

An Act

ENROLLED SENATE
BILL NO. 269

By: Rader of the Senate

and

Luttrell of the House

An Act relating to carbon sequestration; amending 17 O.S. 2021, Section 52, which relates to Corporation Commission jurisdiction; modifying jurisdiction of Commission; updating statutory language; amending 27A O.S. 2021, Section 1-3-101, as last amended by Section 2, Chapter 164, O.S.L. 2023 (27A O.S. Supp. 2024, Section 1-3-101), which relates to responsibilities and jurisdiction of state environmental agencies; modifying duties of certain agencies; amending 27A O.S. 2021, Sections 3-5-101, 3-5-102, 3-5-103, 3-5-104, as amended by Section 1, Chapter 353, O.S.L. 2023, 3-5-105, and 3-5-106 (27A O.S. Supp. 2024, Section 3-5-104), which relate to the Oklahoma Carbon Capture and Geologic Sequestration Act; modifying legislative intent; modifying definitions; defining terms; modifying Corporation Commission jurisdiction over CO₂ injection wells; allowing Commission to enter into memorandums of understanding; modifying notice requirements; updating statutory language; providing Corporation Commission with jurisdiction over certain CO₂ sequestration facilities and storage units; establishing provisions for creation of certain facilities; requiring inclusion of certain ownership percentage for inclusion in CO₂ storage unit; requiring notice to be served on certain persons and through certain newspapers of general circulation; requiring certain determination prior to creation of CO₂ storage unit; providing for rights of certain owners; prescribing contents of certain Commission orders; providing process for reduction or enlargement of certain CO₂ storage unit; requiring notice of application for reduction or enlargement;

directing rule promulgation; providing for appeals of Corporation Commission orders to be made to the Supreme Court; establishing process for issuance of certificate of completion of injection operations; providing for release from certain obligations under certain circumstances; authorizing fees to be levied by the Commission; providing total fee assessment amount; creating the Class VI Carbon Sequestration Storage Facility Revolving Fund; stating source of funds; establishing fund purpose; providing for cessation of fee assessments for certain CO₂ sequestration facilities under certain circumstances; providing permitted uses for fund expenditure; requiring reporting; amending 52 O.S. 2021, Section 139, which relates to Corporation Commission jurisdiction; modifying jurisdiction over certain injection wells; updating statutory language; updating statutory references; providing for codification; and providing an effective date.

SUBJECT: Carbon sequestration

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

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

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

- a. the conservation of oil and gas,
- b. field operations for geologic and geophysical exploration for oil, gas and brine, including seismic survey wells, stratigraphic test wells and core test wells,
- c. the exploration, drilling, development, producing or processing for oil and gas on the lease site,

- d. the exploration, drilling, development, production and operation of wells used in connection with the recovery, injection or disposal of mineral brines,
- e. reclaiming facilities only for the processing of salt water, crude oil, natural gas condensate and tank bottoms or basic sediment from crude oil tanks, pipelines, pits and equipment associated with the exploration, drilling, development, producing or transportation of oil or gas,
- f. injection wells known as Class II wells under the federal Underground Injection Control ~~Program~~ program, ~~and~~ any aspect of any CO₂ sequestration facility, including any associated Class VI CO₂ injection well, and any CO₂ storage unit associated with a CO₂ sequestration facility, 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 the Department of Environmental Quality with regard to point source discharges,
- h. the construction and operation of pipelines and associated rights-of-way, equipment, facilities or buildings used in the transportation of oil, gas, petroleum, petroleum products, anhydrous ammonia or mineral brine, or in the treatment of oil, gas or mineral brine during the course of transportation but not including line pipes in any:

(1) natural gas liquids extraction plant,

- (2) refinery,
 - (3) reclaiming facility other than for those specified within subparagraph e of this ~~subsection~~ paragraph,
 - (4) mineral brine processing plant, and
 - (5) petrochemical manufacturing plant,
- i. the handling, transportation, storage and disposition of saltwater, mineral brines, waste oil and other deleterious substances produced from or obtained or used in connection with the drilling, development, producing and operating of oil and gas wells, at:
 - (1) any facility or activity specifically listed in ~~paragraphs 1~~ this paragraph and paragraph 2 of this subsection as being subject to the jurisdiction of the Commission, and
 - (2) other oil and gas extraction facilities and activities,
 - j. spills of deleterious substances associated with facilities and activities specified in this paragraph ~~1 of this subsection~~ or associated with other oil and gas extraction facilities and activities, and
 - k. subsurface storage of oil, natural gas and liquefied petroleum gas in geologic strata.

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

3. When a deleterious substance from a Commission-regulated facility or activity enters a point source discharge of pollutants or storm water from a facility or activity regulated by the Department of Environmental Quality, the Department shall have sole

jurisdiction over the point source discharge of the commingled pollutants and storm water from the two facilities or activities insofar as Department-regulated facilities and activities are concerned.

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

5. The Corporation Commission shall have jurisdiction over:

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

hoses, dispensers, and other ancillary equipment associated with the tanks, whether above the ground or below; provided, that any point source discharge of a pollutant to waters of the United States during site remediation or the off-site disposal of contaminated soil, media, or debris shall be regulated by the Department of Environmental Quality, and

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

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

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

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

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

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

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

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

SECTION 2. AMENDATORY 27A O.S. 2021, Section 1-3-101, as last amended by Section 2, Chapter 164, O.S.L. 2023 (27A O.S. Supp. 2024, Section 1-3-101), is amended to read as follows:

Section 1-3-101. A. The provisions of this section specify the jurisdictional areas of responsibility for each state environmental agency and state agencies with limited environmental responsibility. The jurisdictional areas of environmental responsibility specified in this section shall be in addition to those otherwise provided by law and assigned to the specific state environmental agency; provided, that any rule, interagency agreement or executive order enacted or entered into prior to ~~the effective date of this section July 1, 1993,~~ which conflicts with the assignment of jurisdictional environmental responsibilities specified by this section is hereby superseded. The provisions of this subsection shall not nullify any financial obligation arising from services rendered pursuant to any interagency agreement or executive order entered into prior to July 1, 1993, nor nullify any obligations or agreements with private persons or parties entered into with any state environmental agency before July 1, 1993.

