

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 59th Legislature (2023)

4 COMMITTEE SUBSTITUTE
5 FOR ENGROSSED
6 SENATE BILL NO. 200

By: Rader of the Senate

and

Boles of the House

7
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9 COMMITTEE SUBSTITUTE

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

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

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

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

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

15 C. To the extent not already authorized by laws governing the
16 state's federally approved Underground Injection Control Program,
17 the Agency having jurisdiction may issue and enforce such orders,
18 and may adopt, modify, repeal and enforce such emergency or
19 permanent rules, including establishment of appropriate and
20 sufficient fees to cover the cost of the program, financial sureties
21 or bonds, and monitoring at CO₂ sequestration facilities, as may be
22 necessary, for the purpose of regulating the drilling of CO₂
23 injection wells related to a CO₂ sequestration facility, the
24 injection and withdrawal of carbon dioxide, the operation of the CO₂

1 sequestration facility, CO₂ injection well plugging and abandonment,
2 removal of surface buildings and equipment of the CO₂ sequestration
3 facility and for any other purpose necessary to implement the
4 provisions of ~~this act~~ the Oklahoma Carbon Capture and Geologic
5 Sequestration Act.

6 D. The applicant for any permit to be issued pursuant to ~~this~~
7 ~~act~~ the Oklahoma Carbon Capture and Geologic Sequestration Act shall
8 give all surface owners and mineral owners, including working
9 interest and royalty owners, of the land to be encompassed within
10 the defined geographic boundary of the CO₂ sequestration facility as
11 established by the Agency, and whose addresses are known or could be
12 known through the exercise of due diligence, at least fifteen (15)
13 days' notice of the hearing by mail, return receipt requested. The
14 applicant shall also give notice by one publication, at least
15 fifteen (15) days prior to the hearing, in some newspaper of general
16 circulation published in Oklahoma County, and by one publication, at
17 least fifteen (15) days prior to the date of the hearing, in some
18 newspaper published in the county, or in each county, if there be
19 more than one, in which the defined geographic boundary of the CO₂
20 sequestration facility, as established by the Agency, is situated.
21 The applicant shall file proof of publication and an affidavit of
22 mailing with the Agency prior to the hearing.

23 E. In addition to all other powers and duties prescribed in
24 ~~this act~~ the Oklahoma Carbon Capture and Geologic Sequestration Act

1 or otherwise by law, and unless otherwise specifically set forth in
2 ~~this act~~ the Oklahoma Carbon Capture and Geologic Sequestration Act,
3 the Agency having jurisdiction shall have the authority to perform
4 any and all acts necessary to carry out the purposes and
5 requirements of the federal Safe Drinking Water Act, as amended,
6 relating to this state's participation in the federal Underground
7 Injection Control Program established under that act with respect to
8 the storage and/or sequestration of carbon dioxide.

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

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

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6 COMMITTEE REPORT BY: COMMITTEE ON ENERGY AND NATURAL RESOURCES,
7 dated 04/06/2023 - DO PASS, As Amended.
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