

1 ENGROSSED SENATE  
2 BILL NO. 200

By: Rader of the Senate

3 and

4 Boles of the House  
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7 An Act relating to carbon sequestration; amending 27A  
8 O.S. 2021, Section 3-5-104, which relates to permits  
9 and orders; requiring certain state agencies to  
10 compile and submit certain report to certain state  
11 officials by specified date; updating statutory  
12 reference; and declaring an emergency.

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

14 SECTION 1. AMENDATORY 27A O.S. 2021, Section 3-5-104, is  
15 amended to read as follows:

16 Section 3-5-104. A. The Corporation Commission and the  
17 Department of Environmental Quality shall execute a Memorandum of  
18 Understanding to address areas in which the implementation of ~~this~~  
19 ~~act~~ the Oklahoma Carbon Capture and Geologic Sequestration Act will  
20 require interagency cooperation or interaction, including procedures  
21 for directing applicants through the application process.

22 B. The operator of a CO<sub>2</sub> sequestration facility shall obtain a  
23 permit pursuant to ~~this act~~ the Oklahoma Carbon Capture and Geologic  
24 Sequestration Act from the Agency having jurisdiction prior to the

1 operation of a CO<sub>2</sub> sequestration facility, after the Operator  
2 provides notice of the application for such permit pursuant to  
3 subsection D of this section, and the Agency has a hearing thereon  
4 upon request; provided that no permit pursuant to ~~this act~~ the  
5 Oklahoma Carbon Capture and Geologic Sequestration Act is required  
6 if the facility operator obtains permission, by permit or order, by  
7 the Agency pursuant to the rules and regulations of the state's  
8 federally approved Underground Injection Control Program and such  
9 permission authorizes carbon sequestration or injection of carbon  
10 dioxide underground and incorporates any additional requirements  
11 adopted pursuant to subsection C of this section.

12 C. To the extent not already authorized by laws governing the  
13 state's federally approved Underground Injection Control Program,  
14 the Agency having jurisdiction may issue and enforce such orders,  
15 and may adopt, modify, repeal and enforce such rules, including  
16 establishment of appropriate and sufficient fees, financial sureties  
17 or bonds, and monitoring at CO<sub>2</sub> sequestration facilities, as may be  
18 necessary, for the purpose of regulating the drilling of CO<sub>2</sub>  
19 injection wells related to a CO<sub>2</sub> sequestration facility, the  
20 injection and withdrawal of carbon dioxide, the operation of the CO<sub>2</sub>  
21 sequestration facility, CO<sub>2</sub> injection well plugging and abandonment,  
22 removal of surface buildings and equipment of the CO<sub>2</sub> sequestration  
23 facility and for any other purpose necessary to implement the  
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1 provisions of ~~this act~~ the Oklahoma Carbon Capture and Geologic  
2 Sequestration Act.

3 D. The applicant for any permit to be issued pursuant to ~~this~~  
4 ~~act~~ the Oklahoma Carbon Capture and Geologic Sequestration Act shall  
5 give all surface owners and mineral owners, including working  
6 interest and royalty owners, of the land to be encompassed within  
7 the defined geographic boundary of the CO<sub>2</sub> sequestration facility as  
8 established by the Agency, and whose addresses are known or could be  
9 known through the exercise of due diligence, at least fifteen (15)  
10 days' notice of the hearing by mail, return receipt requested. The  
11 applicant shall also give notice by one publication, at least  
12 fifteen (15) days prior to the hearing, in some newspaper of general  
13 circulation published in Oklahoma County, and by one publication, at  
14 least fifteen (15) days prior to the date of the hearing, in some  
15 newspaper published in the county, or in each county, if there be  
16 more than one, in which the defined geographic boundary of the CO<sub>2</sub>  
17 sequestration facility, as established by the Agency, is situated.  
18 The applicant shall file proof of publication and an affidavit of  
19 mailing with the Agency prior to the hearing.

20 E. In addition to all other powers and duties prescribed in  
21 ~~this act~~ the Oklahoma Carbon Capture and Geologic Sequestration Act  
22 or otherwise by law, and unless otherwise specifically set forth in  
23 ~~this act~~ the Oklahoma Carbon Capture and Geologic Sequestration Act,  
24 the Agency having jurisdiction shall have the authority to perform

1 any and all acts necessary to carry out the purposes and  
2 requirements of the federal Safe Drinking Water Act, as amended,  
3 relating to this state's participation in the federal Underground  
4 Injection Control Program established under that act with respect to  
5 the storage and/or sequestration of carbon dioxide.

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

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

1 Passed the Senate the 13th day of March, 2023.

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3 \_\_\_\_\_  
4 Presiding Officer of the Senate

5 Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,  
6 2023.

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8 \_\_\_\_\_  
9 Presiding Officer of the House  
10 of Representatives