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

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

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

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

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

5. Waterworks and wastewater works operator certification;

6. Public and private water supplies;

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

- a. Class II injection wells,
- b. Class V injection wells utilized in the remediation of groundwater associated with underground or aboveground storage tanks regulated by the Corporation Commission,
- c. those wells used for the recovery, injection or disposal of mineral brines as defined in the Oklahoma Brine Development Act regulated by the Commission, and
- d. any aspect of any CO₂ sequestration facility, including any associated Class VI CO₂ injection well, over which the Commission is given jurisdiction pursuant to the Oklahoma Carbon Capture and Geologic Sequestration Act;

8. Notwithstanding any other provision in this section or other environmental jurisdiction statute, sole and exclusive jurisdiction for air quality under the federal Clean Air Act and applicable state law, except for indoor air quality and asbestos as regulated for worker safety by the federal Occupational Safety and Health Act of 1970 and ~~by Chapter 11 of Title 40 of the Oklahoma Statutes~~ Asbestos Control Act;

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

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

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

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

13. Emergency response as specified by law;

14. Environmental laboratory services and laboratory certification;

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

16. Freshwater wellhead protection;

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

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

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

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

21. Development and promulgation of Oklahoma Water Quality Standards, their accompanying use support assessment protocols, anti-degradation policies generally affecting Oklahoma Water Quality Standards application and implementation including, but not limited to, mixing zones, low flows and variances or any modification or change thereof pursuant to Section ~~1085.30~~ 2-6-103.2 of ~~Title 82 of the Oklahoma Statutes~~ this title, and the Water Quality Standards Implementation Plan pursuant to Section 1-1-202 of this title for its jurisdictional area of environmental responsibility; and

22. Development and utilization of policies and requirements necessary for the implementation of Oklahoma Groundwater Quality Standards to the extent that the implementation of such standards is within the scope of the Department's jurisdiction including, but not limited to, the establishment of points of compliance when warranted.

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

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

2. Weather modification;

3. Dam safety;

4. Flood plain management;

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

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

7. Water well drillers/pump installers licensing;

8. Technical lead agency for clean lakes eligible for funding under ~~Section 314 of the federal Clean Water Act~~ Lakes Program or other applicable sections of the federal Clean Water Act or other subsequent state and federal clean lakes programs; administration of a state program for assessing, monitoring, studying and restoring Oklahoma lakes with administration to include, but not be limited to, receipt and expenditure of funds from federal, state and private sources for clean lakes and implementation of a volunteer monitoring program to assess and monitor state water resources, provided such funds from federal Clean Water Act sources are administered and disbursed by the Office of the Secretary of Energy and Environment;

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

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

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

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

13. Coordination with other state environmental agencies and other public entities of water resource investigations conducted by

the federal United States Geological Survey for water quality and quantity monitoring in the state.

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

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

- a. point source discharges and nonpoint source runoff from agricultural crop production, agricultural services, livestock production, silviculture, feed yards, livestock markets and animal waste,
- b. pesticide control,
- c. forestry and nurseries,
- d. fertilizer,
- e. facilities which store grain, feed, seed, fertilizer and agricultural chemicals,
- f. dairy waste and wastewater associated with milk production facilities,
- g. groundwater protection for activities subject to the jurisdictional areas of environmental responsibility of the Department,
- h. utilization and enforcement of Oklahoma Water Quality Standards and implementation documents,
- i. development and promulgation of a Water Quality Standards Implementation Plan pursuant to Section 1-1-202 of this title for its jurisdictional areas of environmental responsibility, and
- j. storm water discharges for activities subject to the jurisdictional areas of environmental responsibility of the Department.

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

- a. (1) commercial manufacturers of fertilizers, grain and feed products, and chemicals, and over manufacturing of food and kindred products, tobacco, paper, lumber, wood, textile mill and other agricultural products,
- (2) slaughterhouses, but not including feedlots at these facilities, and
- (3) aquaculture and fish hatcheries,

including, but not limited to, discharges of pollutants and storm water to waters of the state, surface impoundments and land application of wastes and sludge, and other pollution originating at these facilities, and

- b. facilities which store grain, feed, seed, fertilizer, and agricultural chemicals that are required by federal ~~NPDES~~ National Pollutant Discharge Elimination System (NPDES) regulations to obtain a permit for storm water discharges shall only be subject to the jurisdiction of the Department of Environmental Quality with respect to such storm water discharges.

