

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                   STATE OF OKLAHOMA

3                   1st Session of the 60th Legislature (2025)

4                   COMMITTEE SUBSTITUTE  
FOR ENGROSSED  
SENATE BILL NO. 269

5                   By: Rader of the Senate

6                   and

7                   Luttrell of the House

10                  COMMITTEE SUBSTITUTE

11                  An Act relating to carbon sequestration; amending 17  
12                  O.S. 2021, Section 52, which relates to Corporation  
13                  Commission jurisdiction; modifying jurisdiction of  
14                  Commission; updating statutory language; amending 27A  
15                  O.S. 2021, Section 1-3-101, as last amended by  
16                  Section 2, Chapter 164, O.S.L. 2023 (27A O.S. Supp.  
17                  2024, Section 1-3-101), which relates to  
18                  responsibilities and jurisdiction of state  
19                  environmental agencies; modifying duties of certain  
20                  agencies; amending 27A O.S. 2021, Sections 3-5-101,  
21                  3-5-102, 3-5-103, 3-5-104, as amended by Section 1,  
22                  Chapter 353, O.S.L. 2023, 3-5-105, and 3-5-106 (27A  
23                  O.S. Supp. 2024, Section 3-5-104), which relate to  
24                  the Oklahoma Carbon Capture and Geologic  
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;

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

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

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

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

23           a. the conservation of oil and gas,

- 1           b. field operations for geologic and geophysical  
2           exploration for oil, gas and brine, including seismic  
3           survey wells, stratigraphic test wells and core test  
4           wells,
- 5           c. the exploration, drilling, development, producing or  
6           processing for oil and gas on the lease site,
- 7           d. the exploration, drilling, development, production and  
8           operation of wells used in connection with the  
9           recovery, injection or disposal of mineral brines,
- 10          e. reclaiming facilities only for the processing of salt  
11          water, crude oil, natural gas condensate and tank  
12          bottoms or basic sediment from crude oil tanks,  
13          pipelines, pits and equipment associated with the  
14          exploration, drilling, development, producing or  
15          transportation of oil or gas,
- 16          f. injection wells known as Class II wells under the  
17          federal Underground Injection Control Program program,  
18          and any aspect of any CO<sub>2</sub> sequestration facility,  
19          including any associated Class VI CO<sub>2</sub> injection well,  
20          and any CO<sub>2</sub> storage unit associated with a CO<sub>2</sub>  
21          sequestration facility, over which the Commission is  
22          given jurisdiction pursuant to the Oklahoma Carbon  
23          Capture and Geologic Sequestration Act. Any substance  
24          that the United States Environmental Protection Agency

- 1           allows to be injected into a Class II well may  
2           continue to be so injected,
- 3       g. tank farms for storage of crude oil and petroleum  
4           products which are located outside the boundaries of  
5           refineries, petrochemical manufacturing plants,  
6           natural gas liquid extraction plants, or other  
7           facilities which are subject to the jurisdiction of  
8           the Department of Environmental Quality with regard to  
9           point source discharges,
- 10      h. the construction and operation of pipelines and  
11           associated rights-of-way, equipment, facilities or  
12           buildings used in the transportation of oil, gas,  
13           petroleum, petroleum products, anhydrous ammonia or  
14           mineral brine, or in the treatment of oil, gas or  
15           mineral brine during the course of transportation but  
16           not including line pipes in any:
- 17           (1) natural gas liquids extraction plant,  
18           (2) refinery,  
19           (3) reclaiming facility other than for those  
20           specified within subparagraph e of this  
21           subsection paragraph,  
22           (4) mineral brine processing plant, and  
23           (5) petrochemical manufacturing plant,

- 1           i. the handling, transportation, storage and disposition  
2           of saltwater, mineral brines, waste oil and other  
3           deleterious substances produced from or obtained or  
4           used in connection with the drilling, development,  
5           producing and operating of oil and gas wells, at:  
6           (1) any facility or activity specifically listed in  
7           paragraphs 1 this paragraph and paragraph 2 of  
8           this subsection as being subject to the  
9           jurisdiction of the Commission, and  
10          (2) other oil and gas extraction facilities and  
11           activities,
- 12         j. spills of deleterious substances associated with  
13           facilities and activities specified in this paragraph  
14           1 of this subsection or associated with other oil and  
15           gas extraction facilities and activities, and  
16         k. subsurface storage of oil, natural gas and liquefied  
17           petroleum gas in geologic strata.

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

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

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

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

17       5. The Corporation Commission shall have jurisdiction over:  
18           a. underground storage tanks that contain antifreeze,  
19                   motor oil, motor fuel, gasoline, kerosene, diesel, or  
20                   aviation fuel and that are not located at refineries  
21                   or at upstream or intermediate shipment points of  
22                   pipeline operations, including, but not limited to,  
23                   tanks from which these materials are dispensed into  
24                   vehicles, or tanks used in wholesale or bulk

1 distribution activities, as well as leaks from pumps,  
2 hoses, dispensers, and other ancillary equipment  
3 associated with the tanks, whether above the ground or  
4 below; provided, that any point source discharge of a  
5 pollutant to waters of the United States during site  
6 remediation or the off-site disposal of contaminated  
7 soil, media, or debris shall be regulated by the  
8 Department of Environmental Quality,

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

1                   c. the Petroleum Storage Tank Release Environmental  
2                   Cleanup Indemnity Fund and Program and the Oklahoma  
3                   Leaking Underground Storage Tank Trust Fund.

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

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

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

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

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

8       C. The Corporation Commission shall comply with and enforce the  
9 Oklahoma Water Quality Standards.

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

18      SECTION 2.       AMENDATORY       27A O.S. 2021, Section 1-3-101, as  
19 last amended by Section 2, Chapter 164, O.S.L. 2023 (27A O.S. Supp.  
20 2024, Section 1-3-101), is amended to read as follows:

21      Section 1-3-101. A. The provisions of this section specify the  
22 jurisdictional areas of responsibility for each state environmental  
23 agency and state agencies with limited environmental responsibility.  
24 The jurisdictional areas of environmental responsibility specified

1 in this section shall be in addition to those otherwise provided by  
2 law and assigned to the specific state environmental agency;  
3 provided, that any rule, interagency agreement or executive order  
4 enacted or entered into prior to ~~the effective date of this section~~  
5 July 1, 1993, which conflicts with the assignment of jurisdictional  
6 environmental responsibilities specified by this section is hereby  
7 superseded. The provisions of this subsection shall not nullify any  
8 financial obligation arising from services rendered pursuant to any  
9 interagency agreement or executive order entered into prior to July  
10 1, 1993, nor nullify any obligations or agreements with private  
11 persons or parties entered into with any state environmental agency  
12 before July 1, 1993.

