in the federal Underground Injection Control
24

1 ~~Program~~ program established under that act with respect to the
2 storage and/or sequestration of carbon dioxide.

3 ~~F. The Corporation Commission and Department of Environmental~~
4 ~~Quality, which are required to comply with the federal Safe Drinking~~
5 ~~Water Act, 42 U.S.C. 300f et seq., as amended, shall evaluate the~~
6 ~~regulatory and statutory framework that governs the agency and~~
7 ~~identify and report any areas in which modifications may be needed~~
8 ~~to the Secretary of Energy and Environment to provide for the~~
9 ~~development of underground injection control Class VI wells. The~~
10 ~~agencies reporting under this subsection shall consult the Secretary~~
11 ~~and work in conjunction with the Office of the Secretary of Energy~~
12 ~~and Environment to ensure timely analysis. Identified areas and~~
13 ~~recommended modifications to the regulatory and statutory framework~~
14 ~~of the agency shall be submitted in a report to the Governor,~~
15 ~~Secretary of Energy and Environment, President Pro Tempore of the~~
16 ~~Senate, and the Speaker of the House of Representatives not later~~
17 ~~than August 1, 2023.~~

18 SECTION 6. AMENDATORY 27A O.S. 2021, Section 3-5-105, is
19 amended to read as follows:

20 Section 3-5-105. A. Unless otherwise expressly provided by a
21 contract, bill of sale, deed, mortgage, deed of trust, or other
22 legally binding document or by other law, carbon dioxide injected
23 into a CO₂ sequestration facility is considered to be the personal
24 property of the facility owner.

1 B. Absent a final judgment of willful abandonment rendered by a
2 court of competent jurisdiction, or a regulatory determination of
3 willful abandonment, carbon dioxide injected into a CO₂ sequestration
4 facility is not considered to be the property of the owner of the
5 surface or mineral estate in the land encompassing the geographic
6 boundary of the CO₂ sequestration facility, or any person claiming
7 under the owner of the surface or mineral estate.

8 C. The facility operator, with permission of the facility
9 owner, may produce, take, extract or reduce to possession any carbon
10 dioxide injected, stored or sequestered in a CO₂ sequestration
11 facility. In the event an operator informs the Commission that it
12 intends to conduct enhanced oil or gas recovery operations on a
13 compulsory unit formed pursuant to Section 287.1 et seq. of Title 52
14 of the Oklahoma ~~statutes~~ Statutes, or its predecessor unitization
15 act, then during the time that such unit is in operation, such
16 operator shall be relieved of any obligation to either:

17 1. Plug and abandon any injection or production well within
18 such unit that is intended to be used in such enhanced oil or gas
19 recovery operations, unless required by the Corporation Commission
20 pursuant to Section 53 of Title 17 of the Oklahoma Statutes; or

21 2. Remove any surface equipment that is associated with any
22 such well and intended to be used in such enhanced oil or gas
23 recovery operations, or both.
24

1 D. ~~The Agency having jurisdiction over the injection of carbon~~
2 ~~dioxide under this act~~ Commission shall also have jurisdiction over
3 a facility operator that produces, takes, extracts or reduces to
4 possession any injected, stored or sequestered carbon dioxide in a
5 CO₂ sequestration facility.

6 SECTION 7. AMENDATORY 27A O.S. 2021, Section 3-5-106, is
7 amended to read as follows:

8 Section 3-5-106. A. Nothing in ~~this act~~ the Oklahoma Carbon
9 Capture and Geologic Sequestration Act shall supersede the
10 provisions of the Oklahoma Carbon Sequestration Enhancement Act,
11 Section 3-4-101 et seq. of ~~Title 27A of the Oklahoma Statutes~~ this
12 title.

13 B. Nothing in ~~this act~~ the Oklahoma Carbon Capture and Geologic
14 Sequestration Act shall alter the incidents of ownership, or other
15 rights, of the owners of the mineral estate or adversely affect
16 enhanced oil or gas recovery efforts in the state.

