

1 **SENATE FLOOR VERSION**

2 March 5, 2025

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 269

By: Rader of the Senate

and

Luttrell of the House

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9 [carbon sequestration - jurisdiction - duties -
10 legislative intent - memorandums of understanding -
11 notice - creation of CO₂ storage unit - reduction or
12 enlargement - rule promulgation - appeals -
13 certificate of completion - obligations - fees - fund
14 - expenditure - codification - effective date]

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

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

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

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

- 1 c. the exploration, drilling, development, producing or
2 processing for oil and gas on the lease site,
- 3 d. the exploration, drilling, development, production and
4 operation of wells used in connection with the
5 recovery, injection or disposal of mineral brines,
- 6 e. reclaiming facilities only for the processing of salt
7 water, crude oil, natural gas condensate and tank
8 bottoms or basic sediment from crude oil tanks,
9 pipelines, pits and equipment associated with the
10 exploration, drilling, development, producing or
11 transportation of oil or gas,
- 12 f. injection wells known as Class II wells under the
13 federal Underground Injection Control ~~Program~~ program,
14 ~~and~~ any aspect of any CO₂ sequestration facility,
15 including any associated Class VI CO₂ injection well,
16 and any CO₂ storage unit associated with a CO₂
17 sequestration facility, over which the Commission is
18 given jurisdiction pursuant to the Oklahoma Carbon
19 Capture and Geologic Sequestration Act. Any substance
20 that the United States Environmental Protection Agency
21 allows to be injected into a Class II well may
22 continue to be so injected,
- 23 g. tank farms for storage of crude oil and petroleum
24 products which are located outside the boundaries of

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

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

13 (1) natural gas liquids extraction plant,

14 (2) refinery,

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

18 (4) mineral brine processing plant, and

19 (5) petrochemical manufacturing plant,

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

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

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

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

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

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

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

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

13 5. The Corporation Commission shall have jurisdiction over:

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

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

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

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

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

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

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

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

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

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

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

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

14 SECTION 2. AMENDATORY 27A O.S. 2021, Section 1-3-101, as
15 last amended by Section 2, Chapter 164, O.S.L. 2023 (27A O.S. Supp.
16 2024, Section 1-3-101), is amended to read as follows:

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

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

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

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

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

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

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- 1 4. Surface water and groundwater quality and protection and
2 water quality certifications;
- 3 5. Waterworks and wastewater works operator certification;
- 4 6. Public and private water supplies;
- 5 7. Underground injection control pursuant to the federal Safe
6 Drinking Water Act and 40 CFR C.F.R., Parts 144 through 148, except
7 for:
- 8 a. Class II injection wells,
- 9 b. Class V injection wells utilized in the remediation of
10 groundwater associated with underground or aboveground
11 storage tanks regulated by the Corporation Commission,
- 12 c. those wells used for the recovery, injection or
13 disposal of mineral brines as defined in the Oklahoma
14 Brine Development Act regulated by the Commission, and
- 15 d. any aspect of any CO₂ sequestration facility, including
16 any associated Class VI CO₂ injection well, over which
17 the Commission is given jurisdiction pursuant to the
18 Oklahoma Carbon Capture and Geologic Sequestration
19 Act;
- 20 8. Notwithstanding any other provision in this section or other
21 environmental jurisdiction statute, sole and exclusive jurisdiction
22 for air quality under the federal Clean Air Act and applicable state
23 law, except for indoor air quality and asbestos as regulated for
24 worker safety by the federal Occupational Safety and Health Act of

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

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

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

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

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

19 13. Emergency response as specified by law;

20 14. Environmental laboratory services and laboratory
21 certification;

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

24 16. Freshwater wellhead protection;

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

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

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

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

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

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

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

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

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

10 2. Weather modification;

11 3. Dam safety;

12 4. Flood plain management;

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

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

21 7. Water well drillers/pump installers licensing;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4 E. Corporation Commission.