13       B. Department of Environmental Quality. The Department of  
14 Environmental Quality shall have the following jurisdictional areas  
15 of environmental responsibility:

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

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

24

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

5       4. Surface water and groundwater quality and protection and  
6 water quality certifications;

7       5. Waterworks and wastewater works operator certification;

8       6. Public and private water supplies;

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

12       a. Class II injection wells,

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

16       c. those wells used for the recovery, injection or  
17 disposal of mineral brines as defined in the Oklahoma  
18 Brine Development Act regulated by the Commission, and

19       d. any aspect of any CO<sub>2</sub> sequestration facility, including  
20 any associated Class VI CO<sub>2</sub> injection well, over which  
21 the Commission is given jurisdiction pursuant to the  
22 Oklahoma Carbon Capture and Geologic Sequestration  
23 Act;

1       8. Notwithstanding any other provision in this section or other  
2 environmental jurisdiction statute, sole and exclusive jurisdiction  
3 for air quality under the federal Clean Air Act and applicable state  
4 law, except for indoor air quality and asbestos as regulated for  
5 worker safety by the federal Occupational Safety and Health Act of  
6 1970 and by Chapter 11 of Title 40 of the Oklahoma Statutes Asbestos  
7 Control Act;

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

10      10. Superfund responsibilities of the state under the  
11 Comprehensive Environmental Response, Compensation, and Liability  
12 Act of 1980 and amendments thereto, except the planning requirements  
13 of Title III of the Superfund Amendment Amendments and  
14 Reauthorization Act of 1986;

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

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

24      13. Emergency response as specified by law;

1       14. Environmental laboratory services and laboratory  
2 certification;

3       15. Hazardous substances other than branding, package and  
4 labeling requirements;

5       16. Freshwater wellhead protection;

6       17. Groundwater protection for activities subject to the  
7 jurisdictional areas of environmental responsibility of the  
8 Department;

9       18. Utilization and enforcement of Oklahoma Water Quality  
10 Standards and implementation documents;

11       19. Environmental regulation of any entity or activity, and the  
12 prevention, control and abatement of any pollution, not subject to  
13 the specific statutory authority of another state environmental  
14 agency;

15       20. Development and maintenance of a computerized information  
16 system relating to water quality pursuant to Section 1-4-107 of this  
17 title;

18       21. Development and promulgation of Oklahoma Water Quality  
19 Standards, their accompanying use support assessment protocols,  
20 anti-degradation policies generally affecting Oklahoma Water Quality  
21 Standards application and implementation including, but not limited  
22 to, mixing zones, low flows and variances or any modification or  
23 change thereof pursuant to Section ~~1085.30~~ 2-6-103.2 of ~~Title 82 of~~  
24 ~~the Oklahoma Statutes this title, and the Water Quality Standards~~

1      Implementation Plan pursuant to Section 1-1-202 of this title for  
2      its jurisdictional area of environmental responsibility; and

3                22. Development and utilization of policies and requirements  
4      necessary for the implementation of Oklahoma Groundwater Quality  
5      Standards to the extent that the implementation of such standards is  
6      within the scope of the Department's jurisdiction including, but not  
7      limited to, the establishment of points of compliance when  
8      warranted.

9                C. Oklahoma Water Resources Board. The Oklahoma Water  
10     Resources Board shall have the following jurisdictional areas of  
11     environmental responsibility:

12                1. Water quantity including, but not limited to, water rights,  
13     surface water and underground water, planning, and interstate stream  
14     compacts;

15                2. Weather modification;

16                3. Dam safety;

17                4. Flood plain management;

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

20                6. Administration of the federal Clean Water State Revolving  
21     Fund Program including, but not limited to, making  
22     application for and receiving capitalization grant awards,  
23     wastewater prioritization for funding, technical project reviews,

1 environmental review ~~process~~ processing, and financial review and  
2 administration;

3 7. Water well drillers/pump installers licensing;

4 8. Technical lead agency for clean lakes eligible for funding

5 under ~~Section 314 of the federal Clean Water Act~~ Lakes Program or

6 other applicable sections of the federal Clean Water Act or other

7 subsequent state and federal clean lakes programs; administration of

8 a state program for assessing, monitoring, studying and restoring

9 Oklahoma lakes with administration to include, but not be limited

10 to, receipt and expenditure of funds from federal, state and private

11 sources for clean lakes and implementation of a volunteer monitoring

12 program to assess and monitor state water resources, provided such

13 funds from federal Clean Water Act sources are administered and

14 disbursed by the Office of the Secretary of Energy and Environment;

15 9. Groundwater protection for activities subject to the

16 jurisdictional areas of environmental responsibility of the Board;

17 10. Development and promulgation of a Water Quality Standards

18 Implementation Plan pursuant to Section 1-1-202 of this title for

19 its jurisdictional area of environmental responsibility;

20 11. Development of classifications and identification of

21 permitted uses of groundwater, in recognized water rights, and

22 associated groundwater recharge areas;

23

24

1       12. Establishment and implementation of a statewide beneficial  
2 use monitoring program for waters of the state in coordination with  
3 the other state environmental agencies; and

4       13. Coordination with other state environmental agencies and  
5 other public entities of water resource investigations conducted by  
6 the federal United States Geological Survey for water quality and  
7 quantity monitoring in the state.

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

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

- 12       a. point source discharges and nonpoint source runoff  
13                  from agricultural crop production, agricultural  
14                  services, livestock production, silviculture, feed  
15                  yards, livestock markets and animal waste,
- 16       b. pesticide control,
- 17       c. forestry and nurseries,
- 18       d. fertilizer,
- 19       e. facilities which store grain, feed, seed, fertilizer  
20                  and agricultural chemicals,
- 21       f. dairy waste and wastewater associated with milk  
22                  production facilities,

- g. groundwater protection for activities subject to the jurisdictional areas of environmental responsibility of the Department,
  - h. utilization and enforcement of Oklahoma Water Quality Standards and implementation documents,
  - i. development and promulgation of a Water Quality Standards Implementation Plan pursuant to Section 1-1-202 of this title for its jurisdictional areas of environmental responsibility, and
  - j. storm water discharges for activities subject to the jurisdictional areas of environmental responsibility of the Department.

13       2. In addition to the jurisdictional areas of environmental  
14 responsibility specified in subsection B of this section, the  
15 Department of Environmental Quality shall have environmental  
16 jurisdiction over:

- a. (1) commercial manufacturers of fertilizers, grain and feed products, and chemicals, and over manufacturing of food and kindred products, tobacco, paper, lumber, wood, textile mill and other agricultural products,
  - (2) slaughterhouses, but not including feedlots at these facilities, and
  - (3) aquaculture and fish hatcheries,

1                   including, but not limited to, discharges of  
2                   pollutants and storm water to waters of the state,  
3                   surface impoundments and land application of wastes  
4                   and sludge, and other pollution originating at these  
5                   facilities, and

6                 b. facilities which store grain, feed, seed, fertilizer,  
7                   and agricultural chemicals that are required by  
8                   federal ~~NPDES~~ National Pollutant Discharge Elimination  
9                   System (NPDES) regulations to obtain a permit for  
10                  storm water discharges shall only be subject to the  
11                  jurisdiction of the Department of Environmental  
12                  Quality with respect to such storm water discharges.