E. Corporation Commission.

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

- 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,

- c. the exploration, drilling, development, producing or processing for oil and gas on the lease site,
- d. the exploration, drilling, development, production and operation of wells used in connection with the recovery, injection or disposal of mineral brines,
- e. reclaiming facilities only for the processing of salt water, crude oil, natural gas condensate and tank bottoms or basic sediment from crude oil tanks, pipelines, pits and equipment associated with the exploration, drilling, development, producing or transportation of oil or gas,
- f. underground injection control pursuant to the federal Safe Drinking Water Act and 40 ~~CFR~~ C.F.R., 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 CO₂ sequestration facility, including any associated Class VI CO₂ injection well wells, and any associated CO₂ storage unit, 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 the Department of Environmental Quality with regard to point source discharges,
- h. the construction and operation of pipelines and associated rights-of-way, equipment, facilities or buildings used in the transportation of oil, gas, petroleum, petroleum products, anhydrous ammonia or mineral brine, or in the treatment of oil, gas or mineral brine during the course of transportation but not including line pipes in any:
 - (1) natural gas liquids extraction plant,
 - (2) refinery,
 - (3) reclaiming facility other than for those specified within subparagraph e of this ~~subsection~~ paragraph,
 - (4) mineral brine processing plant, and
 - (5) petrochemical manufacturing plant,
- i. the handling, transportation, storage and disposition of saltwater, mineral brines, waste oil and other deleterious substances produced from or obtained or used in connection with the drilling, development, producing and operating of oil and gas wells, at:
 - (1) any facility or activity specifically listed in ~~paragraphs 1~~ this paragraph and paragraph 2 of this subsection as being subject to the jurisdiction of the Commission, and
 - (2) other oil and gas extraction facilities and activities,

- j. spills of deleterious substances associated with facilities and activities specified in this paragraph ~~1 of this subsection~~ or associated with other oil and gas extraction facilities and activities,
- k. subsurface storage of oil, natural gas and liquefied petroleum gas in geologic strata,
- l. groundwater protection for activities subject to the jurisdictional areas of environmental responsibility of the Commission,
- m. utilization and enforcement of Oklahoma Water Quality Standards and implementation documents, and
- n. development and promulgation of a Water Quality Standards Implementation Plan pursuant to Section 1-1-202 of this title for its jurisdictional areas of environmental responsibility.

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

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

4. The Commission and the Department of Environmental Quality are hereby authorized to obtain authorization from the United States Environmental Protection Agency to administer, within their respective jurisdictions, any and all programs regulating oil and gas discharges into the waters of this state. For purposes of the federal Clean Water Act, any facility or activity which is subject

to the jurisdiction of the Commission pursuant to paragraph 1 of this subsection and any other oil and gas extraction facility or activity which requires a permit for the discharge of a pollutant or storm water to waters of the United States shall be subject to the direct jurisdiction and permitting authority of the Oklahoma agency having received delegation of this program from the United States Environmental Protection Agency.

5. The Commission shall have jurisdiction over:

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

- c. the Petroleum Storage Tank Release Environmental Cleanup Indemnity Fund, the Oklahoma Petroleum Storage Tank Release Indemnity Program, and the Oklahoma Leaking Underground Storage Tank Trust Fund.

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

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

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

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

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

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

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

3. Wetlands strategy;

4. Abandoned mine reclamation;

5. Cost-share program for land use activities;

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

7. Complaint data management;

8. Coordination of environmental and natural resources education;

9. Federal upstream flood control program;

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

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

12. Utilization of Oklahoma Water Quality Standards and Water Quality Standards Implementation Plan documents; and

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

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

1. Mining regulation;
2. Mining reclamation of active mines;

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

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

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

1. Investigating wildlife kills;
2. Wildlife protection and seeking wildlife damage claims; and

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

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

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

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

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

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

2. Asbestos monitoring in public and private buildings; and

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

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

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

1. Coordination of all emergency resources and activities relating to threats to citizens' lives and property pursuant to the Oklahoma Emergency ~~Resources~~ Management Act of ~~1967~~ 2003;

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

3. Administer and conduct periodic exercises of emergency operations plans provided for in this subsection pursuant to the Oklahoma Emergency ~~Resources~~ Management Act of ~~1967~~ 2003;

4. Administer and facilitate hazardous materials training for state and local emergency planners and first responders pursuant to the Oklahoma Emergency ~~Resources~~ Management Act of ~~1967~~ 2003; and

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

SECTION 3. AMENDATORY 27A O.S. 2021, Section 3-5-101, is amended to read as follows:

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

B. ~~The Legislature finds and declares that:~~

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

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

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

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

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

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

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

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

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

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

1. Efforts to capture, purify, compress, transport, inject, and store or sequester carbon dioxide will enhance the production of oil and natural gas in the state, further the development and production of natural resources in the state, and provide opportunities for economic growth and development for the state; and

2. ~~In the event the State of Oklahoma establishes a unitization process to support the establishment of CO₂ sequestration facilities in this state~~ In accordance with the Oklahoma Carbon Capture and Geologic Sequestration Act, the Corporation Commission shall regulate all aspects of such process, including being responsible for making any necessary findings concerning the suitability of the reservoir targeted for carbon sequestration, whether its use for such purpose is in the public interest, and the impact of that use on the oil, gas, coal-bed methane and mineral brine resources in ~~the State of Oklahoma~~ this state.

SECTION 4. AMENDATORY 27A O.S. 2021, Section 3-5-102, is amended to read as follows:

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

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

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

~~a. a chemical process performed by or involving efforts of a person, or~~

~~b. separation of carbon dioxide from natural gas.~~

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

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

2. "Capture" means capturing:

a. CO₂ emissions at their source, including power plants, industrial facilities, or other emissions sites before the emissions are released into the atmosphere, and

b. CO₂ from the atmosphere through the process of direct air capture;

~~4. 3. "Carbon dioxide" or "CO₂" means an inorganic compound containing one carbon atom and two oxygen atoms, and that exists as a gas at standard temperature and pressure. Carbon dioxide is an inert, stable, colorless, odorless, nontoxic, incombustible, inorganic gas that is dissolvable in water and is naturally present,~~

such as in underground locations and in the atmosphere as a trace gas;

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

~~6.~~ 5. "Class VI CO₂ injection well" means an artificial excavation or opening in the ground made by digging, boring, drilling, jetting, driving, or another method and is used to inject or transmit ~~anthropogenic~~ carbon dioxide into one or more reservoirs for long-term storage;

