

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 COMMITTEE SUBSTITUTE  
4 FOR

5 SENATE BILL NO. 269

6 By: Rader of the Senate

7 and

8 Luttrell of the House

9 COMMITTEE SUBSTITUTE

10 An Act relating to carbon sequestration; amending 17  
11 O.S. 2021, Section 52, which relates to Corporation  
12 Commission jurisdiction; modifying jurisdiction of  
13 Commission; updating statutory language; amending 27A  
14 O.S. 2021, Section 1-3-101, as last amended by  
15 Section 2, Chapter 164, O.S.L. 2023 (27A O.S. Supp.  
16 2024, Section 1-3-101), which relates to  
17 responsibilities and jurisdiction of state  
18 environmental agencies; modifying duties of certain  
19 agencies; amending 27A O.S. 2021, Sections 3-5-101,  
20 3-5-102, 3-5-103, 3-5-104, as amended by Section 1,  
21 Chapter 353, O.S.L. 2023, 3-5-105, and 3-5-106 (27A  
22 O.S. Supp. 2024, Section 3-5-104), which relate to  
23 the Oklahoma Carbon Capture and Geologic  
24 Sequestration Act; modifying legislative intent;  
modifying definitions; defining terms; modifying  
Corporation Commission jurisdiction over CO<sub>2</sub> injection  
wells; allowing Commission to enter into memorandums  
of understanding; modifying notice requirements;  
updating statutory language; providing Corporation  
Commission with jurisdiction over certain CO<sub>2</sub>  
sequestration facilities and storage units;  
establishing provisions for creation of certain  
facilities; requiring inclusion of certain ownership  
percentage for inclusion in CO<sub>2</sub> storage unit;  
requiring notice to be served on certain persons and  
through certain newspapers of general circulation;  
requiring certain determination prior to creation of  
CO<sub>2</sub> storage unit; providing for rights of certain

1 owners; prescribing contents of certain Commission  
2 orders; providing process for reduction or  
3 enlargement of certain CO<sub>2</sub> storage unit; requiring  
4 notice of application for reduction or enlargement;  
5 directing rule promulgation; providing for appeals of  
6 Corporation Commission orders to be made to the  
7 Supreme Court; establishing process for issuance of  
8 certificate of completion of injection operations;  
9 providing for release from certain obligations under  
10 certain circumstances; authorizing fees to be levied  
11 by the Commission; providing total fee assessment  
12 amount; creating the Class VI Carbon Sequestration  
13 Storage Facility Revolving Fund; stating source of  
14 funds; establishing fund purpose; providing for  
15 cessation of fee assessments for certain CO<sub>2</sub>  
16 sequestration facilities under certain circumstances;  
17 providing permitted uses for fund expenditure;  
18 requiring reporting; amending 52 O.S. 2021, Section  
19 139, which relates to Corporation Commission  
20 jurisdiction; modifying jurisdiction over certain  
21 injection wells; updating statutory language;  
22 updating statutory references; providing for  
23 codification; and providing an effective date.  
24

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

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

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

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

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

14 f. injection wells known as Class II wells under the  
15 federal Underground Injection Control ~~Program~~ program,  
16 ~~and~~ any aspect of any CO<sub>2</sub> sequestration facility,  
17 including any associated Class VI CO<sub>2</sub> injection well,  
18 and any CO<sub>2</sub> storage unit associated with a CO<sub>2</sub>  
19 sequestration facility, over which the Commission is  
20 given jurisdiction pursuant to the Oklahoma Carbon  
21 Capture and Geologic Sequestration Act. Any substance  
22 that the United States Environmental Protection Agency  
23 allows to be injected into a Class II well may  
24 continue to be so injected,

1 g. tank farms for storage of crude oil and petroleum  
2 products which are located outside the boundaries of  
3 refineries, petrochemical manufacturing plants,  
4 natural gas liquid extraction plants, or other  
5 facilities which are subject to the jurisdiction of  
6 the Department of Environmental Quality with regard to  
7 point source discharges,

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

15 (1) natural gas liquids extraction plant,

16 (2) refinery,

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

20 (4) mineral brine processing plant, and

21 (5) petrochemical manufacturing plant,

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

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 this paragraph  
11 ~~1 of this subsection~~ or associated with other oil and  
12 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 Oklahoma  
23 Leaking 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~~ federal Clean Air Act as amended.