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

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

1 f. underground injection control pursuant to the federal
2 Safe Drinking Water Act and 40 ~~CFR~~ C.F.R., Parts 144
3 through 148 of:

4 (1) Class II injection wells,

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

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

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

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

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

1 facilities which are subject to the jurisdiction of
2 the Department of Environmental Quality with regard to
3 point source discharges,

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

11 (1) natural gas liquids extraction plant,

12 (2) refinery,

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

16 (4) mineral brine processing plant, and

17 (5) petrochemical manufacturing plant,

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

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

1 this subsection as being subject to the
2 jurisdiction of the Commission, and

3 (2) other oil and gas extraction facilities and
4 activities,

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

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

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

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

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

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

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

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

22 5. The Commission shall have jurisdiction over:

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

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

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

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

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

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

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

- 18 a. refineries, petrochemical manufacturing plants and
19 natural gas liquid extraction plants,
20 b. manufacturing of equipment and products related to oil
21 and gas,
22 c. bulk terminals, aboveground and underground storage
23 tanks not subject to the jurisdiction of the
24 Commission pursuant to this subsection, and

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

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

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

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

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

23 3. Wetlands strategy;

24 4. Abandoned mine reclamation;

- 1 5. Cost-share program for land use activities;
- 2 6. Assessment and conservation plan development and
- 3 implementation in watersheds of clean lakes, as specified by law;
- 4 7. Complaint data management;
- 5 8. Coordination of environmental and natural resources
- 6 education;
- 7 9. Federal upstream flood control program;
- 8 10. Groundwater protection for activities subject to the
- 9 jurisdictional areas of environmental responsibility of the
- 10 Commission;
- 11 11. Development and promulgation of a Water Quality Standards
- 12 Implementation Plan pursuant to Section 1-1-202 of this title for
- 13 its jurisdictional areas of environmental responsibility;
- 14 12. Utilization of Oklahoma Water Quality Standards and Water
- 15 Quality Standards Implementation Plan documents; and
- 16 13. Verification and certification of carbon sequestration
- 17 pursuant to the Oklahoma Carbon Sequestration Enhancement Act. This
- 18 responsibility shall not be superseded by the Oklahoma Carbon
- 19 Capture and Geologic Sequestration Act.
- 20 G. Department of Mines. The Department of Mines shall have the
- 21 following jurisdictional areas of environmental responsibility:
- 22 1. Mining regulation;
- 23 2. Mining reclamation of active mines;
- 24

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

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

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

- 10 1. Investigating wildlife kills;
- 11 2. Wildlife protection and seeking wildlife damage claims; and
- 12 3. Development and promulgation of a Water Quality Standards
13 Implementation Plan pursuant to Section 1-1-202 of this title for
14 its jurisdictional areas of environmental responsibility.

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

- 18 1. Hazardous waste, substances and material transportation
19 inspections as authorized by the Oklahoma Motor Carrier Safety and
20 Hazardous Materials Transportation Act; and
- 21 2. Inspection and audit activities of hazardous waste and
22 materials carriers and handlers as authorized by the Oklahoma Motor
23 Carrier Safety and Hazardous Materials Transportation Act.

24

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24

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

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

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

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

21 ~~7. Geologic storage and sequestration of carbon dioxide allows~~
22 ~~for the capture of carbon dioxide emissions and the orderly~~
23 ~~withdrawal of the carbon dioxide as appropriate or necessary,~~

24

1 ~~thereby allowing carbon dioxide to be available for commercial,~~
2 ~~industrial, or other uses, including enhanced oil or gas recovery;~~

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

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

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

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

22 2. ~~In the event the State of Oklahoma establishes a unitization~~
23 ~~process to support the establishment of CO₂ sequestration facilities~~
24 ~~in this state~~ In accordance with the Oklahoma Carbon Capture and

1 Geologic Sequestration Act, the Corporation Commission shall
2 regulate all aspects of such process, including being responsible
3 for making any necessary findings concerning the suitability of the
4 reservoir targeted for carbon sequestration, whether its use for
5 such purpose is in the public interest, and the impact of that use
6 on the oil, gas, coal-bed methane and mineral brine resources in ~~the~~
7 ~~State of Oklahoma~~ this state.