17 C. Any right granted to a facility operator pursuant to ~~this~~
18 ~~act~~ the Oklahoma Carbon Capture and Geologic Sequestration Act shall
19 be without prejudice to the rights of any surface owner or mineral
20 owner, including working interest and royalty ~~owner~~ owners, of the
21 land encompassed within the defined geographic boundary of the CO₂
22 sequestration facility, as established by the ~~Agency~~ Corporation
23 Commission, to drill or bore through the approved reservoir in a
24 manner as shall comply with orders, rules and regulations issued for

1 the purpose of protecting the approved reservoir against the escape
2 of CO₂. ~~For purposes of this subsection, the Agency with~~
3 ~~jurisdiction under other state law for regulating the well being~~
4 ~~drilled or bored through the approved reservoir is the Agency having~~
5 ~~jurisdiction to adopt orders and rules for such well in order to~~
6 ~~protect the CO₂ sequestration facility, regardless of which Agency~~
7 ~~has jurisdiction to permit the CO₂ sequestration facility pursuant to~~
8 ~~Section 3 of this act. If the Agency with jurisdiction under other~~
9 ~~state law for regulating the well being drilled or bored through the~~
10 ~~approved reservoir is not the Agency that has jurisdiction to permit~~
11 ~~the CO₂ sequestration facility pursuant to Section 3 of this act,~~
12 ~~then the former shall promptly notify the latter in writing of the~~
13 ~~receipt of an application for the drilling or boring of such a well~~
14 ~~and shall consider all timely submitted comments of the latter in~~
15 ~~approving, denying, or setting conditions for the well being drilled~~
16 ~~or bored. The additional cost of complying with such orders, rules~~
17 ~~or regulations in order to protect the CO₂ sequestration facility~~
18 ~~shall be borne by the facility operator.~~

19 D. Nothing in ~~this act~~ the Oklahoma Carbon Capture and Geologic
20 Sequestration Act shall grant a private operator the right of
21 condemnation or eminent domain for any purpose.

22 SECTION 8. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 3-5-107 of Title 27A, unless
24 there is created a duplication in numbering, reads as follows:

1 A. Subject to the limitations of this section, the Corporation
2 Commission shall have jurisdiction to effectuate and enforce the
3 provisions of this section. The Commission shall promulgate rules
4 pursuant to the requirements of this section.

5 B. The provisions of this section shall apply only to the
6 permanent sequestration of carbon dioxide in a geologic storage
7 facility.

8 C. 1. A party desiring to unitize pore space for the purpose
9 of geologic sequestration of carbon dioxide shall file with the
10 Corporation Commission an application setting forth a description of
11 the proposed unit area. The application shall include:

12 a. a map or plat attachment of the proposed unit area,

13 b. the name and address of each surface owner and mineral
14 owner, including working interest and royalty owners,
15 of the land to be encompassed within the defined
16 geographic boundary of the proposed carbon
17 sequestration facility,

18 c. the name and address of each surface owner and mineral
19 owner, including working interest and royalty owners,
20 of the land immediately adjacent to the geographic
21 boundary of the proposed carbon sequestration
22 facility, and

23 d. a recommended plan of unitization applicable to the
24 proposed unit area.

1 2. Each person named within the application as prescribed
2 pursuant to paragraph 1 of this subsection shall be a respondent to
3 the application.

4 D. 1. Notice of filing for the creation of a unit for carbon
5 sequestration shall be mailed to each respondent to the application
6 whose address is known, or whose address can be found with
7 reasonable diligence, not less than thirty (30) days prior to the
8 date set for hearing.

9 2. Notice of filing and the date of hearing shall be published
10 once a week for four consecutive weeks beginning thirty (30) days
11 prior to the date of the hearing by publication in some newspaper of
12 general circulation printed in Oklahoma County, and by publication
13 in some newspaper of general circulation in each county in which the
14 lands embraced within the application are situated. The Commission
15 may require additional notice to be given through promulgated rule.

16 SECTION 9. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 3-5-108 of Title 27A, unless
18 there is created a duplication in numbering, reads as follows:

19 A. A unitization order shall be issued if the Corporation
20 Commission finds that:

21 1. The application meets all statutory and regulatory
22 requirements for issuance;
23
24

1 2. The geologic storage facility into which the carbon dioxide
2 is to be injected is suitable or capable of being made suitable for
3 storing the carbon dioxide;

4 3. Both surface water and groundwater can be adequately
5 protected;

6 4. The injection and geologic storage of carbon dioxide will
7 not injure oil, gas, or any other mineral formation in any material
8 respect, or such injury has been addressed in an arrangement between
9 the applicant and the mineral lessee or owner. Provided, however,
10 such arrangement shall be in written form and submitted to the
11 Commission prior to approval of the unit;

12 5. The applicant has obtained the consent of the owners
13 representing no less than sixty-three percent (63%) of the ownership
14 of the pore space, based on the surface acreage of the proposed
15 geologic storage facility. Provided, such consent shall be in
16 written form and submitted to the Commission prior to approval of
17 the unit;

18 6. The applicant has made a fair and reasonable offer to
19 unitize the nonconsenting pore space owners' interests; and

20 7. All pore space owners who did not consent to unitize their
21 interests in order to develop the pore space as a proposed geologic
22 storage facility but who are or will be subject to a unitization
23 order are or will be equitably compensated for the appurtenant and
24 reasonable use of the pore space and surface.