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

- a. capturing carbon dioxide from a source that produces ~~anthropogenic~~ carbon dioxide, and/or
- b. compressing or otherwise increasing the pressure of ~~anthropogenic~~ carbon dioxide;

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

- a. CO₂ capture and compression equipment at the source of the carbon dioxide, and
- b. pipelines that are part of a CO₂ sequestration facility;

8. "CO₂ stream" means CO₂ that has been captured from an emissions source, including any incidental associated substances derived from the source materials and the capture process, and any substance added to the stream to enable or improve the injection process;

9. "CO₂ sequestration facility" means the approved reservoir(s), and all associated underground equipment and pipelines, all associated surface buildings and equipment, and all associated Class VI CO₂ injection wells, utilized for carbon sequestration in a defined geographic boundary established by the Agency Corporation Commission, excluding any:

- a. CO₂ capture and compression equipment at the source of the carbon dioxide, and
- b. CO₂ pipeline transporting carbon dioxide to the facility from a source located outside the geographic boundaries of the surface of the facility;

10. ~~"CO₂ trunkline" means a CO₂ pipeline that both exceeds seventy-five (75) miles in distance and has a minimum pipe outside diameter of at least twelve (12) inches~~ "CO₂ storage unit" means a unit created pursuant to this act as part of a CO₂ sequestration facility under which the pore space of an approved reservoir is aggregated and communitized for the purpose of injection and storage of CO₂;

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

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

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

14. "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. "Facility operator" means any person authorized by the ~~Agency~~ Corporation Commission to operate a CO₂ sequestration facility, including any person designated by the Commission to operate a CO₂ storage unit as part of a CO₂ sequestration facility authorized under this act;

16. "Facility owner" means the person who owns the CO₂ sequestration facility, and any cost-bearing owners in a CO₂ storage unit as part of a CO₂ sequestration facility authorized under this act;

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

18. "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~~ territories of the United States, and any similar entity of any foreign country;

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

20. "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;

21. "Pore space" shall have the same meaning as in Section 6 of Title 60 of the Oklahoma Statutes;

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

~~22.~~ 23. "Reservoir" means any portion of a separate and distinct geologic or subsurface sedimentary stratum, formation, aquifer, cavity or void, whether naturally occurring or artificially created, including an oil or gas formation, saline formation, or coal seam.

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

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

~~B. The Department of Environmental Quality shall be the "Agency" for, and shall have exclusive jurisdiction over CO₂ sequestration facilities involving, and injection of CO₂ for carbon sequestration into all reservoirs other than those described in subsection A of this section, which shall include, but not be limited to, deep saline formations, unmineable coal seams where methane is not produced, basalt reservoirs, salt domes, and non-mineral bearing shales.~~

SECTION 6. AMENDATORY 27A O.S. 2021, Section 3-5-104, as amended by Section 1, Chapter 353, O.S.L. 2023 (27A O.S. Supp. 2024, Section 3-5-104), is amended to read as follows:

Section 3-5-104. ~~A. The Corporation Commission and the Department of Environmental Quality shall execute a Memorandum of~~

~~Understanding to address areas in which the implementation of the Oklahoma Carbon Capture and Geologic Sequestration Act will require interagency cooperation or interaction, including procedures for directing applicants through the application process. The Corporation Commission may enter into memorandums of understanding with any governmental entity deemed necessary to address areas of implementation of the Oklahoma Carbon Capture and Geologic Sequestration Act that may require interagency cooperation or interaction.~~

B. The operator of a CO₂ sequestration facility shall obtain a permit pursuant to the Oklahoma Carbon Capture and Geologic Sequestration Act from the ~~Agency having jurisdiction~~ Commission prior to the operation of a CO₂ sequestration facility, after the Operator provides notice of the application for such permit pursuant to subsection D of this section, and the ~~Agency~~ Commission has a hearing thereon upon request; provided, that no permit pursuant to the Oklahoma Carbon Capture and Geologic Sequestration Act is required if the facility operator obtains permission, by permit or order, by the ~~Agency~~ Commission pursuant to the rules and regulations of the state's federally approved Underground Injection Control ~~Program~~ program and such permission authorizes carbon sequestration or injection of ~~carbon dioxide~~ a CO₂ stream underground and incorporates any additional requirements adopted pursuant to subsection C of this section.

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

D. The applicant for any permit to be issued pursuant to the Oklahoma Carbon Capture and Geologic Sequestration Act shall give all surface owners and mineral owners, including working interest and royalty owners, well operators, and gas storage operators of the land to be encompassed within the defined geographic boundary of the CO₂ sequestration facility as established by the Agency Commission, and whose addresses are known or could be known through the exercise of due diligence, at least fifteen (15) days' notice of the hearing by mail, return receipt requested. The applicant shall also give notice by ~~one publication~~ two publications, with one publishing at least thirty (30) days prior to the hearing, and again at least fifteen (15) days prior to the hearing, firstly in some newspaper of general circulation published in Oklahoma County, ~~and by one publication, at least fifteen (15) days prior to the date of the hearing,~~ secondly in some newspaper published in the county, or in each county, if there ~~be~~ is more than one, in which the defined geographic boundary of the CO₂ sequestration facility, as established by the Agency Commission, is situated. The applicant shall file proof of publication and an affidavit of mailing with the Agency Commission prior to the hearing.

E. In addition to all other powers and duties prescribed in the Oklahoma Carbon Capture and Geologic Sequestration Act or otherwise by law, and unless otherwise specifically set forth in the Oklahoma Carbon Capture and Geologic Sequestration Act, the ~~Agency having jurisdiction~~ Commission shall have the authority to perform any and all acts necessary to carry out the purposes and requirements of the federal Safe Drinking Water Act, as amended, relating to this state's participation in the federal Underground Injection Control ~~Program~~ program established under that act with respect to the storage and/or sequestration of carbon dioxide.