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

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

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

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

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

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

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

23 3. ~~"Approved reservoir" means a reservoir that is determined by~~
24 ~~the Agency with jurisdiction~~ Corporation Commission to be suitable

1 for the receipt, storage ~~and/or~~ or sequestration of injected carbon
2 dioxide therein;

3 2. "Capture" means capturing:

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

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

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

16 ~~5.~~ 4. "Carbon sequestration" means ~~long-term or short-term~~
17 underground storage or sequestration of ~~anthropogenic~~ carbon dioxide
18 in one or more reservoirs;

19 ~~6.~~ 5. "Class VI CO₂ injection well" means an artificial
20 excavation or opening in the ground made by digging, boring,
21 drilling, jetting, driving, or another method and is used to inject
22 or transmit ~~anthropogenic~~ carbon dioxide into one or more reservoirs
23 for long-term storage;

24

1 ~~7.~~ 6. "Class VI CO₂ capture and compression equipment" means the
2 equipment, separation units, processing units, processing plants,
3 pipe, buildings, pumps, compressors, meters, facilities, motors,
4 fixtures, materials, and machinery, and all other improvements used
5 in the operation of any of them, and property, real or personal,
6 intangible or tangible, either attributable to or relating to, or
7 located thereon, used for the purpose of:

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

12 ~~8.~~ 7. "CO₂ pipeline" means any pipeline, compressors, pumps,
13 meters, facilities, valves, fittings, right-of-way markers, cathodic
14 protection ground beds, anodes, rectifiers, and any other cathodic
15 protection devices, and other associated equipment, appurtenances
16 and fixtures located on, attributable to or used in connection with
17 the same, and used for the purpose of transporting carbon dioxide
18 for carbon sequestration in this state or another state, excluding:

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

23 8. "CO₂ stream" means CO₂ that has been captured from an
24 emissions source, including any incidental associated substances

1 derived from the source materials and the capture process, and any
2 substance added to the stream to enable or improve the injection
3 process;

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

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

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

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

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

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

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

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

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

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

22 16. "Facility owner" means the person who owns the CO₂
23 sequestration facility, and any cost-bearing owners in a CO₂ storage
24

1 unit as part of a CO₂ sequestration facility authorized under this
2 act;

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

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

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

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

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

22 22. "Private operator" means any person that is either a
23 facility operator or an operator of a CO₂ pipeline, but that is
24

1 neither a public utility nor a common carrier as such terms are
2 defined by the Oklahoma Statutes; and

3 ~~22.~~ 23. "Reservoir" means any portion of a separate and
4 distinct geologic or subsurface sedimentary stratum, formation,
5 aquifer, cavity or void, whether naturally occurring or artificially
6 created, including an oil or gas formation, saline formation, or
7 coal seam.

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

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

18 ~~B.~~ ~~The Department of Environmental Quality shall be the~~
19 ~~"Agency" for, and shall have exclusive jurisdiction over~~ CO₂
20 ~~sequestration facilities involving, and injection of CO₂ for carbon~~
21 ~~sequestration into all reservoirs other than those described in~~
22 ~~subsection A of this section, which shall include, but not be~~
23 ~~limited to, deep saline formations, unmineable coal seams where~~

24

1 ~~methane is not produced, basalt reservoirs, salt domes, and non-~~
2 ~~mineral bearing shales.~~

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

6 Section 3-5-104. A. ~~The Corporation Commission and the~~
7 ~~Department of Environmental Quality shall execute a Memorandum of~~
8 ~~Understanding to address areas in which the implementation of the~~
9 ~~Oklahoma Carbon Capture and Geologic Sequestration Act will require~~
10 ~~interagency cooperation or interaction, including procedures for~~
11 ~~directing applicants through the application process. The~~
12 Corporation Commission may enter into memorandums of understanding
13 with any governmental entity deemed necessary to address areas of
14 implementation of the Oklahoma Carbon Capture and Geologic
15 Sequestration Act that may require interagency cooperation or
16 interaction.

17 B. The operator of a CO₂ sequestration facility shall obtain a
18 permit pursuant to the Oklahoma Carbon Capture and Geologic
19 Sequestration Act from the ~~Agency having jurisdiction~~ Commission
20 prior to the operation of a CO₂ sequestration facility, after the
21 Operator provides notice of the application for such permit pursuant
22 to subsection D of this section, and the ~~Agency~~ Commission has a
23 hearing thereon upon request; provided, that no permit pursuant to
24 the Oklahoma Carbon Capture and Geologic Sequestration Act is

1 required if the facility operator obtains permission, by permit or
2 order, by the ~~Agency~~ Commission pursuant to the rules and
3 regulations of the state's federally approved Underground Injection
4 Control ~~Program~~ program and such permission authorizes carbon
5 sequestration or injection of ~~carbon dioxide~~ a CO₂ stream underground
6 and incorporates any additional requirements adopted pursuant to
7 subsection C of this section.