13                 E. Corporation Commission.

14                 1. The Corporation Commission is hereby vested with exclusive  
15                  jurisdiction, power and authority, and it shall be its duty to  
16                  promulgate and enforce rules, and issue and enforce orders governing  
17                  and regulating:

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

- 1           d. the exploration, drilling, development, production and  
2           operation of wells used in connection with the  
3           recovery, injection or disposal of mineral brines,  
4           e. reclaiming facilities only for the processing of salt  
5           water, crude oil, natural gas condensate and tank  
6           bottoms or basic sediment from crude oil tanks,  
7           pipelines, pits and equipment associated with the  
8           exploration, drilling, development, producing or  
9           transportation of oil or gas,  
10          f. underground injection control pursuant to the federal  
11           Safe Drinking Water Act and 40 C.F.R., Parts 144  
12           through 148 of:  
13           (1) Class II injection wells,  
14           (2) Class V injection wells utilized in the  
15           remediation of groundwater associated with  
16           underground or aboveground storage tanks  
17           regulated by the Commission,  
18           (3) those wells used for the recovery, injection or  
19           disposal of mineral brines as defined in the  
20           Oklahoma Brine Development Act, and  
21           (4) any aspect of any a CO<sub>2</sub> sequestration facility,  
22           including any associated Class VI CO<sub>2</sub> injection  
23           well wells, and any associated CO<sub>2</sub> storage unit,  
24           over which the Commission is given jurisdiction

1                   pursuant to the Oklahoma Carbon Capture and  
2                   Geologic Sequestration Act.

3                   Any substance that the United States Environmental  
4                   Protection Agency allows to be injected into a Class  
5                   II well may continue to be so injected,

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

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

- 20                 (1) natural gas liquids extraction plant,  
21                 (2) refinery,  
22                 (3) reclaiming facility other than for those  
23                  specified within subparagraph e of this  
24                  subsection paragraph,

- (4) mineral brine processing plant, and
  - (5) petrochemical manufacturing plant,
  - i. the handling, transportation, storage and disposition of saltwater, mineral brines, waste oil and other deleterious substances produced from or obtained or used in connection with the drilling, development, producing and operating of oil and gas wells, at:
    - (1) any facility or activity specifically listed in ~~paragraphs 1~~ this paragraph and paragraph 2 of this subsection as being subject to the jurisdiction of the Commission, and
    - (2) other oil and gas extraction facilities and activities,
  - j. spills of deleterious substances associated with facilities and activities specified in this paragraph ~~1 of this subsection~~ or associated with other oil and gas extraction facilities and activities,
  - k. subsurface storage of oil, natural gas and liquefied petroleum gas in geologic strata,
  - l. groundwater protection for activities subject to the jurisdictional areas of environmental responsibility of the Commission,
  - m. utilization and enforcement of Oklahoma Water Quality Standards and implementation documents, and

1                   n. development and promulgation of a Water Quality  
2                   Standards Implementation Plan pursuant to Section 1-1-  
3                   202 of this title for its jurisdictional areas of  
4                   environmental responsibility.

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

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

18               4. The Commission and the Department of Environmental Quality  
19 are hereby authorized to obtain authorization from the United States  
20 Environmental Protection Agency to administer, within their  
21 respective jurisdictions, any and all programs regulating oil and  
22 gas discharges into the waters of this state. For purposes of the  
23 federal Clean Water Act, any facility or activity which is subject  
24 to the jurisdiction of the Commission pursuant to paragraph 1 of

1 this subsection and any other oil and gas extraction facility or  
2 activity which requires a permit for the discharge of a pollutant or  
3 storm water to waters of the United States shall be subject to the  
4 direct jurisdiction and permitting authority of the Oklahoma agency  
5 having received delegation of this program from the United States  
6 Environmental Protection Agency.

7 5. The Commission shall have jurisdiction over:

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

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

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

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

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

19       F. Oklahoma Conservation Commission. The Oklahoma Conservation  
20 Commission shall have the following jurisdictional areas of  
21 environmental responsibility:

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

1       2. Monitoring, evaluation and assessment of waters to determine  
2 the condition of streams and rivers being impacted by nonpoint  
3 source pollution. In carrying out this area of responsibility, the  
4 Oklahoma Conservation Commission shall serve as the technical lead  
5 agency for nonpoint source categories as defined in Section 319 of  
6 the federal Clean Water Act or other subsequent federal or state  
7 nonpoint source programs, except for activities related to  
8 industrial and municipal storm water or as otherwise provided by  
9 state law;

10      3. Wetlands strategy;

11      4. Abandoned mine reclamation;

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

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

15      7. Complaint data management;

16      8. Coordination of environmental and natural resources  
17 education;

18      9. Federal upstream flood control program;

19      10. Groundwater protection for activities subject to the  
20 jurisdictional areas of environmental responsibility of the  
21 Commission;

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

1       12. Utilization of Oklahoma Water Quality Standards and Water  
2       Quality Standards Implementation Plan documents; and

3       13. Verification and certification of carbon sequestration  
4 pursuant to the Oklahoma Carbon Sequestration Enhancement Act. This  
5 responsibility shall not be superseded by the Oklahoma Carbon  
6 Capture and Geologic Sequestration Act.

7       G. Department of Mines. The Department of Mines shall have the  
8 following jurisdictional areas of environmental responsibility:

9           1. Mining regulation;  
10          2. Mining reclamation of active mines;  
11          3. Groundwater protection for activities subject to the  
12 jurisdictional areas of environmental responsibility of the  
13 Commission; and

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

17       H. Department of Wildlife Conservation. The Department of  
18 Wildlife Conservation shall have the following jurisdictional areas  
19 of environmental responsibilities:

20           1. Investigating wildlife kills;  
21          2. Wildlife protection and seeking wildlife damage claims; and  
22          3. Development and promulgation of a Water Quality Standards  
23 Implementation Plan pursuant to Section 1-1-202 of this title for  
24 its jurisdictional areas of environmental responsibility.

1       I. Department of Public Safety. The Department of Public  
2 Safety shall have the following jurisdictional areas of  
3 environmental responsibilities:

4           1. Hazardous waste, substances and material transportation  
5 inspections as authorized by the Oklahoma Motor Carrier Safety and  
6 Hazardous Materials Transportation Act; and

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

10          J. Department of Labor. The Department of Labor shall have the  
11 following jurisdictional areas of environmental responsibility:

12           1. Regulation of asbestos in the workplace pursuant to ~~Chapter~~  
13 ~~11 of Title 40 of the Oklahoma Statutes Asbestos Control Act;~~

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

15           3. Indoor air quality as regulated under the authority of the  
16 Oklahoma Occupational Health and Safety Standards Act, except for  
17 those indoor air quality issues specifically authorized to be  
18 regulated by another agency.

