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**AS AMENDED**

By: Rader of the Senate

## Boles of the House

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

- 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~~ program,  
14                and any aspect of any CO2 sequestration facility,  
15                including any associated Class VI CO2 injection well,  
16                over which the Commission is given jurisdiction  
17                pursuant to the Oklahoma Carbon Capture and Geologic  
18                Sequestration Act. Any substance that the United  
19                States Environmental Protection Agency allows to be  
20                injected into a Class II well may continue to be so  
21                injected,
- 22          g.    tank farms for storage of crude oil and petroleum  
23                products which are located outside the boundaries of  
24                refineries, petrochemical manufacturing plants,

1 natural gas liquid extraction plants, or other  
2 facilities which are subject to the jurisdiction of  
3 the Department of Environmental Quality with regard to  
4 point source discharges,

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

12 (1) natural gas liquids extraction plant,

13 (2) refinery,

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

17 (4) mineral brine processing plant, and

18 (5) petrochemical manufacturing plant,

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

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

5           (2) other oil and gas extraction facilities and  
6           activities,

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

11          k. subsurface storage of oil, natural gas and liquefied  
12          petroleum gas in geologic strata.

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

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

1 insofar as Department-regulated facilities and activities are  
2 concerned.

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

13 5. The Corporation Commission shall have jurisdiction over:

14 a. underground 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 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,

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

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

23 6. The Department of Environmental Quality shall have sole  
24 jurisdiction to regulate the transportation, discharge or release of

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

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

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

19 8. The Department of Environmental Quality shall have sole  
20 environmental jurisdiction to regulate air emissions from all  
21 facilities and sources subject to operating permit requirements  
22 under Title V of the ~~Federal~~ federal Clean Air Act as amended.  
23  
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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 "CO<sub>2</sub>" 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. "CO<sub>2</sub> 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. "CO<sub>2</sub> 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.   "CO<sub>2</sub> 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.     CO<sub>2</sub> capture and compression equipment at the source of  
13                   the carbon dioxide, and

14           b.     pipelines that are part of a CO<sub>2</sub> sequestration  
15                   facility;

16       ~~9.~~ 8.   "CO<sub>2</sub> 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 CO<sub>2</sub> injection wells, utilized for carbon sequestration in  
20 a defined geographic boundary established by the ~~Agency~~ Commission,  
21 excluding any:

22           a.     CO<sub>2</sub> capture and compression equipment at the source of  
23                   the carbon dioxide, and

b. CO<sub>2</sub> pipeline transporting carbon dioxide to the facility from a source located outside the geographic boundaries of the surface of the facility;

~~10.~~ 9. "CO<sub>2</sub> trunkline" means a CO<sub>2</sub> pipeline that both exceeds seventy-five (75) miles in distance and has a minimum pipe outside diameter of at least twelve (12) inches;

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

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

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

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

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

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 CO<sub>2</sub> sequestration facility;

~~16.~~ 15. "Facility owner" means the person who owns the CO<sub>2</sub>  
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 CO<sub>2</sub> 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 CO<sub>2</sub>  
14 sequestration facilities involving, and injection of Class VI CO<sub>2</sub> 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 CO<sub>2</sub>  
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~~ CO<sub>2</sub>  
22 ~~sequestration facilities involving, and injection of~~ CO<sub>2</sub> ~~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 CO<sub>2</sub> 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 CO<sub>2</sub> 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 CO<sub>2</sub> 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 CO<sub>2</sub> 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 CO<sub>2</sub> 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 CO<sub>2</sub>  
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 CO<sub>2</sub>. ~~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 CO<sub>2</sub> sequestration facility, regardless of which Agency~~  
7 ~~has jurisdiction to permit the CO<sub>2</sub> 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 CO<sub>2</sub> 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 CO<sub>2</sub> 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.

24

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 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS  
February 28, 2024 - DO PASS AS AMENDED  
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