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

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

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

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

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

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

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

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

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

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

24

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

3 5. Waterworks and wastewater works operator certification;

4 6. Public and private water supplies;

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

8 a. Class II injection wells,

9 b. Class V injection wells utilized in the remediation of  
10 groundwater associated with underground or aboveground  
11 storage tanks regulated by the Corporation Commission,

12 c. those wells used for the recovery, injection or  
13 disposal of mineral brines as defined in the Oklahoma

14 Brine Development Act regulated by the Commission, and

15 d. any aspect of any CO<sub>2</sub> sequestration facility, including  
16 any associated Class VI CO<sub>2</sub> injection well, over which

17 the Commission is given jurisdiction pursuant to the

18 Oklahoma Carbon Capture and Geologic Sequestration

19 Act;

20 8. Notwithstanding any other provision in this section or other  
21 environmental jurisdiction statute, sole and exclusive jurisdiction

22 for air quality under the federal Clean Air Act and applicable state

23 law, except for indoor air quality and asbestos as regulated for

24 worker safety by the federal Occupational Safety and Health Act of

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

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

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

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

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

19 13. Emergency response as specified by law;

20 14. Environmental laboratory services and laboratory  
21 certification;

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

24 16. Freshwater wellhead protection;

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

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

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

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

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

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

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

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

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

10 2. Weather modification;

11 3. Dam safety;

12 4. Flood plain management;

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

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

21 7. Water well drillers/pump installers licensing;

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

4 E. Corporation Commission.

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

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

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

4 (1) Class II injection wells,

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

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

12 (4) any aspect of ~~any~~ a CO<sub>2</sub> sequestration facility,  
13 including any associated Class VI CO<sub>2</sub> injection  
14 ~~well~~ wells, and any associated CO<sub>2</sub> storage unit,  
15 over which the Commission is given jurisdiction  
16 pursuant to the Oklahoma Carbon Capture and  
17 Geologic Sequestration Act.

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

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

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

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

11 (1) natural gas liquids extraction plant,

12 (2) refinery,

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

16 (4) mineral brine processing plant, and

17 (5) petrochemical manufacturing plant,

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

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

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

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

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

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

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

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

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

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

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

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

22           5. The Commission shall have jurisdiction over:

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

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

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

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

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

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

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

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



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

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

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

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

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

23           3.    Wetlands strategy;

24           4.    Abandoned mine reclamation;

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

24

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

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

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

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

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

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

24

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

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

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

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

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

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

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

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

24

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

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

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

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

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

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

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

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

24

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

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

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

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

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

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 CO<sub>2</sub> sequestration facilities~~  
24 ~~in this state~~ In accordance with the Oklahoma Carbon Capture and

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

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

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

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

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

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

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

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

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



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

3 2. "Capture" means capturing:

4 a. CO<sub>2</sub> 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. CO<sub>2</sub> from the atmosphere through the process of direct  
8 air capture;

9 ~~4.~~ 3. "Carbon dioxide" or "CO<sub>2</sub>" means an inorganic compound  
10 containing one carbon atom and two oxygen atoms, and that exists as  
11 a gas at standard temperature and pressure. Carbon dioxide is an  
12 inert, stable, colorless, odorless, nontoxic, incombustible,  
13 inorganic gas that is dissolvable in water and is naturally present,  
14 such as in underground locations and in the atmosphere as a trace  
15 gas;

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

19 ~~6.~~ 5. "Class VI CO<sub>2</sub> injection well" means an artificial  
20 excavation or opening in the ground made by digging, boring,  
21 drilling, jetting, driving, or another method and is used to inject  
22 or transmit ~~anthropogenic~~ carbon dioxide into one or more reservoirs  
23 for long-term storage;

24

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

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

12       ~~8.~~ 7. "CO<sub>2</sub> pipeline" means any pipeline, compressors, pumps,  
13 meters, facilities, valves, fittings, right-of-way markers, cathodic  
14 protection ground beds, anodes, rectifiers, and any other cathodic  
15 protection devices, and other associated equipment, appurtenances  
16 and fixtures located on, attributable to or used in connection with  
17 the same, and used for the purpose of transporting carbon dioxide  
18 for carbon sequestration in this state or another state, excluding:

