

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

SENATE BILL 269

By: Rader

AS INTRODUCED

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

1 Supreme Court; establishing process for issuance of
2 certificate of completion of injection operations;
3 providing for release from certain obligations under
4 certain circumstances; authorizing fees to be levied
5 by the Commission; providing total fee assessment
6 amount; creating the Class VI Carbon Sequestration
7 Storage Facility Revolving Fund; stating source of
8 funds; establishing fund purpose; providing for
9 cessation of fee assessments for certain CO₂
10 sequestration facilities under certain circumstances;
11 providing permitted uses for fund expenditure;
12 requiring reporting; amending 52 O.S. 2021, Section
13 139, which relates to Corporation Commission
14 jurisdiction; modifying jurisdiction over certain
15 injection wells; updating statutory language;
16 updating statutory references; providing for
17 codification; and providing an effective date.

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

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

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

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

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

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

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

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

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

11 5. The Corporation Commission shall have jurisdiction over:

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

1 soil, media, or debris shall be regulated by the
2 Department of Environmental Quality,

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

18 c. the Petroleum Storage Tank Release Environmental
19 Cleanup Indemnity Fund and Program and the Leaking
20 Underground Storage Tank Trust Fund.

21 6. The Department of Environmental Quality shall have sole
22 jurisdiction to regulate the transportation, discharge or release of
23 deleterious substances or hazardous or solid waste or other
24 pollutants from rolling stock and rail facilities. The Department

1 of Environmental Quality shall not have any jurisdiction with
2 respect to pipeline transportation of carbon dioxide.

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

6 a. refineries, petrochemical manufacturing plants and
7 natural gas liquid extraction plants,

8 b. manufacturing of oil and gas related equipment and
9 products,

10 c. bulk terminals, aboveground and underground storage
11 tanks not subject to the jurisdiction of the
12 Commission pursuant to this subsection, and

13 d. other facilities, activities and sources not subject
14 to the jurisdiction of the Corporation Commission or
15 Oklahoma Department of Agriculture, Food, and Forestry
16 as specified by this section.

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

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

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

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

11 SECTION 2. AMENDATORY 27A O.S. 2021, Section 1-3-101, as
12 last amended by Section 2, Chapter 164, O.S.L. 2023 (27A O.S. Supp.
13 2024, Section 1-3-101), is amended to read as follows:

14 Section 1-3-101. A. The provisions of this section specify the
15 jurisdictional areas of responsibility for each state environmental
16 agency and state agencies with limited environmental responsibility.
17 The jurisdictional areas of environmental responsibility specified
18 in this section shall be in addition to those otherwise provided by
19 law and assigned to the specific state environmental agency;
20 provided that any rule, interagency agreement or executive order
21 enacted or entered into prior to ~~the effective date of this section~~
22 July 1, 1993 which conflicts with the assignment of jurisdictional
23 environmental responsibilities specified by this section is hereby
24 superseded. The provisions of this subsection shall not nullify any

1 financial obligation arising from services rendered pursuant to any
2 interagency agreement or executive order entered into prior to July
3 1, 1993, nor nullify any obligations or agreements with private
4 persons or parties entered into with any state environmental agency
5 before July 1, 1993.

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

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

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

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

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

23 5. Waterworks and wastewater works operator certification;

24 6. Public and private water supplies;

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

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

15 8. Notwithstanding any other provision in this section or other
16 environmental jurisdiction statute, sole and exclusive jurisdiction
17 for air quality under the federal Clean Air Act and applicable state
18 law, except for indoor air quality and asbestos as regulated for
19 worker safety by the federal Occupational Safety and Health Act of
20 1970 and ~~by Chapter 11 of Title 40 of the Oklahoma Statutes~~ Asbestos
21 Control Act;

22 9. Hazardous waste and solid waste including industrial,
23 commercial and municipal waste;
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1 10. Superfund responsibilities of the state under the
2 Comprehensive Environmental Response, Compensation and Liability Act
3 of 1980 and amendments thereto, except the planning requirements of
4 Title III of the Superfund ~~Amendment~~ Amendments and Reauthorization
5 Act of 1986;