~~F. The Corporation Commission and Department of Environmental Quality, which are required to comply with the federal Safe Drinking Water Act, 42 U.S.C. 300f et seq., as amended, shall evaluate the regulatory and statutory framework that governs the agency and identify and report any areas in which modifications may be needed to the Secretary of Energy and Environment to provide for the development of underground injection control Class VI wells. The agencies reporting under this subsection shall consult the Secretary and work in conjunction with the Office of the Secretary of Energy and Environment to ensure timely analysis. Identified areas and~~

~~recommended modifications to the regulatory and statutory framework of the agency shall be submitted in a report to the Governor, Secretary of Energy and Environment, President Pro Tempore of the Senate, and the Speaker of the House of Representatives not later than August 1, 2023.~~

SECTION 7. AMENDATORY 27A O.S. 2021, Section 3-5-105, is amended to read as follows:

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

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

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

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

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

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

SECTION 8. AMENDATORY 27A O.S. 2021, Section 3-5-106, is amended to read as follows:

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

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

C. Any right granted to a facility operator pursuant to ~~this act~~ the Oklahoma Carbon Capture and Geologic Sequestration Act shall be without prejudice to the rights of any surface owner or mineral owner, including a working interest and royalty owner, well operator, and gas storage operator of the land encompassed within the defined geographic boundary of the CO₂ sequestration facility, ~~as established~~ or a CO₂ storage unit permitted or authorized by the Agency Corporation Commission, to drill or bore through the approved reservoir in a manner as shall comply with orders, rules and regulations issued for the purpose of protecting the approved reservoir against the escape of CO₂. ~~For purposes of this subsection, the Agency with jurisdiction under other state law for regulating the well being drilled or bored through the approved reservoir is the Agency having jurisdiction to adopt orders and rules for such well in order to protect the CO₂ sequestration facility, regardless of which Agency has jurisdiction to permit the CO₂ sequestration facility pursuant to Section 3 of this act. If the Agency with jurisdiction under other state law for regulating the~~

~~well being drilled or bored through the approved reservoir is not the Agency that has jurisdiction to permit the CO₂ sequestration facility pursuant to Section 3 of this act, then the former shall promptly notify the latter in writing of the receipt of an application for the drilling or boring of such a well and shall consider all timely submitted comments of the latter in approving, denying, or setting conditions for the well being drilled or bored. The additional cost of complying with such orders, rules or regulations in order to protect the CO₂ sequestration facility shall be borne by the facility operator. The surface estate is servient to the dominant mineral estate for the purposes of oil and gas development.~~

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

SECTION 9. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-5-107 of Title 27A, unless there is created a duplication in numbering, reads as follows:

A. The Corporation Commission, upon filing of an appropriate application and following notice and hearing regarding the application, shall have the jurisdiction to create a CO₂ storage unit as part of a CO₂ sequestration facility and order the aggregation and communitization of the pore space within an approved reservoir in designated tracts of land for the injection and storage of CO₂ in such approved reservoir.

B. An application to create a CO₂ storage unit may be filed by a party owning the rights to inject and store CO₂ in the pore space of the approved reservoir in at least sixty-three percent (63%) of the tracts of land to be included in the CO₂ storage unit based on the surface acres of such unit. The application shall include:

1. A map or plat of the tracts of land to be included in the proposed CO₂ storage unit; and

2. A plan of operations for such proposed CO₂ storage unit, which shall include, but not be limited to, an accounting procedure, the method, formula, or other basis by which the benefits of the CO₂

storage unit shall be shared, and the procedures to be followed for invoicing and paying the costs of the CO₂ storage unit.

C. Notice of an application to create a CO₂ storage unit shall be served, at least fifteen (15) days prior to the hearing on the merits of such application, by personal service or by mail, return receipt requested, on:

1. All owners of the right to inject and store CO₂ in the pore space of the approved reservoir underlying the tracts of land to be included in the CO₂ storage unit;

2. All owners of the surface of such tracts of land to be included in the CO₂ storage unit; and

3. All owners of oil and gas working interests in the mineral estate in such approved reservoir underlying such tracts of land to be included in the CO₂ storage unit, including mineral owners in such approved reservoir in such tracts of land who have retained and have not conveyed away their working interests under any oil and gas leases, pooling orders, or otherwise.

An affidavit of service or mailing showing that the above-described notice has been completed shall be filed with the Commission prior to a hearing on the merits of the application to create the CO₂ storage unit.

D. Notice of an application to create a CO₂ storage unit shall be published two times, with one such publication being at least thirty (30) days prior to the hearing on the merits of such application and the second such publication being at least fifteen (15) days prior to such hearing, in a newspaper of general circulation published in Oklahoma County and in a newspaper of general circulation published in the county or counties in which the CO₂ storage unit is to be located. Proof of publication showing that the above-described notice has been properly published shall be filed with the Commission prior to a hearing on the merits of the application to create the CO₂ storage unit.