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

21          K. Oklahoma Department of Emergency Management. The Oklahoma  
22 Department of Emergency Management shall have the following  
23 jurisdictional areas of environmental responsibilities:  
24

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

4       2. Administer and enforce the planning requirements of Title  
5 III of the Superfund Amendments and Reauthorization Act of 1986 and  
6 develop such other emergency operations plans that will enable the  
7 state to prepare for, respond to, recover from and mitigate  
8 potential environmental emergencies and disasters pursuant to the  
9 Oklahoma Hazardous Materials Planning and Notification Act;

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

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

16      5. Maintain a computerized emergency information system  
17 allowing state and local access to information regarding hazardous  
18 materials' location, quantity and potential threat.

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

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

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

1       1. Carbon dioxide is a valuable commodity to the citizens of  
2 the state, particularly for its value in enhancing the recovery of  
3 oil and gas and for its use in other industrial and commercial  
4 processes and applications;

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

10      3. Carbon dioxide is currently being released into the  
11 atmosphere in substantial volumes;

12      4. In 1982, Oklahoma became the first state in the Union to  
13 inject anthropogenic carbon dioxide underground. Since that time,  
14 the continued injection of carbon dioxide has benefited the citizens  
15 of the state by assisting enhanced oil recovery efforts. When  
16 carbon dioxide is injected for enhanced oil recovery and not  
17 otherwise vented, emitted or removed, such carbon dioxide is  
18 sequestered and/or stored underground;

19      5. In its first 100 years, Oklahoma produced approximately 15  
20 billion barrels of oil. The Department of Energy for the United  
21 States has determined that Oklahoma has the potential to produce at  
22 least 9 billion barrels of oil and possibly as much as 20 billion  
23 barrels of oil through the use of carbon dioxide in enhanced oil  
24 recovery. To fully produce those natural resources, additional

1 regulation is not necessary or appropriate but state incentives may  
2 be helpful;

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

6 7. Geologic storage and sequestration of carbon dioxide allows  
7 for the capture of carbon dioxide emissions and the orderly  
8 withdrawal of the carbon dioxide as appropriate or necessary,  
9 thereby allowing carbon dioxide to be available for commercial,  
10 industrial, or other uses, including enhanced oil or gas recovery;

11 8. The transportation of carbon dioxide to, and the storage or  
12 sequestration of carbon dioxide in, underground geological  
13 formations for beneficial use or reuse in industrial and commercial  
14 applications is expected to increase in the United States and in  
15 Oklahoma due to initiatives by federal, state and local governments,  
16 industry and commerce, and other interested persons, and may present  
17 an opportunity for economic growth and development for the state;  
18 and

19 9. It remains in the public interest for carbon dioxide to be  
20 injected underground in this state. The geologic sequestration and  
21 storage of anthropogenic carbon dioxide for purposes other than  
22 injection for enhanced oil or gas recovery will benefit the citizens  
23 of the state.

24 e. It is the intent of the Legislature that:

1       1. Efforts to capture, purify, compress, transport, inject, and  
2 store or sequester carbon dioxide will enhance the production of oil  
3 and natural gas in the state, further the development and production  
4 of natural resources in the state, and provide opportunities for  
5 economic growth and development for the state; and

6       2. ~~In the event the State of Oklahoma establishes a unitization~~  
7 ~~process to support the establishment of CO<sub>2</sub> sequestration facilities~~  
8 ~~in this state~~ In accordance with the Oklahoma Carbon Capture and  
9 Geologic Sequestration Act, the Corporation Commission shall  
10 regulate all aspects of such process, including being responsible  
11 for making any necessary findings concerning the suitability of the  
12 reservoir targeted for carbon sequestration, whether its use for  
13 such purpose is in the public interest, and the impact of that use  
14 on the oil, gas, coal-bed methane and mineral brine resources in ~~the~~  
15 ~~State of Oklahoma~~ this state.

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

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

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

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

- 4           a. a chemical process performed by or involving efforts  
5                   of a person, or  
6           b. separation of carbon dioxide from natural gas.

7 The term shall not include carbon dioxide that is naturally present  
8 in underground locations;

9       3. "Approved reservoir" means a reservoir that is determined by  
10 the Agency with jurisdiction Corporation Commission to be suitable  
11 for the receipt, storage and/or or sequestration of injected carbon  
12 dioxide therein;

13       2. "Capture" means capturing:

- 14           a. CO<sub>2</sub> emissions at their source, including power plants,  
15                   industrial facilities, or other emissions sites before  
16                   the emissions are released into the atmosphere, and  
17           b. CO<sub>2</sub> from the atmosphere through the process of direct  
18                   air capture;

19       4. 3. "Carbon dioxide" or "CO<sub>2</sub>" means an inorganic compound  
20 containing one carbon atom and two oxygen atoms, and that exists as  
21 a gas at standard temperature and pressure. Carbon dioxide is an  
22 inert, stable, colorless, odorless, nontoxic, incombustible,  
23 inorganic gas that is dissolvable in water and is naturally present,

1 such as in underground locations and in the atmosphere as a trace  
2 gas;

3       5. 4. "Carbon sequestration" means ~~long-term or short-term~~  
4 underground storage or sequestration of ~~anthropogenic~~ carbon dioxide  
5 in one or more reservoirs;

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

11       7. 6. "Class VI CO<sub>2</sub> capture and compression equipment" means the  
12 equipment, separation units, processing units, processing plants,  
13 pipe, buildings, pumps, compressors, meters, facilities, motors,  
14 fixtures, materials, and machinery, and all other improvements used  
15 in the operation of any of them, and property, real or personal,  
16 intangible or tangible, either attributable to or relating to, or  
17 located thereon, used for the purpose of:

- 18           a. capturing carbon dioxide from a source that produces  
19                   ~~anthropogenic~~ carbon dioxide, and/or
- 20           b. compressing or otherwise increasing the pressure of  
21                   ~~anthropogenic~~ carbon dioxide;

22       8. 7. "CO<sub>2</sub> pipeline" means any pipeline, compressors, pumps,  
23 meters, facilities, valves, fittings, right-of-way markers, cathodic  
24 protection ground beds, anodes, rectifiers, and any other cathodic

1 protection devices, and other associated equipment, appurtenances  
2 and fixtures located on, attributable to or used in connection with  
3 the same, and used for the purpose of transporting carbon dioxide  
4 for carbon sequestration in this state or another state, excluding:

- 5 a. CO<sub>2</sub> capture and compression equipment at the source of  
6 the carbon dioxide, and
- 7 b. pipelines that are part of a CO<sub>2</sub> sequestration  
8 facility;