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

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

15 13. Emergency response as specified by law;

16 14. Environmental laboratory services and laboratory
17 certification;

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

20 16. Freshwater wellhead protection;

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

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

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

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

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

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

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

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

7 2. Weather modification;

8 3. Dam safety;

9 4. Flood plain management;

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

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

18 7. Water well drillers/pump installers licensing;

19 8. Technical lead agency for clean lakes eligible for funding
20 under ~~Section 314 of the federal Clean Water Act~~ Lakes Program or
21 other applicable sections of the federal Clean Water Act or other
22 subsequent state and federal clean lakes programs; administration of
23 a state program for assessing, monitoring, studying and restoring
24 Oklahoma lakes with administration to include, but not be limited

1 to, receipt and expenditure of funds from federal, state and private
2 sources for clean lakes and implementation of a volunteer monitoring
3 program to assess and monitor state water resources, provided such
4 funds from federal Clean Water Act sources are administered and
5 disbursed by the Office of the Secretary of Environment;

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

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

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

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

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

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

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

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

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

10 (2) slaughterhouses, but not including feedlots at
11 these facilities, and

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

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

1 E. Corporation Commission.

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

- 6 a. the conservation of oil and gas,
7 b. field operations for geologic and geophysical
8 exploration for oil, gas and brine including seismic
9 survey wells, stratigraphic test wells and core test
10 wells,
11 c. the exploration, drilling, development, producing or
12 processing for oil and gas on the lease site,
13 d. the exploration, drilling, development, production and
14 operation of wells used in connection with the
15 recovery, injection or disposal of mineral brines,
16 e. reclaiming facilities only for the processing of salt
17 water, crude oil, natural gas condensate and tank
18 bottoms or basic sediment from crude oil tanks,
19 pipelines, pits and equipment associated with the
20 exploration, drilling, development, producing or
21 transportation of oil or gas,
22 f. underground injection control pursuant to the federal
23 Safe Drinking Water Act and 40 ~~CFR~~ C.F.R. Parts 144
24 through 148 of:

- 1 (1) Class II injection wells,
2 (2) Class V injection wells utilized in the
3 remediation of groundwater associated with
4 underground or aboveground storage tanks
5 regulated by the Commission,
6 (3) those wells used for the recovery, injection or
7 disposal of mineral brines as defined in the
8 Oklahoma Brine Development Act, and
9 (4) any aspect of ~~any~~ a CO₂ sequestration facility,
10 including any associated Class VI CO₂ injection
11 ~~well~~ wells, and any associated CO₂ storage unit,
12 over which the Commission is given jurisdiction
13 pursuant to the Oklahoma Carbon Capture and
14 Geologic Sequestration Act.

15 Any substance that the United States Environmental
16 Protection Agency allows to be injected into a Class
17 II well may continue to be so injected,

- 18 g. tank farms for storage of crude oil and petroleum
19 products which are located outside the boundaries of
20 refineries, petrochemical manufacturing plants,
21 natural gas liquid extraction plants, or other
22 facilities which are subject to the jurisdiction of
23 the Department of Environmental Quality with regard to
24 point source discharges,
25

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

8 (1) natural gas liquids extraction plant,

9 (2) refinery,

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

13 (4) mineral brine processing plant, and

14 (5) petrochemical manufacturing plant,

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

20 (1) any facility or activity specifically listed in
21 ~~paragraphs 1~~ this paragraph and paragraph 2 of
22 this subsection as being subject to the
23 jurisdiction of the Commission, and
24

1 (2) other oil and gas extraction facilities and
2 activities,

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

7 k. subsurface storage of oil, natural gas and liquefied
8 petroleum gas in geologic strata,

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

12 m. utilization and enforcement of Oklahoma Water Quality
13 Standards and implementation documents, and

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

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

23 3. When a deleterious substance from a Commission-regulated
24 facility or activity enters a point source discharge of pollutants
25