E. In creating a CO₂ storage unit, the Commission shall find and determine:

1. That the applicant has the required percentage ownership of the right to inject and store CO₂ in the pore space of the approved reservoir in the tracts of land to be included in the CO₂ storage unit;

2. That the pore space in the approved reservoir in the tracts of land to be included in the CO₂ storage unit is of such a nature or character that CO₂ may be effectively, efficiently, and safely injected into and stored in such pore space;

3. That the injected CO₂ will be confined to the pore space of such approved reservoir in the tracts of land to be included in the CO₂ storage unit and that the CO₂ injected into and stored in the pore space of such approved reservoir in such tracts of land will not escape and enter any other geologic interval or lands outside of the CO₂ storage unit;

4. That the injection and storage of CO₂ in the pore space of such approved reservoir in the tracts of land to be included in the CO₂ storage unit will not adversely affect any existing oil and gas production from any reservoir;

5. That the injection and storage of CO₂ in the pore space of such approved reservoir in the tracts of land to be included in the CO₂ storage unit will not adversely affect or prohibit any potential future oil or gas production from such approved reservoir within the tracts of land included in the CO₂ storage unit;

6. That the area to be included in the CO₂ storage unit is of sufficient size and shape to contain and hold all of the CO₂ anticipated to be injected into and stored in the CO₂ storage unit, taking into account the extent of the plume which will be created by such injection;

7. That the proposed operations of the CO₂ storage unit will be such as to safely handle, receive, process, compress, inject, confine, and store in such approved reservoir in the tracts of land to be included in the CO₂ storage unit;

8. That the operator of the CO₂ storage unit is qualified to create, maintain, and conduct operations in such unit; and

9. That the proposed plan of operations is reasonable and adequate for the operation of the CO₂ storage unit.

F. The Commission order creating the CO₂ storage unit shall provide any owner of the right to inject and store CO₂ in the pore space of the approved reservoir in the tracts of land included in such unit the following:

1. The right to be a cost-bearing owner who participates in the costs of and the benefits from such storage unit. The costs of the CO₂ storage unit to be borne by a party electing to be a cost-bearing owner in such unit shall include all the actual, necessary, and reasonable costs of creating, equipping, maintaining, and operating the CO₂ storage unit. The Commission shall make provisions for the payment of such costs of the CO₂ storage unit by the owners of the right to inject and store in such CO₂ storage unit. Such costs shall not include any costs of capturing or transporting the CO₂ that is injected into and stored in the CO₂ storage unit, including the costs of any CO₂ capture and compression equipment, CO₂ pipelines transporting the CO₂ to such CO₂ storage unit, or any other equipment or pipelines used in connection with such capture or transportation; or

2. The right to receive the fair market value for such owner's right to use such pore space for the injection and storage of CO₂, including the fee for the injection and storage of CO₂ in such CO₂ storage unit. The fair market value of the right to inject and store CO₂ in the pore space of such approved reservoir shall be determined by the Commission, based on all relevant evidence presented by the parties as to such fair market value, including, but not limited to, arm's length consummated transactions involving the transfer of the right to use pore space for the injection and storage of CO₂, taking into account any differences in the circumstances involved in any such consummated transaction, and the specific circumstances involved in the proposed CO₂ storage unit.

The Commission shall make provisions for payment of the amounts set forth above to the owners of the right to inject and store CO₂ in the pore space of the approved reservoir who elect or are deemed to elect not to be cost-bearing owners in such CO₂ storage unit. Any owner of the right to inject and store CO₂ in the pore space of the approved reservoir who elects or is deemed to elect not to be a

cost-bearing owner in the CO₂ storage unit shall relinquish by operation of law under the order creating the CO₂ storage unit the right to inject and store CO₂ in the pore space in the approved reservoir in the CO₂ storage unit.

G. The Commission order creating the CO₂ storage unit shall establish:

1. The CO₂ storage unit by defining and specifically describing the approved reservoir and the tracts of land included in the unit;
2. The operator of the CO₂ storage unit;
3. The plan of operations for the CO₂ storage unit;
4. The options to be granted to an owner of the right to use the pore space in the approved reservoir to inject and store CO₂ as prescribed in subsection F of this section;
5. The estimated costs of creating, equipping, maintaining, and operating the CO₂ storage unit and the provisions for the payment of such costs;
6. The procedures and safeguards to be followed for any owner of oil and gas rights to drill through the CO₂ storage unit for the purpose of producing oil or gas from another geologic interval;
7. Any other procedures or safeguards that may be deemed necessary to ensure the safe operation of the CO₂ storage unit; and
8. The provisions for the termination of such CO₂ storage unit, including the obligations concerning the plugging of any wells used in connection with such unit and the remediation or restoration of the surface of the lands used in the operation of such unit.

H. Upon creation of a CO₂ storage unit, the operator of the CO₂ storage unit may inject a CO₂ stream into and store CO₂ in the approved reservoir in the tracts of land included in such unit. Operation on any part of the CO₂ storage unit shall be considered operation on each separate tract of land in such CO₂ storage unit.

I. On and after the effective date of a Commission order creating a CO₂ storage unit, operation of any well injecting CO₂ into the approved reservoir in the tracts of land included in such unit shall be unlawful except as authorized by the order and plan of operations for such unit. Notice of the creation of the CO₂ storage unit shall be placed of record in each county in which the unit is located.

J. Upon creation of a CO₂ storage unit, the Commission shall retain jurisdiction over the unit, including the plan of operations for the unit and the designation of the operator. Nothing in this subsection shall preclude or impair the right of any affected party to obtain through the district courts of this state any remedy or relief available at law or in equity for injuries or damages resulting from operation of a CO₂ storage unit.

K. 1. The Commission, upon the filing of a proper application, may enlarge or reduce a CO₂ storage unit. The application for enlargement or reduction of the CO₂ storage unit shall set forth the reasons for such enlargement or reduction. An operator who seeks to enlarge or reduce a CO₂ storage unit shall comply with the minimum ownership requirements established in subsection B of this section as applied to all the tracts of land to be included in the proposed enlarged unit or reduced unit, whichever is applicable. Notice of an application to reduce a CO₂ storage unit shall be given to the owners of the right to inject and store CO₂ in the pore space of the approved reservoir in the unit.