- 19           a. CO<sub>2</sub> capture and compression equipment at the source of  
20           the carbon dioxide, and  
21          b. pipelines that are part of a CO<sub>2</sub> sequestration  
22          facility;

23       8. "CO<sub>2</sub> stream" means CO<sub>2</sub> that has been captured from an  
24 emissions source, including any incidental associated substances

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

4 9. "CO<sub>2</sub> sequestration facility" means the approved reservoir(s),  
5 and all associated underground equipment and pipelines, all  
6 associated surface buildings and equipment, and all associated Class  
7 VI CO<sub>2</sub> injection wells, utilized for carbon sequestration in a  
8 defined geographic boundary established by the Agency Corporation  
9 Commission, excluding any:

10 a. CO<sub>2</sub> capture and compression equipment at the source of  
11 the carbon dioxide, and

12 b. CO<sub>2</sub> pipeline transporting carbon dioxide to the  
13 facility from a source located outside the geographic  
14 boundaries of the surface of the facility;

15 10. ~~"CO<sub>2</sub> trunkline" means a CO<sub>2</sub> pipeline that both exceeds~~  
16 ~~seventy-five (75) miles in distance and has a minimum pipe outside~~  
17 ~~diameter of at least twelve (12) inches~~ "CO<sub>2</sub> storage unit" means a  
18 unit created pursuant to this act as part of a CO<sub>2</sub> sequestration  
19 facility under which the pore space of an approved reservoir is  
20 aggregated and communitized for the purpose of injection and storage  
21 of CO<sub>2</sub>;

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

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

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

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

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

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

17 15. "Facility operator" means any person authorized by the  
18 ~~Agency~~ Corporation Commission to operate a CO<sub>2</sub> sequestration  
19 facility, including any person designated by the Commission to  
20 operate a CO<sub>2</sub> storage unit as part of a CO<sub>2</sub> sequestration facility  
21 authorized under this act;

22 16. "Facility owner" means the person who owns the CO<sub>2</sub>  
23 sequestration facility, and any cost-bearing owners in a CO<sub>2</sub> storage  
24

1 unit as part of a CO<sub>2</sub> sequestration facility authorized under this  
2 act;

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

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

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

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

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

22 22. "Private operator" means any person that is either a  
23 facility operator or an operator of a CO<sub>2</sub> pipeline, but that is  
24

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

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

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

10 Section 3-5-103. ~~A.~~ The Corporation Commission ~~shall be the~~  
11 ~~"Agency" for,~~ and shall have exclusive jurisdiction over Class VI CO<sub>2</sub>  
12 ~~sequestration facilities involving injection wells,~~ and the  
13 injection of CO<sub>2</sub> for carbon sequestration into, ~~oil reservoirs, gas~~  
14 ~~reservoirs, coal-bed methane reservoirs, and mineral brine~~ approved  
15 reservoirs. ~~The Commission shall have such jurisdiction regardless~~  
16 ~~of whether such CO<sub>2</sub> sequestration facility or other injection of~~  
17 ~~carbon dioxide involves enhanced oil or gas recovery.~~

18 ~~B.~~ ~~The Department of Environmental Quality shall be the~~  
19 ~~"Agency" for,~~ and shall have exclusive jurisdiction over CO<sub>2</sub>  
20 ~~sequestration facilities involving, and injection of CO<sub>2</sub> for carbon~~  
21 ~~sequestration into all reservoirs other than those described in~~  
22 ~~subsection A of this section, which shall include, but not be~~  
23 ~~limited to, deep saline formations, unmineable coal seams where~~