9 8. "CO<sub>2</sub> stream" means CO<sub>2</sub> that has been captured from an  
10 emissions source, including any incidental associated substances  
11 derived from the source materials and the capture process, and any  
12 substance added to the stream to enable or improve the injection  
13 process;

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

- 20 a. CO<sub>2</sub> capture and compression equipment at the source of  
21 the carbon dioxide, and
- 22 b. CO<sub>2</sub> pipeline transporting carbon dioxide to the  
23 facility from a source located outside the geographic  
24 boundaries of the surface of the facility;

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

8       11. "Commission" means the Corporation Commission as  
9 established by Section 15 of Article ~~9~~ IX of the Oklahoma  
10 Constitution;

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

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

15       14. "Enhanced oil or gas recovery" means the increased recovery  
16 of hydrocarbons, including oil and gas, from a common source of  
17 supply achieved by artificial means or by the application of energy  
18 extrinsic to the common source of supply, such as pressuring,  
19 cycling, pressure maintenance or injection of a substance or form of  
20 energy, such as injection of water and/or carbon dioxide, including  
21 immiscible and miscible floods; provided, that enhanced oil or gas  
22 recovery shall not include injection of a substance or form of  
23 energy for the sole purpose of either:

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

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

3                 15. "Facility operator" means any person authorized by the

4 Agency Corporation Commission to operate a CO<sub>2</sub> sequestration

5 facility, including any person designated by the Commission to

6 operate a CO<sub>2</sub> storage unit as part of a CO<sub>2</sub> sequestration facility

7 authorized under this act;

8                 16. "Facility owner" means the person who owns the CO<sub>2</sub>

9 sequestration facility, and any cost-bearing owners in a CO<sub>2</sub> storage

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

11 act;

12                 17. "Gas" shall have the same meaning as in Section 86.1 of

13 Title 52 of the Oklahoma Statutes;

14                 18. "Governmental entity" means any department, commission,

15 authority, council, board, bureau, committee, legislative body,

16 agency, beneficial public trust, or other establishment of the

17 executive, legislative or judicial branch of the United States, the

18 State of Oklahoma, any other state in the United States, the

19 District of Columbia, the ~~Territories~~ territories of the United

20 States, and any similar entity of any foreign country;

21                 19. "Oil" shall have the same meaning as in Section 86.1 of

22 Title 52 of the Oklahoma Statutes;

23                 20. "Person" means any individual, proprietorship, association,

24 firm, corporation, company, partnership, limited partnership,

1 limited liability company, joint venture, joint stock company,  
2 syndicate, trust, organization, committee, club, governmental  
3 entity, or other type of legal entity, or any group or combination  
4 thereof either acting in concert or as a unit;

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

7       22. "Private operator" means any person that is either a  
8 facility operator or an operator of a CO<sub>2</sub> pipeline, but that is  
9 neither a public utility nor a common carrier as such terms are  
10 defined by the Oklahoma Statutes; and

11       22. 23. "Reservoir" means any portion of a separate and  
12 distinct geologic or subsurface sedimentary stratum, formation,  
13 aquifer, cavity or void, whether naturally occurring or artificially  
14 created, including an oil or gas formation, saline formation, or  
15 coal seam.

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

18       Section 3-5-103. A. The Corporation Commission ~~shall be the~~  
19 ~~"Agency"~~ for, and shall have exclusive jurisdiction over Class VI CO<sub>2</sub>  
20 ~~sequestration facilities involving injection wells, and the~~  
21 ~~injection of CO<sub>2</sub> for carbon sequestration into, oil reservoirs, gas~~  
22 ~~reservoirs, coal bed methane reservoirs, and mineral brine approved~~  
23 ~~reservoirs. The Commission shall have such jurisdiction regardless~~

1 ~~of whether such CO<sub>2</sub> sequestration facility or other injection of~~  
2 ~~carbon dioxide involves enhanced oil or gas recovery.~~

3 ~~B. The Department of Environmental Quality shall be the~~  
4 ~~"Agency" for, and shall have exclusive jurisdiction over CO<sub>2</sub>~~  
5 ~~sequestration facilities involving, and injection of CO<sub>2</sub> for carbon~~  
6 ~~sequestration into all reservoirs other than those described in~~  
7 ~~subsection A of this section, which shall include, but not be~~  
8 ~~limited to, deep saline formations, unmineable coal seams where~~  
9 ~~methane is not produced, basalt reservoirs, salt domes, and non-~~  
10 ~~mineral bearing shales.~~

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

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

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

16       C. To the extent not already authorized by laws governing the  
17 state's federally approved Underground Injection Control ~~Program~~  
18 program, the ~~Agency having jurisdiction~~ Commission may issue and  
19 enforce such orders, and may adopt, modify, repeal and enforce such  
20 emergency or permanent rules, including establishment of appropriate  
21 and sufficient fees to cover the cost of the program, financial  
22 sureties or bonds, and monitoring at CO<sub>2</sub> sequestration facilities, as  
23 may be necessary, for the purpose of regulating the drilling of  
24 Class VI CO<sub>2</sub> injection wells related to a CO<sub>2</sub> sequestration facility,

1 the injection ~~and withdrawal~~ of carbon dioxide, the operation of the  
2 CO<sub>2</sub> sequestration facility, Class VI CO<sub>2</sub> injection well plugging and  
3 abandonment, removal of surface buildings and equipment of the CO<sub>2</sub>  
4 sequestration facility and for any other purpose necessary to  
5 implement the provisions of the Oklahoma Carbon Capture and Geologic  
6 Sequestration Act.

7       D. The applicant for any permit to be issued pursuant to the  
8 Oklahoma Carbon Capture and Geologic Sequestration Act shall give  
9 all surface owners and mineral owners, including working interest  
10 and royalty owners, well operators, and gas storage operators of the  
11 land to be encompassed within the defined geographic boundary of the  
12 CO<sub>2</sub> sequestration facility as established by the Agency Commission,  
13 and whose addresses are known or could be known through the exercise  
14 of due diligence, at least fifteen (15) days' notice of the hearing  
15 by mail, return receipt requested. The applicant shall also give  
16 notice by ~~one publication~~ two publications, with one publishing at  
17 least thirty (30) days prior to the hearing, and again at least  
18 fifteen (15) days prior to the hearing, firstly in some newspaper of  
19 general circulation published in Oklahoma County, and ~~by one~~  
20 ~~publication, at least fifteen (15) days prior to the date of the~~  
21 ~~hearing, secondly~~ in some newspaper published in the county, or in  
22 each county, if there ~~be is~~ more than one, in which the defined  
23 geographic boundary of the CO<sub>2</sub> sequestration facility, as established  
24 by the Agency Commission, is situated. The applicant shall file

1 proof of publication and an affidavit of mailing with the Agency  
2 Commission prior to the hearing.