1 B. To amend a unitization order for the purpose of changing the
2 size of a geologic storage facility, the storage operator shall
3 demonstrate to the Commission that the operator has obtained the
4 consent of the owners representing no less than sixty-three percent
5 (63%) of the ownership of the pore space based on the surface
6 acreage of the proposed geologic storage facility as described in
7 the proposed amended order.

8 C. An unknown or unlocatable pore space owner is considered to
9 have consented to unitize the owner's interest, provided that the
10 proposed storage operator complied with the notice requirements
11 described in Section 8 of this act. An unknown or unlocatable pore
12 space owner is eligible for compensation under paragraph 8 of
13 subsection A of this section.

14 D. An offer made to unitize the nonconsenting pore space
15 owners' interest shall be considered fair and reasonable under
16 paragraph 7 of subsection A of this section if it is made in a
17 similar manner as the offer made to the other owners of pore space
18 in the proposed unit, taking into account any material differences
19 in circumstances.

20 E. A final unitization order entered by the Commission under
21 this section, unless modified or overturned by a final order from a
22 court, shall be considered final and conclusive as to all facts,
23 findings, and conclusions contained in the order for all purposes
24

1 and as to all parties notified and their heirs, successors, and
2 assigns.

3 SECTION 10. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 3-5-109 of Title 27A, unless
5 there is created a duplication in numbering, reads as follows:

6 A. 1. Not later than fifty (50) years after cessation of
7 injection into a geologic storage facility for carbon dioxide, or
8 following the end of any other time frame established on a site-
9 specific basis by application to the Corporation Commission, the
10 Commission shall issue a certificate of completion of injection
11 operations, upon a showing by the current storage operator of all of
12 the following:

- 13 a. the reservoir is reasonably expected to retain
14 mechanical integrity,
- 15 b. the carbon dioxide will reasonably remain emplaced,
- 16 c. the storage facility does not pose an endangerment to
17 underground sources of drinking water, or to public
18 health or public safety,
- 19 d. the current storage facility operator has complied
20 with all applicable regulations related to post-
21 injection monitoring and the issuance of the
22 certificate of completion of injection operations, and
23
24

1 e. the storage facility has been closed in accordance
2 with all applicable requirements related to site
3 closure.

4 2. Upon issuance of a certificate of completion of injection
5 operations, ownership of the remaining project including the stored
6 carbon dioxide shall transfer to the state.

7 3. Upon issuance of a certificate of completion of injection
8 operations, the storage facility operator, all owners of carbon
9 dioxide stored in the facility, and all owners otherwise having any
10 interest in the storage facility, shall be released from any and all
11 future duties or obligations relating to the facility and any and
12 all liability associated with or related to that facility which
13 arises after the issuance of the certificate of completion of
14 injection operations.

15 B. The release from duties or obligations under paragraph 3 of
16 subsection A of this section shall not apply to:

17 1. A current or former owner or operator of a storage facility
18 when such duties or obligations arise from that owner or operator's
19 noncompliance with applicable underground injection control laws and
20 regulations prior to issuance of the certificate; or

21 2. Any owner or operator of a storage facility if it is
22 demonstrated that such owner or operator intentionally and knowingly
23 concealed or misrepresented material facts related to the mechanical
24

1 integrity of the storage facility or the chemical composition of any
2 injected carbon dioxide.

3 C. Continued monitoring of the site, including remediation of
4 any well leakage, shall become the principal responsibility of the
5 Commission.

6 D. The Commission may levy fees for the purpose of implementing
7 the provisions of this act in a form and schedule to be determined
8 by the Oil and Gas Conservation Division of the Commission for each
9 ton of carbon dioxide injected into a storage facility. At the end
10 of each fiscal year, the Commission may redetermine the fees
11 collected based upon the estimated cost of administering and
12 enforcing the provisions of this act for the upcoming year divided
13 by the tonnage of carbon dioxide expected to be injected during the
14 upcoming year. The total fee assessed shall be sufficient to assure
15 a balance in the Class VI Carbon Sequestration Storage Facility
16 Revolving Fund not to exceed Five Million Dollars (\$5,000,000.00)
17 for any active storage facility within the state at the beginning of
18 each fiscal year. Any amount received by the Commission that
19 exceeds the annual balance required under this subsection shall be
20 deposited into the fund, but appropriate credits shall be given
21 against future fees for the storage facility. The Commission shall
22 promulgate rules regarding the form and manner for fee amount and
23 payment method.