2. Notice of an application to enlarge a CO₂ storage unit shall be given to:

- a. the owners of the right to inject and store CO₂ in the pore space of the approved reservoir in the CO₂ storage unit and in the additional pore space underlying the tracts of land to be added to such unit,
- b. the owners of oil and gas working interests in the mineral estate in the additional pore space to be added to the unit, including mineral owners in the additional pore space who have retained and have not conveyed away their working interests under any oil and gas leases, pooling orders or otherwise, and

- c. the owners of the surface of the additional tracts of land to be added to the unit. Notice of the application to enlarge or reduce a CO₂ storage unit shall be served and published in the same manner with the same time periods as set forth in connection with the application to create a CO₂ storage unit.

L. Subject to the provisions of Section 10 of this act, the CO₂ injected into and stored in the pore space of the approved reservoir in a CO₂ storage unit shall be the property of the cost-bearing owners in such unit. However, upon termination of a CO₂ storage unit, the CO₂ injected into the pore space of the approved reservoir of the CO₂ storage unit may remain in such pore space and need not be removed.

M. The Commission may promulgate rules to effectuate the provisions of this section.

N. Any party aggrieved by any order or determination of the Commission made pursuant to this section may appeal the order or determination to the Supreme Court in the same manner as provided in Section 113 of Title 52 of the Oklahoma Statutes and any other applicable statutes relating to appeals of orders by the Commission.

SECTION 10. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-5-108 of Title 27A, unless there is created a duplication in numbering, reads as follows:

A. 1. Not earlier than fifty (50) years after cessation of injection of a CO₂ stream into a CO₂ sequestration facility or a CO₂ storage unit as a part of a CO₂ sequestration facility, or following the end of any other time frame established on a site-specific basis by Corporation Commission order, the Corporation Commission shall issue a certificate of completion of injection operations, if the operator proves that:

- a. the reservoir is reasonably expected to retain mechanical integrity,
- b. the CO₂ will reasonably remain emplaced,

- c. the CO₂ sequestration facility or the CO₂ storage unit as a part of a CO₂ sequestration facility does not pose an endangerment to underground sources of drinking water, or to public health or public safety,
- d. the current storage facility operator has complied with all applicable regulations related to post-injection monitoring and the issuance of the certificate of completion of injection operations, and
- e. the CO₂ sequestration facility or the CO₂ storage unit as a part of a CO₂ sequestration facility has been closed in accordance with all applicable requirements related to the site closure plan submitted with the original application or the most current amended site closure plan.

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

3. Upon issuance of a certificate of completion of injection operations, the operator of such facility or unit, all owners of carbon dioxide stored in such facility or unit, and all owners otherwise having any interest in such facility or unit shall be released from any and all future obligations relating to the facility and any and all liability associated with or related to that facility or unit which arises after the issuance of the certificate of completion of injection operations.

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

1. A current or former owner or operator of a CO₂ sequestration facility or a CO₂ storage unit as a part of a CO₂ sequestration facility when such duties or obligations arise from that owner or operator's noncompliance with applicable underground injection control laws and regulations prior to issuance of the certificate; or

2. Any owner or operator of a CO₂ sequestration facility or a CO₂ storage unit as a part of a CO₂ sequestration facility if it is

demonstrated that such owner or operator intentionally and knowingly concealed or misrepresented material facts related to the mechanical integrity of the storage facility or the chemical composition of any injected carbon dioxide.

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

D. 1. The Corporation Commission may levy fees to implement the provisions of this section in a form and schedule to be developed by the Oil and Gas Conservation Division of the Corporation Commission for each ton of carbon dioxide injected into a CO₂ sequestration facility or a CO₂ storage unit as a part of a CO₂ sequestration facility.

2. At the end of each fiscal year, the Corporation Commission may redetermine the fees collected based upon the estimated cost of administering and enforcing the provisions of this act for the upcoming year, divided by the tonnage of carbon dioxide expected to be injected during the upcoming year.

3. The total fee assessed shall be sufficient to assure a balance in the Class VI Carbon Sequestration Storage Facility Revolving Fund not to exceed Five Million Dollars (\$5,000,000.00) for a given CO₂ sequestration facility or CO₂ storage unit; provided, however, the total fee for any one operator in the Class VI Carbon Sequestration Storage Facility Revolving Fund at the beginning of each fiscal year shall not be in excess of Ten Million Dollars (\$10,000,000.00) regardless of the number of such facilities or units operated by such operator. Any amount received by the Corporation Commission that exceeds the annual balance required under this subsection shall be deposited into the fund, but appropriate credits shall be given against future fees for the storage facility. The Corporation Commission shall promulgate rules regarding the form and manner for fee amount and payment method.

SECTION 11. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-5-109 of Title 27A, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created in the State Treasury a revolving fund for the Corporation Commission to be designated the "Class VI Carbon Sequestration Storage Facility Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Commission from fines and fees paid to the Corporation Commission pursuant to Sections 9 and 10 of this act. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Commission for the purpose provided for in this section. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

B. If a CO₂ sequestration facility or a CO₂ storage unit as a part of a CO₂ sequestration facility at any time deposits more than Five Million Dollars (\$5,000,000.00) to the fund, the fee assessments to that facility or unit shall cease until such time as funds begin to be expended for that facility or unit. The State Treasurer shall certify to the Corporation Commission the date on which the balance in the fund for a facility or unit equals or exceeds Five Million Dollars (\$5,000,000.00). On and after the first day of the second month following the certification, fees shall not be collected from such facility or unit; provided, fee collection shall resume on receipt of a certification by the State Treasurer that, based on the expenditures and commitments to expend monies, the fund has fallen below Four Million Dollars (\$4,000,000.00) of funds collected from that facility.