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

13       F. The Corporation Commission and Department of Environmental  
14 Quality, which are required to comply with the federal Safe Drinking  
15 Water Act, 42 U.S.C. 300f et seq., as amended, shall evaluate the  
16 regulatory and statutory framework that governs the agency and  
17 identify and report any areas in which modifications may be needed  
18 to the Secretary of Energy and Environment to provide for the  
19 development of underground injection control Class VI wells. The  
20 agencies reporting under this subsection shall consult the Secretary  
21 and work in conjunction with the Office of the Secretary of Energy  
22 and Environment to ensure timely analysis. Identified areas and  
23 recommended modifications to the regulatory and statutory framework  
24 of the agency shall be submitted in a report to the Governor,

1 ~~Secretary of Energy and Environment, President Pro Tempore of the~~  
2 ~~Senate, and the Speaker of the House of Representatives not later~~  
3 ~~than August 1, 2023.~~

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

6 Section 3-5-105. A. Unless otherwise expressly provided by a  
7 contract, bill of sale, deed, mortgage, deed of trust, or other  
8 legally binding document or by other law, carbon dioxide injected  
9 into a CO<sub>2</sub> sequestration facility or a CO<sub>2</sub> storage unit associated  
10 with a CO<sub>2</sub> sequestration facility is considered to be the personal  
11 property of the facility owner.

12 B. Absent a final judgment of willful abandonment rendered by a  
13 court of competent jurisdiction, or a regulatory determination of  
14 willful abandonment, carbon dioxide injected into a CO<sub>2</sub> sequestration  
15 facility or a storage unit associated with a CO<sub>2</sub> sequestration  
16 facility is not considered to be the property of the owner of the  
17 surface or mineral estate in the land encompassing the geographic  
18 boundary of the CO<sub>2</sub> sequestration facility, or any person claiming  
19 under the owner of the surface or mineral estate.

20 C. ~~The facility operator, with permission of the facility~~  
21 ~~owner, may produce, take, extract or reduce to possession any carbon~~  
22 ~~dioxide injected, stored or sequestered in a CO<sub>2</sub> sequestration~~  
23 ~~facility. In the event an operator informs the Commission that it~~  
24 ~~intends to conduct enhanced oil or gas recovery operations on a~~

1 compulsory unit formed pursuant to Section 287.1 et seq. of Title 52  
2 of the Oklahoma statutes, or its predecessor unitization act, then  
3 during the time that such unit is in operation, such operator shall  
4 be relieved of any obligation to either:

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

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

12 D. The Agency having jurisdiction over the injection of carbon  
13 dioxide under this act shall also have jurisdiction over a facility  
14 operator that produces, takes, extracts or reduces to possession any  
15 injected, stored or sequestered carbon dioxide in a CO<sub>2</sub> sequestration  
16 facility.

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

19 Section 3-5-106. A. Nothing in ~~this act~~ the Oklahoma Carbon  
20 Capture and Geologic Sequestration Act shall supersede the  
21 provisions of the Oklahoma Carbon Sequestration Enhancement Act,  
22 Section 3-4-101 et seq. of Title 27A of the Oklahoma Statutes this  
23 title.

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

5       C. Any right granted to a facility operator pursuant to ~~this~~  
6 ~~act~~ the Oklahoma Carbon Capture and Geologic Sequestration Act shall  
7 be without prejudice to the rights of any surface owner or mineral  
8 owner, including a working interest and royalty owner, well  
9 operator, and gas storage operator of the land encompassed within  
10 the defined geographic boundary of the CO<sub>2</sub> sequestration facility,~~as~~  
11 ~~established or a CO<sub>2</sub> storage unit permitted or authorized by the~~  
12 ~~Agency Corporation Commission,~~ to drill or bore through the approved  
13 reservoir in a manner as shall comply with orders, rules and  
14 regulations issued for the purpose of protecting the approved  
15 reservoir against the escape of CO<sub>2</sub>. ~~For purposes of this~~  
16 ~~subsection, the Agency with jurisdiction under other state law for~~  
17 ~~regulating the well being drilled or bored through the approved~~  
18 ~~reservoir is the Agency having jurisdiction to adopt orders and~~  
19 ~~rules for such well in order to protect the CO<sub>2</sub> sequestration~~  
20 ~~facility, regardless of which Agency has jurisdiction to permit the~~  
21 ~~CO<sub>2</sub> sequestration facility pursuant to Section 3 of this act. If the~~  
22 ~~Agency with jurisdiction under other state law for regulating the~~  
23 ~~well being drilled or bored through the approved reservoir is not~~  
24 ~~the Agency that has jurisdiction to permit the CO<sub>2</sub> sequestration~~

1 facility pursuant to Section 3 of this act, then the former shall  
2 promptly notify the latter in writing of the receipt of an  
3 application for the drilling or boring of such a well and shall  
4 consider all timely submitted comments of the latter in approving,  
5 denying, or setting conditions for the well being drilled or bored.  
6 The additional cost of complying with such orders, rules or  
7 regulations in order to protect the CO<sub>2</sub> sequestration facility shall  
8 be borne by the facility operator. The surface estate is servient  
9 to the dominant mineral estate for the purposes of oil and gas  
10 development.

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

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

17 A. The Corporation Commission, upon filing of an appropriate  
18 application and following notice and hearing regarding the  
19 application, shall have the jurisdiction to create a CO<sub>2</sub> storage unit  
20 as part of a CO<sub>2</sub> sequestration facility and order the aggregation and  
21 communitization of the pore space within an approved reservoir in  
22 designated tracts of land for the injection and storage of CO<sub>2</sub> in  
23 such approved reservoir.

1       B. An application to create a CO<sub>2</sub> storage unit may be filed by a  
2 party owning the rights to inject and store CO<sub>2</sub> in the pore space of  
3 the approved reservoir in at least sixty-three percent (63%) of the  
4 tracts of land to be included in the CO<sub>2</sub> storage unit based on the  
5 surface acres of such unit. The application shall include:

6           1. A map or plat of the tracts of land to be included in the  
7 proposed CO<sub>2</sub> storage unit; and

8           2. A plan of operations for such proposed CO<sub>2</sub> storage unit,  
9 which shall include, but not be limited to, an accounting procedure,  
10 the method, formula, or other basis by which the benefits of the CO<sub>2</sub>  
11 storage unit shall be shared, and the procedures to be followed for  
12 invoicing and paying the costs of the CO<sub>2</sub> storage unit.

13       C. Notice of an application to create a CO<sub>2</sub> storage unit shall  
14 be served, at least fifteen (15) days prior to the hearing on the  
15 merits of such application, by personal service or by mail, return  
16 receipt requested, on:

17           1. All owners of the right to inject and store CO<sub>2</sub> in the pore  
18 space of the approved reservoir underlying the tracts of land to be  
19 included in the CO<sub>2</sub> storage unit;

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

22           3. All owners of oil and gas working interests in the mineral  
23 estate in such approved reservoir underlying such tracts of land to  
24 be included in the CO<sub>2</sub> storage unit, including mineral owners in such

1 approved reservoir in such tracts of land who have retained and have  
2 not conveyed away their working interests under any oil and gas  
3 leases, pooling orders, or otherwise.