24

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

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

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

17 B. The operator of a CO<sub>2</sub> 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 CO<sub>2</sub> 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 CO<sub>2</sub> 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 CO<sub>2</sub> sequestration facilities, as  
15 may be necessary, for the purpose of regulating the drilling of  
16 Class VI CO<sub>2</sub> injection wells related to a CO<sub>2</sub> sequestration facility,  
17 the injection ~~and withdrawal~~ of carbon dioxide, the operation of the  
18 CO<sub>2</sub> sequestration facility, Class VI CO<sub>2</sub> injection well plugging and  
19 abandonment, removal of surface buildings and equipment of the CO<sub>2</sub>  
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 CO<sub>2</sub> sequestration facility as established by the ~~Agency~~ Commission,  
5 and whose addresses are known or could be known through the exercise  
6 of due diligence, at least fifteen (15) days' notice of the hearing  
7 by mail, return receipt requested. The applicant shall also give  
8 notice by ~~one publication~~ two publications, with one publishing at  
9 least thirty (30) days prior to the hearing, and again at least  
10 fifteen (15) days prior to the hearing, firstly in some newspaper of  
11 general circulation published in Oklahoma County, ~~and by one~~  
12 ~~publication, at least fifteen (15) days prior to the date of the~~  
13 ~~hearing,~~ secondly in some newspaper published in the county, or in  
14 each county, if there ~~be~~ is more than one, in which the defined  
15 geographic boundary of the CO<sub>2</sub> 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 CO<sub>2</sub> sequestration facility or a CO<sub>2</sub> storage unit associated  
2 with a CO<sub>2</sub> 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 CO<sub>2</sub> sequestration  
7 facility or a storage unit associated with a CO<sub>2</sub> 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 CO<sub>2</sub> 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 CO<sub>2</sub> 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 Commission pursuant to  
24 Section 53 of Title 17 of the Oklahoma Statutes; or

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

4           D. ~~The Agency having jurisdiction over the injection of carbon~~  
5 ~~dioxide under this act~~ 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 CO<sub>2</sub> 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 a working interest and royalty owner, well  
24 operator, and gas storage operator of the land encompassed within

1 the defined geographic boundary of the CO<sub>2</sub> sequestration facility,~~as~~  
2 ~~established or a CO<sub>2</sub> storage unit permitted or authorized by the~~  
3 ~~Agency Corporation Commission,~~ to drill or bore through the approved  
4 reservoir in a manner as shall comply with orders, rules and  
5 regulations issued for the purpose of protecting the approved  
6 reservoir against the escape of CO<sub>2</sub>. ~~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 CO<sub>2</sub> sequestration~~  
11 ~~facility, regardless of which Agency has jurisdiction to permit the~~  
12 ~~CO<sub>2</sub> 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 CO<sub>2</sub> 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 CO<sub>2</sub> sequestration facility shall~~  
23 ~~be borne by the facility operator. The surface estate is servient~~  
24

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

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

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

9 A. The Corporation Commission, upon filing of an appropriate  
10 application and following notice and hearing regarding the  
11 application, shall have the jurisdiction to create a CO<sub>2</sub> storage unit  
12 as part of a CO<sub>2</sub> sequestration facility and order the aggregation and  
13 communitization of the pore space within an approved reservoir in  
14 designated tracts of land for the injection and storage of CO<sub>2</sub> in  
15 such approved reservoir.

16 B. An application to create a CO<sub>2</sub> storage unit may be filed by a  
17 party owning the rights to inject and store CO<sub>2</sub> 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 CO<sub>2</sub> 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 CO<sub>2</sub> storage unit; and

23 2. A plan of operations for such proposed CO<sub>2</sub> 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 CO<sub>2</sub>  
2 storage unit shall be shared, and the procedures to be followed for  
3 invoicing and paying the costs of the CO<sub>2</sub> storage unit.

4 C. Notice of an application to create a CO<sub>2</sub> 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 CO<sub>2</sub> in the pore  
9 space of the approved reservoir underlying the tracts of land to be  
10 included in the CO<sub>2</sub> storage unit;

11 2. All owners of the surface of such tracts of land to be  
12 included in the CO<sub>2</sub> storage unit; and

13 3. All owners of oil and gas working interests in the mineral  
14 estate in such approved reservoir underlying such tracts of land to  
15 be included in the CO<sub>2</sub> storage unit, including mineral owners in such  
16 approved reservoir in such tracts of land who have retained and have  
17 not conveyed away their working interests under any oil and gas  
18 leases, pooling orders, or otherwise.