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

23 D. The applicant for any permit to be issued pursuant to the
24 Oklahoma Carbon Capture and Geologic Sequestration Act shall give

1 all surface owners and mineral owners, including working interest
2 and royalty owners, well operators, and gas storage operators of the
3 land to be encompassed within the defined geographic boundary of the
4 CO₂ sequestration facility as established by the ~~Agency~~ Commission,
5 and whose addresses are known or could be known through the exercise
6 of due diligence, at least fifteen (15) days' notice of the hearing
7 by mail, return receipt requested. The applicant shall also give
8 notice by ~~one publication~~ two publications, with one publishing at
9 least thirty (30) days prior to the hearing, and again at least
10 fifteen (15) days prior to the hearing, firstly in some newspaper of
11 general circulation published in Oklahoma County, ~~and by one~~
12 ~~publication, at least fifteen (15) days prior to the date of the~~
13 ~~hearing,~~ secondly in some newspaper published in the county, or in
14 each county, if there ~~be~~ is more than one, in which the defined
15 geographic boundary of the CO₂ sequestration facility, as established
16 by the ~~Agency~~ Commission, is situated. The applicant shall file
17 proof of publication and an affidavit of mailing with the ~~Agency~~
18 Commission prior to the hearing.

19 E. In addition to all other powers and duties prescribed in the
20 Oklahoma Carbon Capture and Geologic Sequestration Act or otherwise
21 by law, and unless otherwise specifically set forth in the Oklahoma
22 Carbon Capture and Geologic Sequestration Act, the ~~Agency having~~
23 ~~jurisdiction~~ Commission shall have the authority to perform any and
24 all acts necessary to carry out the purposes and requirements of the

1 federal Safe Drinking Water Act, as amended, relating to this
2 state's participation in the federal Underground Injection Control
3 ~~Program~~ program established under that act with respect to the
4 storage and/or sequestration of carbon dioxide.

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

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

22 Section 3-5-105. A. Unless otherwise expressly provided by a
23 contract, bill of sale, deed, mortgage, deed of trust, or other
24 legally binding document or by other law, carbon dioxide injected

1 into a CO₂ sequestration facility or a CO₂ storage unit associated
2 with a CO₂ sequestration facility is considered to be the personal
3 property of the facility owner.

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

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

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

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

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

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

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

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

20 C. Any right granted to a facility operator pursuant to ~~this~~
21 ~~act~~ the Oklahoma Carbon Capture and Geologic Sequestration Act shall
22 be without prejudice to the rights of any surface owner or mineral
23 owner, including a working interest and royalty owner, well
24 operator, and gas storage operator of the land encompassed within

1 the defined geographic boundary of the CO₂ sequestration facility,~~as~~
2 ~~established~~ or a CO₂ storage unit permitted or authorized by the
3 ~~Agency~~ Corporation Commission, to drill or bore through the approved
4 reservoir in a manner as shall comply with orders, rules and
5 regulations issued for the purpose of protecting the approved
6 reservoir against the escape of CO₂. ~~For purposes of this~~
7 ~~subsection, the Agency with jurisdiction under other state law for~~
8 ~~regulating the well being drilled or bored through the approved~~
9 ~~reservoir is the Agency having jurisdiction to adopt orders and~~
10 ~~rules for such well in order to protect the CO₂ sequestration~~
11 ~~facility, regardless of which Agency has jurisdiction to permit the~~
12 ~~CO₂ sequestration facility pursuant to Section 3 of this act. If the~~
13 ~~Agency with jurisdiction under other state law for regulating the~~
14 ~~well being drilled or bored through the approved reservoir is not~~
15 ~~the Agency that has jurisdiction to permit the CO₂ sequestration~~
16 ~~facility pursuant to Section 3 of this act, then the former shall~~
17 ~~promptly notify the latter in writing of the receipt of an~~
18 ~~application for the drilling or boring of such a well and shall~~
19 ~~consider all timely submitted comments of the latter in approving,~~
20 ~~denying, or setting conditions for the well being drilled or bored.~~
21 ~~The additional cost of complying with such orders, rules or~~
22 ~~regulations in order to protect the CO₂ sequestration facility shall~~
23 ~~be borne by the facility operator.~~ The surface estate is servient
24

1 to the dominant mineral estate for the purposes of oil and gas
2 development.