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

8 D. Notice of an application to create a CO<sub>2</sub> storage unit shall  
9 be published two times, with one such publication being at least  
10 thirty (30) days prior to the hearing on the merits of such  
11 application and the second such publication being at least fifteen  
12 (15) days prior to such hearing, in a newspaper of general  
13 circulation published in Oklahoma County and in a newspaper of  
14 general circulation published in the county or counties in which the  
15 CO<sub>2</sub> storage unit is to be located. Proof of publication showing that  
16 the above-described notice has been properly published shall be  
17 filed with the Commission prior to a hearing on the merits of the  
18 application to create the CO<sub>2</sub> storage unit.

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

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

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

5       3. That the injected CO<sub>2</sub> will be confined to the pore space of  
6 such approved reservoir in the tracts of land to be included in the  
7 CO<sub>2</sub> storage unit and that the CO<sub>2</sub> injected into and stored in the  
8 pore space of such approved reservoir in such tracts of land will  
9 not escape and enter any other geologic interval or lands outside of  
10 the CO<sub>2</sub> storage unit;

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

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

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

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

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

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

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

13       1. The right to be a cost-bearing owner who participates in the  
14 costs of and the benefits from such storage unit. The costs of the  
15 CO<sub>2</sub> storage unit to be borne by a party electing to be a cost-bearing  
16 owner in such unit shall include all the actual, necessary, and  
17 reasonable costs of creating, equipping, maintaining, and operating  
18 the CO<sub>2</sub> storage unit. The Commission shall make provisions for the  
19 payment of such costs of the CO<sub>2</sub> storage unit by the owners of the  
20 right to inject and store in such CO<sub>2</sub> storage unit. Such costs shall  
21 not include any costs of capturing or transporting the CO<sub>2</sub> that is  
22 injected into and stored in the CO<sub>2</sub> storage unit, including the costs  
23 of any CO<sub>2</sub> capture and compression equipment, CO<sub>2</sub> pipelines  
24 transporting the CO<sub>2</sub> to such CO<sub>2</sub> storage unit, or any other equipment

1 or pipelines used in connection with such capture or transportation;

2 or

3       2. The right to receive the fair market value for such owner's  
4 right to use such pore space for the injection and storage of CO<sub>2</sub>,  
5 including the fee for the injection and storage of CO<sub>2</sub> in such CO<sub>2</sub>  
6 storage unit. The fair market value of the right to inject and  
7 store CO<sub>2</sub> in the pore space of such approved reservoir shall be  
8 determined by the Commission, based on all relevant evidence  
9 presented by the parties as to such fair market value, including,  
10 but not limited to, arm's length consummated transactions involving  
11 the transfer of the right to use pore space for the injection and  
12 storage of CO<sub>2</sub>, taking into account any differences in the  
13 circumstances involved in any such consummated transaction, and the  
14 specific circumstances involved in the proposed CO<sub>2</sub> storage unit.

15       The Commission shall make provisions for payment of the amounts  
16 set forth above to the owners of the right to inject and store CO<sub>2</sub> in  
17 the pore space of the approved reservoir who elect or are deemed to  
18 elect not to be cost-bearing owners in such CO<sub>2</sub> storage unit. Any  
19 owner of the right to inject and store CO<sub>2</sub> in the pore space of the  
20 approved reservoir who elects or is deemed to elect not to be a  
21 cost-bearing owner in the CO<sub>2</sub> storage unit shall relinquish by  
22 operation of law under the order creating the CO<sub>2</sub> storage unit the  
23 right to inject and store CO<sub>2</sub> in the pore space in the approved  
24 reservoir in the CO<sub>2</sub> storage unit.

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

3           1. The CO<sub>2</sub> storage unit by defining and specifically describing  
4 the approved reservoir and the tracts of land included in the unit;

5           2. The operator of the CO<sub>2</sub> storage unit;

6           3. The plan of operations for the CO<sub>2</sub> storage unit;

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

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

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

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

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

22          H. Upon creation of a CO<sub>2</sub> storage unit, the operator of the CO<sub>2</sub>  
23 storage unit may inject a CO<sub>2</sub> stream into and store CO<sub>2</sub> in the  
24 approved reservoir in the tracts of land included in such unit.

1 Operation on any part of the CO<sub>2</sub> storage unit shall be considered  
2 operation on each separate tract of land in such CO<sub>2</sub> storage unit.

3       I. On and after the effective date of a Commission order  
4 creating a CO<sub>2</sub> storage unit, operation of any well injecting CO<sub>2</sub> into  
5 the approved reservoir in the tracts of land included in such unit  
6 shall be unlawful except as authorized by the order and plan of  
7 operations for such unit. Notice of the creation of the CO<sub>2</sub> storage  
8 unit shall be placed of record in each county in which the unit is  
9 located.

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

17       K. 1. The Commission, upon the filing of a proper application,  
18 may enlarge or reduce a CO<sub>2</sub> storage unit. The application for  
19 enlargement or reduction of the CO<sub>2</sub> storage unit shall set forth the  
20 reasons for such enlargement or reduction. An operator who seeks to  
21 enlarge or reduce a CO<sub>2</sub> storage unit shall comply with the minimum  
22 ownership requirements established in subsection B of this section  
23 as applied to all the tracts of land to be included in the proposed  
24 enlarged unit or reduced unit, whichever is applicable. Notice of

1 | an application to reduce a CO<sub>2</sub> storage unit shall be given to the  
2 | owners of the right to inject and store CO<sub>2</sub> in the pore space of the  
3 | approved reservoir in the unit.

4 |       2. Notice of an application to enlarge a CO<sub>2</sub> storage unit shall  
5 | be given to:

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

22 |       L. Subject to the provisions of Section 10 of this act, the CO<sub>2</sub>  
23 | injected into and stored in the pore space of the approved reservoir  
24 | in a CO<sub>2</sub> storage unit shall be the property of the cost-bearing

1   owners in such unit. However, upon termination of a CO<sub>2</sub> storage  
2   unit, the CO<sub>2</sub> injected into the pore space of the approved reservoir  
3   of the CO<sub>2</sub> storage unit may remain in such pore space and need not be  
4   removed.