19 An affidavit of service or mailing showing that the above-  
20 described notice has been completed shall be filed with the  
21 Commission prior to a hearing on the merits of the application to  
22 create the CO<sub>2</sub> storage unit.

23 D. Notice of an application to create a CO<sub>2</sub> storage unit shall  
24 be published two times, with one such publication being at least

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

10 E. In creating a CO<sub>2</sub> storage unit, the Commission shall find and  
11 determine:

12 1. That the applicant has the required percentage ownership of  
13 the right to inject and store CO<sub>2</sub> in the pore space of the approved  
14 reservoir in the tracts of land to be included in the CO<sub>2</sub> storage  
15 unit;

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

20 3. That the injected CO<sub>2</sub> will be confined to the pore space of  
21 such approved reservoir in the tracts of land to be included in the  
22 CO<sub>2</sub> storage unit and that the CO<sub>2</sub> injected into and stored in the  
23 pore space of such approved reservoir in such tracts of land will  
24



1 not escape and enter any other geologic interval or lands outside of  
2 the CO<sub>2</sub> storage unit;

3 4. That the injection and storage of CO<sub>2</sub> in the pore space of  
4 such approved reservoir in the tracts of land to be included in the  
5 CO<sub>2</sub> storage unit will not adversely affect any existing oil and gas  
6 production from any reservoir;

7 5. That the injection and storage of CO<sub>2</sub> in the pore space of  
8 such approved reservoir in the tracts of land to be included in the  
9 CO<sub>2</sub> storage unit will not adversely affect or prohibit any potential  
10 future oil or gas production from such approved reservoir within the  
11 tracts of land included in the CO<sub>2</sub> storage unit;

12 6. That the area to be included in the CO<sub>2</sub> storage unit is of  
13 sufficient size and shape to contain and hold all of the CO<sub>2</sub>  
14 anticipated to be injected into and stored in the CO<sub>2</sub> storage unit,  
15 taking into account the extent of the plume which will be created by  
16 such injection;

17 7. That the proposed operations of the CO<sub>2</sub> storage unit will be  
18 such as to safely handle, receive, process, compress, inject,  
19 confine, and store in such approved reservoir in the tracts of land  
20 to be included in the CO<sub>2</sub> storage unit;

21 8. That the operator of the CO<sub>2</sub> storage unit is qualified to  
22 create, maintain, and conduct operations in such unit; and

23 9. That the proposed plan of operations is reasonable and  
24 adequate for the operation of the CO<sub>2</sub> storage unit.

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

5 1. The right to be a cost-bearing owner who participates in the  
6 costs of and the benefits from such storage unit. The costs of the  
7 CO<sub>2</sub> storage unit to be borne by a party electing to be a cost-bearing  
8 owner in such unit shall include all the actual, necessary, and  
9 reasonable costs of creating, equipping, maintaining, and operating  
10 the CO<sub>2</sub> storage unit. The Commission shall make provisions for the  
11 payment of such costs of the CO<sub>2</sub> storage unit by the owners of the  
12 right to inject and store in such CO<sub>2</sub> storage unit. Such costs shall  
13 not include any costs of capturing or transporting the CO<sub>2</sub> that is  
14 injected into and stored in the CO<sub>2</sub> storage unit, including the costs  
15 of any CO<sub>2</sub> capture and compression equipment, CO<sub>2</sub> pipelines  
16 transporting the CO<sub>2</sub> to such CO<sub>2</sub> storage unit, or any other equipment  
17 or pipelines used in connection with such capture or transportation;  
18 or

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

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

7 The Commission shall make provisions for payment of the amounts  
8 set forth above to the owners of the right to inject and store CO<sub>2</sub> in  
9 the pore space of the approved reservoir who elect or are deemed to  
10 elect not to be cost-bearing owners in such CO<sub>2</sub> storage unit. Any  
11 owner of the right to inject and store CO<sub>2</sub> in the pore space of the  
12 approved reservoir who elects or is deemed to elect not to be a  
13 cost-bearing owner in the CO<sub>2</sub> storage unit shall relinquish by  
14 operation of law under the order creating the CO<sub>2</sub> storage unit the  
15 right to inject and store CO<sub>2</sub> in the pore space in the approved  
16 reservoir in the CO<sub>2</sub> storage unit.