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

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

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

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

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

23 2. A plan of operations for such proposed CO₂ storage unit,
24 which shall include, but not be limited to, an accounting procedure,

1 the method, formula, or other basis by which the benefits of the CO₂
2 storage unit shall be shared, and the procedures to be followed for
3 invoicing and paying the costs of the CO₂ storage unit.

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

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

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

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

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

23 D. Notice of an application to create a CO₂ storage unit shall
24 be published two times, with one such publication being at least

1 thirty (30) days prior to the hearing on the merits of such
2 application and the second such publication being at least fifteen
3 (15) days prior to such hearing, in a newspaper of general
4 circulation published in Oklahoma County and in a newspaper of
5 general circulation published in the county or counties in which the
6 CO₂ storage unit is to be located. Proof of publication showing that
7 the above-described notice has been properly published shall be
8 filed with the Commission prior to a hearing on the merits of the
9 application to create the CO₂ storage unit.

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

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

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

20 3. That the injected CO₂ will be confined to the pore space of
21 such approved reservoir in the tracts of land to be included in the
22 CO₂ storage unit and that the CO₂ injected into and stored in the
23 pore space of such approved reservoir in such tracts of land will
24

1 not escape and enter any other geologic interval or lands outside of
2 the CO₂ storage unit;

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

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

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

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

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

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

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

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

19 2. The right to receive the fair market value for such owner's
20 right to use such pore space for the injection and storage of CO₂,
21 including the fee for the injection and storage of CO₂ in such CO₂
22 storage unit. The fair market value of the right to inject and
23 store CO₂ in the pore space of such approved reservoir shall be
24 determined by the Commission, based on all relevant evidence

1 presented by the parties as to such fair market value, including,
2 but not limited to, arm's length consummated transactions involving
3 the transfer of the right to use pore space for the injection and
4 storage of CO₂, taking into account any differences in the
5 circumstances involved in any such consummated transaction, and the
6 specific circumstances involved in the proposed CO₂ storage unit.

7 The Commission shall make provisions for payment of the amounts
8 set forth above to the owners of the right to inject and store CO₂ in
9 the pore space of the approved reservoir who elect or are deemed to
10 elect not to be cost-bearing owners in such CO₂ storage unit. Any
11 owner of the right to inject and store CO₂ in the pore space of the
12 approved reservoir who elects or is deemed to elect not to be a
13 cost-bearing owner in the CO₂ storage unit shall relinquish by
14 operation of law under the order creating the CO₂ storage unit the
15 right to inject and store CO₂ in the pore space in the approved
16 reservoir in the CO₂ storage unit.

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

- 19 1. The CO₂ storage unit by defining and specifically describing
20 the approved reservoir and the tracts of land included in the unit;
- 21 2. The operator of the CO₂ storage unit;
- 22 3. The plan of operations for the CO₂ storage unit;

23

24

1 4. The options to be granted to an owner of the right to use
2 the pore space in the approved reservoir to inject and store CO₂ as
3 prescribed in subsection F of this section;

4 5. The estimated costs of creating, equipping, maintaining, and
5 operating the CO₂ storage unit and the provisions for the payment of
6 such costs;

7 6. The procedures and safeguards to be followed for any owner
8 of oil and gas rights to drill through the CO₂ storage unit for the
9 purpose of producing oil or gas from another geologic interval;

10 7. Any other procedures or safeguards that may be deemed
11 necessary to ensure the safe operation of the CO₂ storage unit; and

12 8. The provisions for the termination of such CO₂ storage unit,
13 including the obligations concerning the plugging of any wells used
14 in connection with such unit and the remediation or restoration of
15 the surface of the lands used in the operation of such unit.

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

21 I. On and after the effective date of a Commission order
22 creating a CO₂ storage unit, operation of any well injecting CO₂ into
23 the approved reservoir in the tracts of land included in such unit
24 shall be unlawful except as authorized by the order and plan of

1 operations for such unit. Notice of the creation of the CO₂ storage
2 unit shall be placed of record in each county in which the unit is
3 located.