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

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

20 5. The Commission shall have jurisdiction over:

- 21 a. underground storage tanks that contain antifreeze,
22 motor oil, motor fuel, gasoline, kerosene, diesel, or
23 aviation fuel and that are not located at refineries
24 or at the upstream or intermediate shipment points of

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

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

1 soil, media, or debris shall be regulated by the
2 Department of Environmental Quality, and

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

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

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

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

1 Department of Agriculture, Food, and Forestry as
2 specified by this section.

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

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

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

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

21 3. Wetlands strategy;

22 4. Abandoned mine reclamation;

23 5. Cost-share program for land use activities;

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

3 7. Complaint data management;

4 8. Coordination of environmental and natural resources
5 education;

6 9. Federal upstream flood control program;

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

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

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

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

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

21 1. Mining regulation;

22 2. Mining reclamation of active mines;

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

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

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

10 1. Investigating wildlife kills;

11 2. Wildlife protection and seeking wildlife damage claims; and

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

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

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

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

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

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

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;

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

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

10 SECTION 3. AMENDATORY 27A O.S. 2021, Section 3-5-101, 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;~~

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 these 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;~~

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.

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 exists as a gas
11 at standard temperature and pressure. Carbon dioxide is an inert,
12 stable, colorless, odorless, nontoxic, incombustible, inorganic gas
13 that is dissolvable in water and is naturally present, such as in
14 underground locations and in the atmosphere as a trace gas;

15 ~~5.~~ 4. "Carbon sequestration" means ~~long-term or short-term~~
16 underground storage or sequestration of ~~anthropogenic~~ carbon dioxide
17 in one or more reservoirs;

18 ~~6.~~ 5. "Class VI CO₂ injection well" means an artificial
19 excavation or opening in the ground made by digging, boring,
20 drilling, jetting, driving, or another method and is used to inject
21 or transmit ~~anthropogenic~~ carbon dioxide into one or more reservoirs
22 for long term storage;

23 ~~7.~~ 6. "Class VI CO₂ capture and compression equipment" means the
24 equipment, separation units, processing units, processing plants,
25

1 pipe, buildings, pumps, compressors, meters, facilities, motors,
2 fixtures, materials, and machinery, and all other improvements used
3 in the operation of any of them, and property, real or personal,
4 intangible or tangible, either attributable to or relating to, or
5 located thereon, used for the purpose of:

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

10 ~~8.~~ 7. "CO₂ pipeline" means any pipeline, compressors, pumps,
11 meters, facilities, valves, fittings, right-of-way markers, cathodic
12 protection ground beds, anodes, rectifiers, and any other cathodic
13 protection devices, and other associated equipment, appurtenances
14 and fixtures located on, attributable to or used in connection with
15 the same, and used for the purpose of transporting carbon dioxide
16 for carbon sequestration in this state or another state, excluding:

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

21 8. "CO₂ stream" means CO₂ that has been captured from an
22 emissions source, including any incidental associated substances
23 derived from the source materials and the capture process, and any
24

1 substance added to the stream to enable or improve the injection
2 process;

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

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

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

21 11. "Commission" means the Corporation Commission as
22 established by Section 15 of Article 9 IX of the Oklahoma
23 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 to 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 of the United States, and any
11 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
25

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 Class VI CO₂ for carbon sequestration into, ~~oil~~~~
14 ~~reservoirs, gas reservoirs, coal-bed methane reservoirs, and mineral~~
15 ~~brine approved reservoirs. ~~The Commission shall have such~~~~
16 ~~jurisdiction regardless of whether such CO₂ sequestration facility or~~
17 ~~other injection of carbon dioxide involves enhanced oil or gas~~
18 ~~recovery.~~