17 G. The Commission order creating the CO<sub>2</sub> storage unit shall  
18 establish:

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

23

24

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

4 5. The estimated costs of creating, equipping, maintaining, and  
5 operating the CO<sub>2</sub> storage unit and the provisions for the payment of  
6 such costs;

7 6. The procedures and safeguards to be followed for any owner  
8 of oil and gas rights to drill through the CO<sub>2</sub> storage unit for the  
9 purpose of producing oil or gas from another geologic interval;

10 7. Any other procedures or safeguards that may be deemed  
11 necessary to ensure the safe operation of the CO<sub>2</sub> storage unit; and

12 8. The provisions for the termination of such CO<sub>2</sub> storage unit,  
13 including the obligations concerning the plugging of any wells used  
14 in connection with such unit and the remediation or restoration of  
15 the surface of the lands used in the operation of such unit.

16 H. Upon creation of a CO<sub>2</sub> storage unit, the operator of the CO<sub>2</sub>  
17 storage unit may inject a CO<sub>2</sub> stream into and store CO<sub>2</sub> in the  
18 approved reservoir in the tracts of land included in such unit.  
19 Operation on any part of the CO<sub>2</sub> storage unit shall be considered  
20 operation on each separate tract of land in such CO<sub>2</sub> storage unit.

21 I. On and after the effective date of a Commission order  
22 creating a CO<sub>2</sub> storage unit, operation of any well injecting CO<sub>2</sub> into  
23 the approved reservoir in the tracts of land included in such unit  
24 shall be unlawful except as authorized by the order and plan of

1 operations for such unit. Notice of the creation of the CO<sub>2</sub> storage  
2 unit shall be placed of record in each county in which the unit is  
3 located.

4 J. Upon creation of a CO<sub>2</sub> storage unit, the Commission shall  
5 retain jurisdiction over the unit, including the plan of operations  
6 for the unit and the designation of the operator. Nothing in this  
7 subsection shall preclude or impair the right of any affected party  
8 to obtain through the district courts of this state any remedy or  
9 relief available at law or in equity for injuries or damages  
10 resulting from operation of a CO<sub>2</sub> storage unit.

11 K. 1. The Commission, upon the filing of a proper application,  
12 may enlarge or reduce a CO<sub>2</sub> storage unit. The application for  
13 enlargement or reduction of the CO<sub>2</sub> storage unit shall set forth the  
14 reasons for such enlargement or reduction. An operator who seeks to  
15 enlarge or reduce a CO<sub>2</sub> storage unit shall comply with the minimum  
16 ownership requirements established in subsection B of this section  
17 as applied to all the tracts of land to be included in the proposed  
18 enlarged unit or reduced unit, whichever is applicable. Notice of  
19 an application to reduce a CO<sub>2</sub> storage unit shall be given to the  
20 owners of the right to inject and store CO<sub>2</sub> in the pore space of the  
21 approved reservoir in the unit.

22 2. Notice of an application to enlarge a CO<sub>2</sub> storage unit shall  
23 be given to:  
24

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

17 L. Subject to the provisions of Section 10 of this act, the CO<sub>2</sub>  
18 injected into and stored in the pore space of the approved reservoir  
19 in a CO<sub>2</sub> storage unit shall be the property of the cost-bearing  
20 owners in such unit. However, upon termination of a CO<sub>2</sub> storage  
21 unit, the CO<sub>2</sub> injected into the pore space of the approved reservoir  
22 of the CO<sub>2</sub> storage unit may remain in such pore space and need not be  
23 removed.