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

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

22 2. Notice of an application to enlarge a CO₂ storage unit shall
23 be given to:
24

- 1 a. the owners of the right to inject and store CO₂ in the
2 pore space of the approved reservoir in the CO₂ storage
3 unit and in the additional pore space underlying the
4 tracts of land to be added to such unit,
- 5 b. the owners of oil and gas working interests in the
6 mineral estate in the additional pore space to be
7 added to the unit, including mineral owners in the
8 additional pore space who have retained and have not
9 conveyed away their working interests under any oil
10 and gas leases, pooling orders or otherwise, and
- 11 c. the owners of the surface of the additional tracts of
12 land to be added to the unit. Notice of the
13 application to enlarge or reduce a CO₂ storage unit
14 shall be served and published in the same manner with
15 the same time periods as set forth in connection with
16 the application to create a CO₂ storage unit.

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

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

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

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

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

- 18 a. the reservoir is reasonably expected to retain
19 mechanical integrity,
- 20 b. the CO₂ will reasonably remain emplaced,
- 21 c. the CO₂ sequestration facility or the CO₂ storage unit
22 as a part of a CO₂ sequestration facility does not pose
23 an endangerment to underground sources of drinking
24 water, or to public health or public safety,

- 1 d. the current storage facility operator has complied
2 with all applicable regulations related to post-
3 injection monitoring and the issuance of the
4 certificate of completion of injection operations, and
5 e. the CO₂ sequestration facility or the CO₂ storage unit
6 as a part of a CO₂ sequestration facility has been
7 closed in accordance with all applicable requirements
8 related to the site closure plan submitted with the
9 original application or the most current amended site
10 closure plan.

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

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

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

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

7 2. Any owner or operator of a CO₂ sequestration facility or a
8 CO₂ storage unit as a part of a CO₂ sequestration facility if it is
9 demonstrated that such owner or operator intentionally and knowingly
10 concealed or misrepresented material facts related to the mechanical
11 integrity of the storage facility or the chemical composition of any
12 injected carbon dioxide.

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

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

22 2. At the end of each fiscal year, the Corporation Commission
23 may redetermine the fees collected based upon the estimated cost of
24 administering and enforcing the provisions of this act for the

1 upcoming year, divided by the tonnage of carbon dioxide expected to
2 be injected during the upcoming year.

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

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

20 A. There is hereby created in the State Treasury a revolving
21 fund for the Corporation Commission to be designated the "Class VI
22 Carbon Sequestration Storage Facility Revolving Fund". The fund
23 shall be a continuing fund, not subject to fiscal year limitations,
24 and shall consist of all monies received by the Commission from

1 fines and fees paid to the Corporation Commission pursuant to
2 Sections 9 and 10 of this act. All monies accruing to the credit of
3 the fund are hereby appropriated and may be budgeted and expended by
4 the Commission for the purpose provided for in this section.

5 Expenditures from the fund shall be made upon warrants issued by the
6 State Treasurer against claims filed as prescribed by law with the
7 Director of the Office of Management and Enterprise Services for
8 approval and payment.

9 B. If a CO₂ sequestration facility or a CO₂ storage unit as a
10 part of a CO₂ sequestration facility at any time deposits more than
11 Five Million Dollars (\$5,000,000.00) to the fund, the fee
12 assessments to that facility or unit shall cease until such time as
13 funds begin to be expended for that facility or unit. The State
14 Treasurer shall certify to the Corporation Commission the date on
15 which the balance in the fund for a facility or unit equals or
16 exceeds Five Million Dollars (\$5,000,000.00). On and after the
17 first day of the second month following the certification, fees
18 shall not be collected from such facility or unit; provided, fee
19 collection shall resume on receipt of a certification by the State
20 Treasurer that, based on the expenditures and commitments to expend
21 monies, the fund has fallen below Four Million Dollars
22 (\$4,000,000.00) of funds collected from that facility.