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

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 Commission may also enter into memorandums of understanding with any
13 governmental entity deemed necessary to address areas of
14 implementation of the Oklahoma Carbon Capture and Geologic
15 Sequestration Act which 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 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~~ Statutes, or its predecessor unitization
19 act, then during the time that such unit is in operation, such
20 operator shall 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 Corporation Commission
24 pursuant to 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~~ Commission shall also have jurisdiction over
6 a facility operator that produces, takes, extracts or reduces to
7 possession any injected, stored or sequestered carbon dioxide in a
8 CO₂ sequestration 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 working interest and royalty owner, well operators,
24 and gas storage operators of the land encompassed within the defined

1 geographic boundary of the CO₂ sequestration facility, ~~as established~~
2 or a CO₂ storage unit permitted or authorized by the Agency
3 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.~~

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

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

7 A. The Corporation Commission, upon filing of an appropriate
8 application and following notice and hearing regarding the
9 application, shall have the jurisdiction to authorize the creation
10 of a CO₂ storage unit as part of a CO₂ sequestration facility and
11 order the aggregation and communitization of the pore space within
12 an approved reservoir for the injection, storage, and subsequent use
13 of CO₂ in an approved reservoir. The Commission shall designate the
14 underlying tracts of land to be included as part of the CO₂
15 sequestration facility.

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 for tracts of land underlying the approved reservoir,
15 including mineral owners in such approved reservoir who have
16 retained and have not conveyed away their working interests under
17 any oil and gas leases, pooling orders, or otherwise.

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

22 D. The applicant shall also give notice by two publications,
23 with one publishing at least thirty (30) days prior to the hearing,
24 and again at least fifteen (15) days prior to the hearing, firstly

1 in some newspaper of general circulation published in Oklahoma
2 County and secondly in some newspaper published in the county, or in
3 each county, if there be more than one, where the CO₂ storage unit is
4 to be located. The applicant shall file proof of publication and an
5 affidavit of mailing with the Commission prior to the hearing.

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

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

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

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

21 4. That the injection and storage of CO₂ into the pore space of
22 such approved reservoir in the tracts of land to be included in the
23 CO₂ storage unit will not adversely affect any existing oil and gas
24 production or adversely affect or prohibit any potential future oil
25

1 or gas production from such approved reservoir within the tract or
2 tracts of land included in the CO₂ storage unit;

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

8 6. That the proposed operations of the CO₂ storage unit will be
9 such as to safely handle, receive, process, compress, inject,
10 confine, store, and potentially produce CO₂ in such approved
11 reservoir in the tracts of land to be included in the CO₂ storage
12 unit;

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

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

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

21 1. The right to be a cost-bearing owner who participates in the
22 costs of and the benefits from such storage unit. The costs of the
23 CO₂ storage unit to be borne by a party electing to be a cost-bearing
24 owner in such unit shall include all the actual, necessary, and

1 reasonable costs of creating, equipping, maintaining, and operating
2 the CO₂ storage unit. Costs shall not include any costs of capturing
3 or transporting the CO₂ that is injected into and stored in the CO₂
4 storage unit, including the costs of any Class VI CO₂ capture and
5 compression equipment, CO₂ pipelines transporting the CO₂ to the
6 storage unit, or any other equipment or pipelines used in connection
7 with such capture or transportation; or

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

20 The Commission shall establish provisions for payments to be
21 provided under this section. Any owner of the right to inject and
22 store CO₂ in the pore space who elects not to be a cost-bearing owner
23 in the CO₂ storage unit shall relinquish the right to inject and
24

1 store CO₂ in the pore space in the approved reservoir in the CO₂
2 storage unit.

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

5 1. The CO₂ storage unit by defining and specifically describing
6 the approved reservoir and the tracts of land included in the unit;

7 2. The operator of the CO₂ storage unit;

8 3. The plan of operations for the CO₂ storage unit;

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

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

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

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

20 8. The provisions for the termination of such CO₂ storage unit,
21 including the obligations concerning plugging of any wells used in
22 connection with such unit and the surface remediation or restoration
23 of lands used in the operation of such unit.