1 SECTION 11. NEW LAW A new section of law to be codified

2 in the Oklahoma Statutes as Section 3-5-110 of Title 27A, unless
3 there is created a duplication in numbering, reads as follows:

4 A. There is hereby created in the State Treasury a revolving
5 fund for the Corporation Commission to be designated the "Class VI
6 Carbon Sequestration Storage Facility Revolving Fund". The fund
7 shall be a continuing fund, not subject to fiscal year limitations,
8 and shall consist of all monies received by the Commission from
9 fines and fees paid to the Commission pursuant to Sections 9 through
10 11 of this act. All monies accruing to the credit of the fund are
11 hereby appropriated and may be budgeted and expended by the
12 Commission for the purposes provided for in this section.

13 Expenditures from the fund shall be made upon warrants issued by the
14 State Treasurer against claims filed as prescribed by law with the
15 Director of the Office of Management and Enterprise Services for
16 approval and payment.

17 B. If a storage facility at any time deposits more than Five
18 Million Dollars (\$5,000,000.00) to the fund, the fee assessments to
19 that storage facility shall cease until such time as funds begin to
20 be expended for that facility. The State Treasurer shall certify to
21 the Commission the date on which the balance in the fund for a
22 storage facility equals or exceeds Five Million Dollars
23 (\$5,000,000.00). On and after the first day of the second month
24 following the certification, fees shall not be collected from the

1 facility; provided, fee collection shall resume on receipt of a
2 certification by the State Treasurer that, based on the expenditures
3 and commitments to expend monies, the fund has fallen below Four
4 Million Dollars (\$4,000,000.00) of funds collected from that
5 facility.

6 C. Expenditures from the fund may be used to:

7 1. Remediate any issues associated with, arising from, or
8 related to the site, including remediation of property, of site
9 infrastructure, and of any mechanical problems associated with the
10 remaining wells;

11 2. Fund research and development in connection with carbon
12 sequestration technologies and methods;

13 3. Monitor any remaining surface facilities and wells;

14 4. Repair any mechanical leaks at the storage facility;

15 5. Hire outside legal counsel as needed to effectuate the
16 provisions of this act;

17 6. Plug remaining injection wells, except for those wells to be
18 used as observation wells; and

19 7. Contract for assistance with permit or application review.

20 D. Not later than November 1 annually, the Commission shall
21 furnish a report electronically to the Secretary of Energy and
22 Environment, the President Pro Tempore of the Senate, and the
23 Speaker of the House of Representatives. The report shall address
24

1 the administration of funds, fund balances, expenditures made, and
2 any other information deemed necessary by the Commission.

3 E. Not later than November 1, 2029, and every five (5) years
4 thereafter, the Commission shall furnish a report electronically to
5 the President Pro Tempore of the Senate and the Speaker of the House
6 of Representatives assessing the effectiveness of the fund and other
7 related provisions within this act. The Commission shall provide
8 such other information as may be requested by the Legislature.

9 SECTION 12. AMENDATORY 52 O.S. 2021, Section 139, is
10 amended to read as follows:

11 Section 139. A. The Corporation Commission is vested with
12 exclusive jurisdiction, power and authority, and it shall be its
13 duty, to make and enforce such rules and orders governing and
14 regulating the handling, storage and disposition of saltwater,
15 mineral brines, waste oil and other deleterious substances produced
16 from or obtained or used in connection with the drilling,
17 development, producing, and operating of oil and gas wells and brine
18 wells within this state as are reasonable and necessary for the
19 purpose of preventing the pollution of the surface and subsurface
20 waters in the state, and to otherwise carry out the purpose of ~~this~~
21 ~~act~~ Section 139 et seq. of this title.