23 C. Expenditures from the fund may be used to:
24

- 1 1. Remediate any issues associated with, arising from, or
2 related to the site, including remediation of property, site
3 infrastructure, and any mechanical problems associated with the
4 remaining wells;
 - 5 2. Fund research and development in connection with carbon
6 sequestration technologies and methods;
 - 7 3. Monitor any remaining surface facilities and wells;
 - 8 4. Repair any mechanical leaks at the storage facility;
 - 9 5. Hire outside legal counsel as needed to effectuate the
10 provisions of this act;
 - 11 6. Plug remaining injection wells, except for those wells to be
12 used as observation wells; and
 - 13 7. Contract for assistance with permit or application review.
- 14 D. Not later than November 1 annually, the Corporation
15 Commission shall furnish an electronic report to the Secretary of
16 Energy and Environment, the President Pro Tempore of the Senate, and
17 the Speaker of the House of Representatives. The report shall
18 address the administration of funds, fund balances, expenditures
19 made, and any other information deemed necessary by the Corporation
20 Commission.
- 21 E. Not later than November 1, 2030, and every five (5) years
22 thereafter, the Corporation Commission shall furnish an electronic
23 report to the President Pro Tempore of the Senate and the Speaker of
24 the House of Representatives assessing the effectiveness of the fund

1 and other related provisions within this act. The Corporation
2 Commission shall provide such other information as may be requested
3 by the Legislature.

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

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

17 B. 1. Except as otherwise provided by this subsection, the
18 Corporation Commission is hereby vested with exclusive jurisdiction,
19 power and authority, and it shall be its duty to promulgate and
20 enforce rules, and issue and enforce orders governing and
21 regulating:

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

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

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

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

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

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

1 Safe Drinking Water Act and 40 C.F.R., Parts 144
2 through 148, including:

3 (1) Class II injection wells,

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

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

11 (4) any aspect of a CO₂ sequestration facility or CO₂
12 storage unit as part of a CO₂ sequestration
13 facility, including associated Class VI CO₂
14 injection wells, pursuant to the Oklahoma Carbon
15 Capture and Geologic Sequestration Act,

16 g. tank farms for storage of crude oil and petroleum
17 products which are located outside the boundaries of
18 the refineries, petrochemical manufacturing plants,
19 natural gas liquid extraction plants, or other
20 facilities which are subject to the jurisdiction of
21 the Department of Environmental Quality with regard to
22 point source discharges,

23 h. the construction and operation of pipelines and
24 associated rights-of-way, equipment, facilities or

1 buildings used in the transportation of oil, gas,
2 petroleum, petroleum products, anhydrous ammonia or
3 mineral brine, or in the treatment of oil, gas or
4 mineral brine during the course of transportation but
5 not including line pipes associated with processing at
6 or in any:

7 (1) natural gas liquids extraction plant,

8 (2) refinery,

9 (3) reclaiming facility other than for those
10 specified within subparagraph e of this
11 paragraph,

12 (4) mineral brine processing plant, and

13 (5) petrochemical manufacturing plant,

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

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

23 (2) other oil and gas extraction facilities and
24 activities,

- 1 j. spills of deleterious substances associated with
2 facilities and activities specified in ~~paragraph 1 of~~
3 this ~~subsection~~ paragraph or associated with other oil
4 and gas extraction facilities and activities, and
5 k. subsurface storage of oil, natural gas and liquefied
6 petroleum gas in geologic strata.

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

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

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

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

6 5. The Corporation Commission shall have jurisdiction over:

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

22 b. aboveground storage tanks that contain antifreeze,
23 motor oil, motor fuel, gasoline, kerosene, diesel, or
24 aviation fuel and that are not located at refineries

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

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

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

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

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

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

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

18 D. 1. For the purpose of immediately responding to emergency
19 situations having potentially critical environmental or public
20 safety impact and resulting from activities within its jurisdiction,
21 the Commission may take whatever necessary action, without notice
22 and hearing, including the expenditure of monies from the
23 Corporation Commission Revolving Fund, to promptly respond to the
24 emergency. Such emergency expenditure shall be made pursuant to the

1 provisions of ~~The~~ the Oklahoma Central Purchasing Act, upon such
2 terms and conditions established by the Office of Management and
3 Enterprise Services to accomplish the purposes of this section.
4 Thereafter, the Commission shall seek reimbursement from the
5 responsible person, firm or corporation for all expenditures made
6 from the Corporation Commission Revolving Fund. Any monies received
7 as reimbursement shall be deposited to the credit of the Corporation
8 Commission Revolving Fund.

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

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

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

23 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
24 March 5, 2025 - DO PASS AS AMENDED