1 H. Upon creation of a CO₂ storage unit, the operator of the CO₂
2 storage unit may inject a CO₂ stream into, store CO₂ in, and produce
3 a CO₂ stream from, the approved reservoir in the tracts of land
4 included in such unit. Operation on any part of the CO₂ storage unit
5 shall be considered operations on each separate tract of land in
6 such CO₂ storage unit.

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

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

21 K. 1. The Commission upon the filing of a proper application
22 may authorize the enlargement or reduction of a CO₂ storage unit.
23 The application for enlargement or reduction of the CO₂ storage unit
24 shall set forth the reasons for such enlargement or reduction. An

1 operator who seeks to enlarge or reduce a CO₂ storage unit shall
2 comply with the minimum ownership requirements established in
3 subsection B of this section as applied to all the tracts of land to
4 be included in the proposed enlarged unit or reduced unit, whichever
5 is applicable. Notice of an application to reduce a CO₂ storage unit
6 shall be given to the owners of the right to inject and store CO₂ in
7 the approved reservoir of the unit.

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

- 10 a. the owners of the right to inject and store CO₂ in the
11 pore space of the approved reservoir in the CO₂ storage
12 unit and in the additional pore space underlying the
13 tracts of land to be added to such unit,
- 14 b. the owners of oil and gas working interests in the
15 mineral estate within the additional pore space to be
16 added to the unit, including mineral owners in the
17 additional pore space who have retained and have not
18 conveyed away their working interests under any oil
19 and gas leases, pooling orders or otherwise, and
- 20 c. the owners of the surface of the additional tracts of
21 land to be added to the unit. Notice of the
22 application to enlarge or reduce a CO₂ storage unit
23 shall be served and published in the same manner with
24

1 the same time periods as set forth in subsection D of
2 this section.

3 L. The CO₂ injected into and stored in the pore space of the
4 approved reservoir in a CO₂ storage unit shall be the property of the
5 cost-bearing owners in such unit. However, upon termination of a CO₂
6 storage unit, the CO₂ injected into the pore space of the approved
7 reservoir of the CO₂ storage unit may remain in such pore space and
8 need not be removed.

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

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

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

20 A. 1. Not earlier than fifty (50) years after cessation of
21 injection of a CO₂ stream into a CO₂ sequestration facility or a CO₂
22 storage unit as a part of a CO₂ sequestration facility, or following
23 the end of any other time frame established on a site-specific basis
24 by Corporation Commission order, the Corporation Commission shall

1 issue a certificate of completion of injection operations, if the
2 operator proves that:

- 3 a. the reservoir is reasonably expected to retain
4 mechanical integrity,
- 5 b. the CO₂ will reasonably remain emplaced,
- 6 c. the CO₂ sequestration facility or the CO₂ storage unit
7 as a part of a CO₂ sequestration facility does not pose
8 an endangerment to underground sources of drinking
9 water, or to public health or public safety,
- 10 d. the current storage facility operator has complied
11 with all applicable regulations related to post-
12 injection monitoring and the issuance of the
13 certificate of completion of injection operations, and
- 14 e. the CO₂ sequestration facility or the CO₂ storage unit
15 as a part of a CO₂ sequestration facility has been
16 closed in accordance with all applicable requirements
17 related to the site closure plan submitted with the
18 original application or the most current amended site
19 closure plan.

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

23 3. Upon issuance of a certificate of completion of injection
24 operations, the operator of such facility or unit, all owners of
25

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

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

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

15 2. Any owner or operator of a CO₂ sequestration facility or a
16 CO₂ storage unit as a part of a CO₂ sequestration facility if it is
17 demonstrated that such owner or operator intentionally and knowingly
18 concealed or misrepresented material facts related to the mechanical
19 integrity of the storage facility or the chemical composition of any
20 injected carbon dioxide.