5           M. The Commission may promulgate rules to effectuate the  
6   provisions of this section.

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

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

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

- 22              a. the reservoir is reasonably expected to retain  
23                           mechanical integrity,  
24              b. the CO<sub>2</sub> will reasonably remain emplaced,

- 1                   c. the CO<sub>2</sub> sequestration facility or the CO<sub>2</sub> storage unit  
2                   as a part of a CO<sub>2</sub> sequestration facility does not pose  
3                   an endangerment to underground sources of drinking  
4                   water, or to public health or public safety,  
5                   d. the current storage facility operator has complied  
6                   with all applicable regulations related to post-  
7                   injection monitoring and the issuance of the  
8                   certificate of completion of injection operations, and  
9                   e. the CO<sub>2</sub> sequestration facility or the CO<sub>2</sub> storage unit  
10                  as a part of a CO<sub>2</sub> sequestration facility has been  
11                  closed in accordance with all applicable requirements  
12                  related to the site closure plan submitted with the  
13                  original application or the most current amended site  
14                  closure plan.

15                 2. Upon issuance of a certificate of completion of injection  
16                 operations, ownership of the remaining project, including the stored  
17                 carbon dioxide, shall transfer to the state.

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

1 | that facility or unit which arises after the issuance of the  
2 | certificate of completion of injection operations.

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

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

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

17 |       C. Continued monitoring of the site, including remediation of  
18 | any well leakage, shall become the principal responsibility of the  
19 | Corporation Commission.

20 |       D. 1. The Corporation Commission may levy fees to implement  
21 | the provisions of this section in a form and schedule to be  
22 | developed by the Oil and Gas Conservation Division of the  
23 | Corporation Commission for each ton of carbon dioxide injected into  
24 |

1      a CO<sub>2</sub> sequestration facility or a CO<sub>2</sub> storage unit as a part of a CO<sub>2</sub>  
2      sequestration facility.

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

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

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

1       A. There is hereby created in the State Treasury a revolving  
2 fund for the Corporation Commission to be designated the "Class VI  
3 Carbon Sequestration Storage Facility Revolving Fund". The fund  
4 shall be a continuing fund, not subject to fiscal year limitations,  
5 and shall consist of all monies received by the Commission from  
6 fines and fees paid to the Corporation Commission pursuant to  
7 Sections 9 and 10 of this act. All monies accruing to the credit of  
8 the fund are hereby appropriated and may be budgeted and expended by  
9 the Commission for the purpose provided for in this section.  
10 Expenditures from the fund shall be made upon warrants issued by the  
11 State Treasurer against claims filed as prescribed by law with the  
12 Director of the Office of Management and Enterprise Services for  
13 approval and payment.

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

1 Treasurer that, based on the expenditures and commitments to expend  
2 monies, the fund has fallen below Four Million Dollars  
3 (\$4,000,000.00) of funds collected from that facility.

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

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

9           2. Fund research and development in connection with carbon  
10 sequestration technologies and methods;

11          3. Monitor any remaining surface facilities and wells;

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

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

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

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

18       D. Not later than November 1 annually, the Corporation  
19 Commission shall furnish an electronic report to the Secretary of  
20 Energy and Environment, the President Pro Tempore of the Senate, and  
21 the Speaker of the House of Representatives. The report shall  
22 address the administration of funds, fund balances, expenditures  
23 made, and any other information deemed necessary by the Corporation  
24 Commission.

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

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

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

21          B. 1. Except as otherwise provided by this subsection, the  
22 Corporation Commission is hereby vested with exclusive jurisdiction,  
23 power and authority, and it shall be its duty to promulgate and  
24

1 | enforce rules, and issue and enforce orders governing and  
2 | regulating:

- 3 | a. the conservation of oil and gas,
- 4 | b. field operations for geologic and geophysical  
5 | exploration for oil, gas and brine, including seismic  
6 | survey wells, stratigraphic test wells and core test  
7 | wells,
- 8 | c. the exploration, drilling, development, producing or  
9 | processing for oil and gas on the lease site,
- 10 | d. the exploration, drilling, development, production and  
11 | operation of wells used in connection with the  
12 | recovery, injection or disposal of mineral brines,
- 13 | e. reclaiming facilities only for the processing of salt  
14 | water, crude oil, natural gas condensate and tank  
15 | bottoms or basic sediment from crude oil tanks,  
16 | pipelines, pits and equipment associated with the  
17 | exploration, drilling, development, producing or  
18 | transportation of oil or gas,
- 19 | f. ~~injection wells known as Class II wells under the~~  
20 | ~~federal Underground Injection Control Program, and any~~  
21 | ~~aspect of any CO<sub>2</sub> sequestration facility, including any~~  
22 | ~~associated CO<sub>2</sub> injection well, over which the~~  
23 | ~~Commission is given jurisdiction pursuant to the~~  
24 | ~~Oklahoma Carbon Capture and Geologic Sequestration~~

1                   Act. Any substance that the United States  
2                   Environmental Protection Agency allows to be injected  
3                   into a Class II well may continue to be so injected  
4                   underground injection control pursuant to the federal  
5                   Safe Drinking Water Act and 40 C.F.R., Parts 144  
6                   through 148, including:

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

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

the Department of Environmental Quality with regard to point source discharges,

- h. the construction and operation of pipelines and associated rights-of-way, equipment, facilities or buildings used in the transportation of oil, gas, petroleum, petroleum products, anhydrous ammonia or mineral brine, or in the treatment of oil, gas or mineral brine during the course of transportation but not including line pipes associated with processing at or in any:

- (1) natural gas liquids extraction plant,
  - (2) refinery,
  - (3) reclaiming facility other than for those specified within subparagraph e of this paragraph,
  - (4) mineral brine processing plant, and
  - (5) petrochemical manufacturing plant,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21            C. The Corporation Commission shall comply with and enforce the  
22      Oklahoma Water Quality Standards.

23            D. 1. For the purpose of immediately responding to emergency  
24      situations having potentially critical environmental or public

1 safety impact and resulting from activities within its jurisdiction,  
2 the Commission may take whatever necessary action, without notice  
3 and hearing, including the expenditure of monies from the  
4 Corporation Commission Revolving Fund, to promptly respond to the  
5 emergency. Such emergency expenditure shall be made pursuant to the  
6 provisions of ~~The~~ the Oklahoma Central Purchasing Act, upon such  
7 terms and conditions established by the Office of Management and  
8 Enterprise Services to accomplish the purposes of this section.

9 Thereafter, the Commission shall seek reimbursement from the  
10 responsible person, firm or corporation for all expenditures made  
11 from the Corporation Commission Revolving Fund. Any monies received  
12 as reimbursement shall be deposited to the credit of the Corporation  
13 Commission Revolving Fund.

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

20 3. Neither the Commission nor any independent contractor of the  
21 Commission authorized to conduct remedial action under this section  
22 shall be held liable or responsible for any damages resulting from  
23 non-negligent actions reasonably necessary for conducting remedial  
24 work. Nothing in this section shall limit the authority of the

1 Commission or relieve any person or persons otherwise legally  
2 responsible from any obligation to prevent or remediate pollution.

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

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5 COMMITTEE REPORT BY: COMMITTEE ON ENERGY AND NATURAL RESOURCES  
OVERSIGHT, dated 04/16/2025 - DO PASS, As Amended.

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