22 B. 1. Except as otherwise provided by this subsection, the
23 Corporation Commission is hereby vested with exclusive jurisdiction,
24 power and authority, and it shall be its duty to promulgate and

1 enforce rules, and issue and enforce orders governing and
2 regulating:

- 3 a. the conservation of oil and gas,
- 4 b. field operations for geologic and geophysical
5 exploration for oil, gas and brine, including seismic
6 survey wells, stratigraphic test wells and core test
7 wells,
- 8 c. the exploration, drilling, development, producing or
9 processing for oil and gas on the lease site,
- 10 d. the exploration, drilling, development, production and
11 operation of wells used in connection with the
12 recovery, injection or disposal of mineral brines,
- 13 e. reclaiming facilities only for the processing of salt
14 water, crude oil, natural gas condensate and tank
15 bottoms or basic sediment from crude oil tanks,
16 pipelines, pits and equipment associated with the
17 exploration, drilling, development, producing or
18 transportation of oil or gas,
- 19 f. ~~injection wells known as Class II wells under the~~
20 ~~federal Underground Injection Control Program, and any~~
21 ~~aspect of any CO2 sequestration facility, including~~
22 ~~any associated CO2 injection well, over which the~~
23 ~~Commission is given jurisdiction pursuant to the~~
24 ~~Oklahoma Carbon Capture and Geologic Sequestration~~

1 ~~Act. Any substance that the United States~~
2 ~~Environmental Protection Agency allows to be injected~~
3 ~~into a Class II well may continue to be so injected,~~
4 underground injection control pursuant to the federal
5 Safe Drinking Water Act and 40 CFR Parts 144 through
6 148, including:

7 (1) Class II injection wells,

8 (2) Class V injection wells utilized in the
9 remediation of groundwater associated with
10 underground or aboveground storage tanks
11 regulated by the Commission,

12 (3) those wells used for the recovery, injection, or
13 disposal of mineral brines as defined in the
14 Oklahoma Brine Development Act, and

15 (4) any aspect of a Class VI CO2 sequestration
16 facility including associated Class VI CO2
17 injection wells, over which the Commission is
18 given jurisdiction pursuant to the Oklahoma
19 Carbon Capture and Geologic Sequestration Act,

20 g. tank farms for storage of crude oil and petroleum
21 products which are located outside the boundaries of
22 the refineries, petrochemical manufacturing plants,
23 natural gas liquid extraction plants, or other
24 facilities which are subject to the jurisdiction of

1 the Department of Environmental Quality with regard to
2 point source discharges,

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

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~~ this paragraph and paragraph 2 of

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

11 5. The Corporation Commission shall have jurisdiction over:

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

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 Oklahoma
20 Leaking 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 Oklahoma Department of Agriculture, Food, and Forestry
16 as specified by this 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~~ federal Clean Air Act as amended.

21 C. The Corporation Commission shall comply with and enforce the
22 Oklahoma Water Quality Standards.

23 D. 1. For the purpose of immediately responding to emergency
24 situations having potentially critical environmental or public

1 safety impact and resulting from activities within its jurisdiction,
2 the Commission may take whatever necessary action, without notice
3 and hearing, including the expenditure of monies from the
4 Corporation Commission Revolving Fund, to promptly respond to the
5 emergency. Such emergency expenditure shall be made pursuant to the
6 provisions of ~~The~~ the Oklahoma Central Purchasing Act, upon such
7 terms and conditions established by the Office of Management and
8 Enterprise Services to accomplish the purposes of this section.
9 Thereafter, the Commission shall seek reimbursement from the
10 responsible person, firm or corporation for all expenditures made
11 from the Corporation Commission Revolving Fund. Any monies received
12 as reimbursement shall be deposited to the credit of the Corporation
13 Commission Revolving Fund.

14 2. The Commission shall not expend from any fund in the State
15 Treasury, in any fiscal year, for the purposes herein provided, an
16 amount of money in excess of the total sum specifically authorized
17 annually by the Legislature for such purposes. Any monies received
18 by the Commission through execution on any required surety shall not
19 be subject to such limitation on expenditure for remedial action.

20 3. Neither the Commission nor any independent contractor of the
21 Commission authorized to conduct remedial action under this section
22 shall be held liable or responsible for any damages resulting from
23 non-negligent actions reasonably necessary for conducting remedial
24 work. Nothing in this section shall limit the authority of the

1 Commission or relieve any person or persons otherwise legally
2 responsible from any obligation to prevent or remediate pollution.

3 SECTION 13. This act shall become effective November 1, 2024.

4

5 COMMITTEE REPORT BY: COMMITTEE ON ENERGY AND NATURAL RESOURCES,
6 dated 04/11/2024 - DO PASS, As Amended and Coauthored.

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