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

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

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

11 3. The total fee assessed shall be sufficient to assure a
12 balance in the Class VI Carbon Sequestration Storage Facility
13 Revolving Fund not to exceed Five Million Dollars (\$5,000,000.00)
14 for a given CO₂ sequestration facility or CO₂ storage unit; provided,
15 however, the total fee for any one operator in the Class VI Carbon
16 Sequestration Storage Facility Revolving Fund at the beginning of
17 each fiscal year shall not be in excess of Ten Million Dollars
18 (\$10,000,000.00) regardless of the number of such facilities or
19 units operated by such operator. Any amount received by the
20 Corporation Commission that exceeds the annual balance required
21 under this subsection shall be deposited into the fund, but
22 appropriate credits shall be given against future fees for the
23 storage facility. The Corporation Commission shall promulgate rules
24 regarding the form and manner for fee amount and payment method.

1 SECTION 11. NEW LAW A new section of law to be codified

2 in the Oklahoma Statutes as Section 3-5-109 of Title 27A, unless
3 there is created a duplication in numbering, reads as follows:

4 A. There is hereby created in the State Treasury a revolving
5 fund for the Corporation Commission to be designated the "Class VI
6 Carbon Sequestration Storage Facility Revolving Fund". The fund
7 shall be a continuing fund, not subject to fiscal year limitations,
8 and shall consist of all monies received by the Commission from
9 fines and fees paid to the Corporation Commission pursuant to
10 Sections 9 and 10 of this act. All monies accruing to the credit of
11 the fund are hereby appropriated and may be budgeted and expended by
12 the Commission for the purpose provided for in this section.

13 Expenditures from the fund shall be made upon warrants issued by the
14 State Treasurer against claims filed as prescribed by law with the
15 Director of the Office of Management and Enterprise Services for
16 approval and payment.

17 B. If a CO₂ sequestration facility or a CO₂ storage unit as a
18 part of a CO₂ sequestration facility at any time deposits more than
19 Five Million Dollars (\$5,000,000.00) to the fund, the fee
20 assessments to that facility or unit shall cease until such time as
21 funds begin to be expended for that facility or unit. The State
22 Treasurer shall certify to the Corporation Commission the date on
23 which the balance in the fund for a facility or unit equals or
24 exceeds Five Million Dollars (\$5,000,000.00). On and after the

1 first day of the second month following the certification, fees
2 shall not be collected from such facility or unit; provided, fee
3 collection shall resume on receipt of a certification by the State
4 Treasurer that, based on the expenditures and commitments to expend
5 monies, the fund has fallen below Four Million Dollars
6 (\$4,000,000.00) of funds collected from that facility.

7 C. Expenditures from the fund may be used to:

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

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

14 3. Monitor any remaining surface facilities and wells;

15 4. Repair any mechanical leaks at the storage facility;

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

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

20 7. Contract for assistance with permit or application review.

21 D. Not later than November 1 annually, the Corporation
22 Commission shall furnish an electronic report to the Secretary of
23 Energy and Environment, the President Pro Tempore of the Senate, and
24 the Speaker of the House of Representatives. The report shall

1 address the administration of funds, fund balances, expenditures
2 made, and any other information deemed necessary by the Corporation
3 Commission.

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

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

13 Section 139. A. The Corporation Commission is vested with
14 exclusive jurisdiction, power and authority, and it shall be its
15 duty, to make and enforce such rules and orders governing and
16 regulating the handling, storage and disposition of saltwater,
17 mineral brines, waste oil and other deleterious substances produced
18 from or obtained or used in connection with the drilling,
19 development, producing, and operating of oil and gas wells and brine
20 wells within this state as are reasonable and necessary for the
21 purpose of preventing the pollution of the surface and subsurface
22 waters in the state, and to otherwise carry out the purpose of this
23 act.