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

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

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

11 A. 1. Not earlier than fifty (50) years after cessation of  
12 injection of a CO<sub>2</sub> stream into a CO<sub>2</sub> sequestration facility or a CO<sub>2</sub>  
13 storage unit as a part of a CO<sub>2</sub> sequestration facility, or following  
14 the end of any other time frame established on a site-specific basis  
15 by Corporation Commission order, the Corporation Commission shall  
16 issue a certificate of completion of injection operations, if the  
17 operator proves that:

- 18 a. the reservoir is reasonably expected to retain  
19 mechanical integrity,
- 20 b. the CO<sub>2</sub> will reasonably remain emplaced,
- 21 c. the CO<sub>2</sub> sequestration facility or the CO<sub>2</sub> storage unit  
22 as a part of a CO<sub>2</sub> sequestration facility does not pose  
23 an endangerment to underground sources of drinking  
24 water, or to public health or public safety,

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

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

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

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



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

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

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

16 D. 1. The Corporation Commission may levy fees to implement  
17 the provisions of this section in a form and schedule to be  
18 developed by the Oil and Gas Conservation Division of the  
19 Corporation Commission for each ton of carbon dioxide injected into  
20 a CO<sub>2</sub> sequestration facility or a CO<sub>2</sub> storage unit as a part of a CO<sub>2</sub>  
21 sequestration facility.

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

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

3 3. The total fee assessed shall be sufficient to assure a  
4 balance in the Class VI Carbon Sequestration Storage Facility  
5 Revolving Fund not to exceed Five Million Dollars (\$5,000,000.00)  
6 for a given CO<sub>2</sub> sequestration facility or CO<sub>2</sub> storage unit; provided,  
7 however, the total fee for any one operator in the Class VI Carbon  
8 Sequestration Storage Facility Revolving Fund at the beginning of  
9 each fiscal year shall not be in excess of Ten Million Dollars  
10 (\$10,000,000.00) regardless of the number of such facilities or  
11 units operated by such operator. Any amount received by the  
12 Corporation Commission that exceeds the annual balance required  
13 under this subsection shall be deposited into the fund, but  
14 appropriate credits shall be given against future fees for the  
15 storage facility. The Corporation Commission shall promulgate rules  
16 regarding the form and manner for fee amount and payment method.

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

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

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

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

9 B. If a CO<sub>2</sub> sequestration facility or a CO<sub>2</sub> storage unit as a  
10 part of a CO<sub>2</sub> sequestration facility at any time deposits more than  
11 Five Million Dollars (\$5,000,000.00) to the fund, the fee  
12 assessments to that facility or unit shall cease until such time as  
13 funds begin to be expended for that facility or unit. The State  
14 Treasurer shall certify to the Corporation Commission the date on  
15 which the balance in the fund for a facility or unit equals or  
16 exceeds Five Million Dollars (\$5,000,000.00). On and after the  
17 first day of the second month following the certification, fees  
18 shall not be collected from such facility or unit; provided, fee  
19 collection shall resume on receipt of a certification by the State  
20 Treasurer that, based on the expenditures and commitments to expend  
21 monies, the fund has fallen below Four Million Dollars  
22 (\$4,000,000.00) of funds collected from that facility.

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

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

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

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

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

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

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

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

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

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

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

14 f. ~~injection wells known as Class II wells under the~~  
15 ~~federal Underground Injection Control Program, and any~~  
16 ~~aspect of any CO<sub>2</sub> sequestration facility, including any~~  
17 ~~associated CO<sub>2</sub> injection well, over which the~~  
18 ~~Commission is given jurisdiction pursuant to the~~  
19 ~~Oklahoma Carbon Capture and Geologic Sequestration~~  
20 ~~Act. Any substance that the United States~~  
21 ~~Environmental Protection Agency allows to be injected~~  
22 ~~into a Class II well may continue to be so injected~~  
23 underground injection control pursuant to the federal

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

3 (1) Class II injection wells,

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

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

11 (4) any aspect of a CO<sub>2</sub> sequestration facility or CO<sub>2</sub>  
12 storage unit as part of a CO<sub>2</sub> sequestration  
13 facility, including associated Class VI CO<sub>2</sub>  
14 injection wells, pursuant to the Oklahoma Carbon  
15 Capture and Geologic Sequestration Act,

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

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

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

7 (1) natural gas liquids extraction plant,

8 (2) refinery,

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

12 (4) mineral brine processing plant, and

13 (5) petrochemical manufacturing plant,

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

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

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



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

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

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

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

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

6 5. The Corporation Commission shall have jurisdiction over:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23

24       60-1-1654           RD           2/25/2025 9:59:55 AM