An Act

ENROLLED SENATE
BILL NO. 200

By: Rader of the Senate

and

Boles of the House

An Act relating to carbon sequestration; amending 27A O.S. 2021, Section 3-5-104, which relates to permits and orders; modifying administrative rules to be promulgated by certain state agencies; requiring certain state agencies to compile and submit certain report to certain state officials by specified date; updating statutory reference; and declaring an emergency.

SUBJECT: Carbon sequestration

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

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

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

B. The operator of a CO_2 sequestration facility shall obtain a permit pursuant to ~~this act~~ the Oklahoma Carbon Capture and Geologic Sequestration Act from the Agency having jurisdiction prior to the operation of a CO_2 sequestration facility, after the Operator provides notice of the application for such permit pursuant to subsection D of this section, and the Agency has a hearing thereon upon request; provided that no permit pursuant to ~~this act~~ the Oklahoma Carbon Capture and Geologic Sequestration Act is required

if the facility operator obtains permission, by permit or order, by the Agency pursuant to the rules and regulations of the state's federally approved Underground Injection Control Program and such permission authorizes carbon sequestration or injection of carbon dioxide underground and incorporates any additional requirements adopted pursuant to subsection C of this section.

C. To the extent not already authorized by laws governing the state's federally approved Underground Injection Control Program, the Agency having jurisdiction may issue and enforce such orders, and may adopt, modify, repeal and enforce such emergency or permanent rules, including establishment of appropriate and sufficient fees to cover the cost of the program, financial sureties or bonds, and monitoring at CO_2 sequestration facilities, as may be necessary, for the purpose of regulating the drilling of CO_2 injection wells related to a CO_2 sequestration facility, the injection and withdrawal of carbon dioxide, the operation of the CO_2 sequestration facility, CO_2 injection well plugging and abandonment, removal of surface buildings and equipment of the CO_2 sequestration facility and for any other purpose necessary to implement the provisions of ~~this act~~ the Oklahoma Carbon Capture and Geologic Sequestration Act.

D. The applicant for any permit to be issued pursuant to ~~this act~~ the Oklahoma Carbon Capture and Geologic Sequestration Act shall give all surface owners and mineral owners, including working interest and royalty owners, of the land to be encompassed within the defined geographic boundary of the CO_2 sequestration facility as established by the Agency, and whose addresses are known or could be known through the exercise of due diligence, at least fifteen (15) days' notice of the hearing by mail, return receipt requested. The applicant shall also give notice by one publication, at least fifteen (15) days prior to the hearing, in some newspaper of general circulation published in Oklahoma County, and by one publication, at least fifteen (15) days prior to the date of the hearing, in some newspaper published in the county, or in each county, if there be more than one, in which the defined geographic boundary of the CO_2 sequestration facility, as established by the Agency, is situated. The applicant shall file proof of publication and an affidavit of mailing with the Agency prior to the hearing.

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

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

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

Passed the Senate the 24th day of May, 2023.

Presiding Officer of the Senate

Passed the House of Representatives the 25th day of May, 2023.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 24th

day of May, 20 23, at 3:40 o'clock p. M.

By: Summer Cuny

Approved by the Governor of the State of Oklahoma this 7th

day of June, 20 23, at 4:21 o'clock p. M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 7th

day of June, 20 23, at 5:15 o'clock P. M.

By: Brian Bingman