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

- 6 a. the conservation of oil and gas,
- 7 b. field operations for geologic and geophysical
8 exploration for oil, gas and brine, including seismic
9 survey wells, stratigraphic test wells and core test
10 wells,
- 11 c. the exploration, drilling, development, producing or
12 processing for oil and gas on the lease site,
- 13 d. the exploration, drilling, development, production and
14 operation of wells used in connection with the
15 recovery, injection or disposal of mineral brines,
- 16 e. reclaiming facilities only for the processing of salt
17 water, crude oil, natural gas condensate and tank
18 bottoms or basic sediment from crude oil tanks,
19 pipelines, pits and equipment associated with the
20 exploration, drilling, development, producing or
21 transportation of oil or gas,
- 22 f. ~~injection wells known as Class II wells under the~~
23 ~~federal Underground Injection Control Program, and any~~
24 ~~aspect of any CO₂ sequestration facility, including any~~

1 associated CO₂ injection well, over which the
2 Commission is given jurisdiction pursuant to the
3 Oklahoma Carbon Capture and Geologic Sequestration
4 Act. Any substance that the United States
5 Environmental Protection Agency allows to be injected
6 into a Class II well may continue to be so injected
7 underground injection control pursuant to the federal
8 Safe Drinking Water Act and 40 C.F.R., Parts 144
9 through 148, including:

- 10 (1) Class II injection wells,
- 11 (2) Class V injection wells utilized in the
12 remediation of groundwater associated with
13 underground or aboveground storage tanks
14 regulated by the Corporation Commission,
- 15 (3) those wells used for the recovery, injection, or
16 disposal of mineral brines as defined in the
17 Oklahoma Brine Development Act, and
- 18 (4) any aspect of a CO₂ sequestration facility or CO₂
19 storage unit as part of a CO₂ sequestration
20 facility, including associated Class VI CO₂
21 injection wells, pursuant to the Oklahoma Carbon
22 Capture and Geologic Sequestration Act,

23 g. tank farms for storage of crude oil and petroleum
24 products which are located outside the boundaries of
25

1 the 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 associated with processing at
13 or in any:

14 (1) natural gas liquids extraction plant,

15 (2) refinery,

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

19 (4) mineral brine processing plant, and

20 (5) petrochemical manufacturing plant,

21 i. the handling, transportation, storage and disposition
22 of saltwater, mineral brines, waste oil and other
23 deleterious substances produced from or obtained or
24

1 used in connection with the drilling, development,
2 producing and operating of oil and gas wells, at:

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

7 (2) other oil and gas extraction facilities and
8 activities,

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

13 k. subsurface storage of oil, natural gas and liquefied
14 petroleum gas in geologic strata.

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

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

1 pollutants and storm water from the two facilities or activities
2 insofar as Department-regulated facilities and activities are
3 concerned.

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

14 5. The Corporation Commission shall have jurisdiction over:

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

1 below; provided that any point source discharge of a
2 pollutant to waters of the United States during site
3 remediation or the off-site disposal of contaminated
4 soil, media, or debris shall be regulated by the
5 Department of Environmental Quality,

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

21 c. the Petroleum Storage Tank Release Environmental
22 Cleanup Indemnity Fund and Program and the Leaking
23 Underground Storage Tank Trust Fund.
24

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

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

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

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

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

3 D. 1. For the purpose of immediately responding to emergency
4 situations having potentially critical environmental or public
5 safety impact and resulting from activities within its jurisdiction,
6 the Commission may take whatever necessary action, without notice
7 and hearing, including the expenditure of monies from the
8 Corporation Commission Revolving Fund, to promptly respond to the
9 emergency. Such emergency expenditure shall be made pursuant to the
10 provisions of ~~The~~ the Oklahoma Central Purchasing Act, upon such
11 terms and conditions established by the Office of Management and
12 Enterprise Services to accomplish the purposes of this section.
13 Thereafter, the Commission shall seek reimbursement from the
14 responsible person, firm or corporation for all expenditures made
15 from the Corporation Commission Revolving Fund. Any monies received
16 as reimbursement shall be deposited to the credit of the Corporation
17 Commission Revolving Fund.

18 2. The Commission shall not expend from any fund in the State
19 Treasury, in any fiscal year, for the purposes herein provided, an
20 amount of money in excess of the total sum specifically authorized
21 annually by the Legislature for such purposes. Any monies received
22 by the Commission through execution on any required surety shall not
23 be subject to such limitation on expenditure for remedial action.
24

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

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

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