C. Expenditures from the fund may be used to:

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

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

3. Monitor any remaining surface facilities and wells;

4. Repair any mechanical leaks at the storage facility;

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

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

7. Contract for assistance with permit or application review.

D. Not later than November 1 annually, the Corporation Commission shall furnish an electronic report to the Secretary of Energy and Environment, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives. The report shall address the administration of funds, fund balances, expenditures made, and any other information deemed necessary by the Corporation Commission.

E. Not later than November 1, 2030, and every five (5) years thereafter, the Corporation Commission shall furnish an electronic report to the President Pro Tempore of the Senate and the Speaker of the House of Representatives assessing the effectiveness of the fund and other related provisions within this act. The Corporation Commission shall provide such other information as may be requested by the Legislature.

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

Section 139. A. The Corporation Commission is vested with exclusive jurisdiction, power and authority, and it shall be its duty, to make and enforce such rules and orders governing and regulating the handling, storage and disposition of saltwater, mineral brines, waste oil and other deleterious substances produced from or obtained or used in connection with the drilling, development, producing, and operating of oil and gas wells and brine wells within this state as are reasonable and necessary for the purpose of preventing the pollution of the surface and subsurface waters in the state, and to otherwise carry out the purpose of this ~~act~~ section and Sections 140, 141, 142, 143, and 144 of this title.

B. 1. Except as otherwise provided by this subsection, the Corporation Commission is hereby vested with exclusive jurisdiction,

power and authority, and it shall be its duty to promulgate and enforce rules, and issue and enforce orders governing and regulating:

- 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,
- c. the exploration, drilling, development, producing or processing for oil and gas on the lease site,
- d. the exploration, drilling, development, production and operation of wells used in connection with the recovery, injection or disposal of mineral brines,
- e. reclaiming facilities only for the processing of salt water, crude oil, natural gas condensate and tank bottoms or basic sediment from crude oil tanks, pipelines, pits and equipment associated with the exploration, drilling, development, producing or transportation of oil or gas,
- f. ~~injection wells known as Class II wells under the federal Underground Injection Control Program, and any aspect of any CO₂ sequestration facility, including any associated CO₂ injection well, 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~~
underground injection control pursuant to the federal Safe Drinking Water Act and 40 C.F.R., Parts 144 through 148, including:

- (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 Corporation 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 a CO₂ sequestration facility or CO₂ storage unit as part of a CO₂ sequestration facility, including associated Class VI CO₂ injection wells, pursuant to the Oklahoma Carbon Capture and Geologic Sequestration Act,

- g. tank farms for storage of crude oil and petroleum products which are located outside the boundaries of the refineries, petrochemical manufacturing plants, natural gas liquid extraction plants, or other facilities which are subject to the jurisdiction of the Department of Environmental Quality with regard to point source discharges,
- h. the construction and operation of pipelines and associated rights-of-way, equipment, facilities or buildings used in the transportation of oil, gas, petroleum, petroleum products, anhydrous ammonia or mineral brine, or in the treatment of oil, gas or mineral brine during the course of transportation but not including line pipes associated with processing at or in any:
 - (1) natural gas liquids extraction plant,
 - (2) refinery,
 - (3) reclaiming facility other than for those specified within subparagraph e of this paragraph,
 - (4) mineral brine processing plant, and
 - (5) petrochemical manufacturing plant,

- i. the handling, transportation, storage and disposition of saltwater, mineral brines, waste oil and other deleterious substances produced from or obtained or used in connection with the drilling, development, producing and operating of oil and gas wells, at:
 - (1) any facility or activity specifically listed in ~~paragraphs 1~~ this paragraph and paragraph 2 of this subsection as being subject to the jurisdiction of the Commission, and
 - (2) other oil and gas extraction facilities and activities,
- j. spills of deleterious substances associated with facilities and activities specified in ~~paragraph 1~~ of this subsection paragraph or associated with other oil and gas extraction facilities and activities, and
- k. subsurface storage of oil, natural gas and liquefied petroleum gas in geologic strata.

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

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

4. For purposes of the ~~Federal~~ federal Clean Water Act, any facility or activity which is subject to the jurisdiction of the Corporation Commission pursuant to paragraph 1 of this subsection and any other oil and gas extraction facility or activity which requires a permit for the discharge of a pollutant or storm water to

waters of the United States shall be subject to the direct jurisdiction of the United States Environmental Protection Agency and shall not be required to be permitted by the Department of Environmental Quality or the Corporation Commission for such discharge.

5. The Corporation Commission shall have jurisdiction over:

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

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

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

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

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

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

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

D. 1. For the purpose of immediately responding to emergency situations having potentially critical environmental or public safety impact and resulting from activities within its jurisdiction, the Commission may take whatever necessary action, without notice

and hearing, including the expenditure of monies from the Corporation Commission Revolving Fund, to promptly respond to the emergency. Such emergency expenditure shall be made pursuant to the provisions of ~~The the~~ Oklahoma Central Purchasing Act, upon such terms and conditions established by the Office of Management and Enterprise Services to accomplish the purposes of this section. Thereafter, the Commission shall seek reimbursement from the responsible person, firm or corporation for all expenditures made from the Corporation Commission Revolving Fund. Any monies received as reimbursement shall be deposited to the credit of the Corporation Commission Revolving Fund.

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

3. Neither the Commission nor any independent contractor of the Commission authorized to conduct remedial action under this section shall be held liable or responsible for any damages resulting from non-negligent actions reasonably necessary for conducting remedial work. Nothing in this section shall limit the authority of the Commission or relieve any person or persons otherwise legally responsible from any obligation to prevent or remediate pollution.

SECTION 13. This act shall become effective November 1, 2025.

Passed the Senate the 13th day of May, 2025.

Presiding Officer of the Senate

Passed the House of Representatives the 1st day of May, 2025.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____