



2023
REGULAR
SESSION

SB 200: OKLAHOMA CARBON CAPTURE & GEOLOGICAL SEQUESTRATION REPORT

July 31, 2023

Table of Contents

Section I. Introduction	2
A. Background of CO ₂ injection in Oklahoma	2
B. Agency Jurisdictional Background	3
Section II. Legislative Mandate to Review Statutory Constructs	5
A. Discussion of Current Law	5
B. Memorandum of Understanding	5
Section III. Challenges/Considerations.....	5
Section IV. Recommended Regulatory and Statutory Changes for Legislative Consideration	6
APPENDIX: Stakeholder Feedback	8

Section I. Introduction

A. Background of CO₂ injection in Oklahoma

In 2009, the Oklahoma Legislature adopted the Oklahoma Carbon Capture and Geologic Sequestration Act (27A O.S. § 3-5-101 et seq.) as proposed by SB 610.

The legislature declared that:

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

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

Carbon dioxide is currently being released into the atmosphere in substantial volumes;

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

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

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

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

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

B. Agency Jurisdictional Background

The Oklahoma Corporation Commission (OCC) was established in 1907 by Article 9 of the Oklahoma Constitution, and the First Legislature gave the Commission authority to regulate public service corporations, those businesses whose services are considered essential to the public welfare.

The Department of Environmental Quality (DEQ) was established in 1993 by statute to “Be the official agency of the State of Oklahoma, as designated by law, to cooperate with federal agencies for point source pollution, solid waste, hazardous materials, pollution, Superfund, water quality, hazardous waste, radioactive waste, air quality, drinking water supplies, wastewater treatment and any other program authorized by law or executive order.” [(27A O.S. § 2-3-101(B)(2)]. Both DEQ and OCC report to Oklahoma’s Office of the Secretary of Energy and Environment (OSEE).

Pursuant to the Safe Drinking Water Act (SDWA), the United States Environmental Protection Agency (EPA) promulgated regulations establishing criteria, standards, and requirements for State Underground Injection Control (UIC) programs to protect underground sources of drinking water. The State of Oklahoma received program implementation primacy in 1982, and for over forty years, has operated an EPA-approved UIC program.

Currently, the DEQ and the OCC share jurisdiction over injection wells, depending on the Class and designated use of the well. At DEQ, administration of the UIC program (permitting, compliance assistance and enforcement) falls primarily to the Land Protection Division. At OCC, administration of the UIC program is handled by the Oil and Gas Conservation Division.

The following is a brief overview of current UIC jurisdiction in Oklahoma:

CLASS I wells are used for injection of liquid hazardous and non-hazardous wastes beneath the lowermost underground sources of drinking water. DEQ has jurisdiction over these wells. Oklahoma currently has six Class I non-hazardous waste injection wells and no Class I hazardous waste injection wells.

CLASS II wells are used for injection of fluids associated with the production of oil and natural gas. The three types of Class II wells are enhanced recovery wells, disposal wells and hydrocarbon storage wells. OCC has jurisdiction over all Class II wells.

CLASS III wells inject fluids to dissolve and extract minerals such as uranium, salt, copper, and sulfur. Currently, there are no Class III injection wells in Oklahoma. DEQ has jurisdiction over all Class III wells.

CLASS IV wells were used for injection of hazardous or radioactive wastes into or above an underground source of drinking water. In 1984, EPA banned the use of Class IV injection wells for disposal of hazardous or radioactive waste. Now, these wells may only be operated as a part of an EPA or state authorized clean-up action.

CLASS V wells are those not included in Classes I – IV and are generally used for injection of non-hazardous fluids into or above an underground source of drinking water. DEQ has jurisdiction over most of these wells; however, OCC has jurisdiction over Class V injection wells used in the remediation of groundwater associated with underground or above ground storage tanks regulated by OCC. OCC also has jurisdiction over Class V injection wells used in conjunction with the Oklahoma Brine Development Act. (17 O.S. § 500 *et seq*).

In 2010, EPA finalized requirements under the SDWA for underground injection of carbon dioxide (CO₂) into a new class of injection wells, Class VI.

The Class VI program is currently administered by the EPA in all states except for North Dakota and Wyoming¹, which have successfully obtained program delegation.

The 2009 Oklahoma Carbon Capture and Geologic Sequestration Act divides jurisdictional responsibility between DEQ and OCC for subsurface sequestration of carbon dioxide.

The Oklahoma Conservation Commission is responsible for the Oklahoma Carbon Sequestration Certification Program for the verification and certification of carbon sequestration projects and associated Oklahoma carbon offsets pursuant to the Oklahoma Carbon Sequestration Enhancement Act. (27A O.S. § 3-4-101 *et seq.*). This responsibility shall not be superseded by the Oklahoma Carbon Capture and Geologic Sequestration Act. [27A O.S. § 1-3-101(F)(13)]. The Conservation Commission is also responsible for the development of educational and advisory materials regarding carbon sequestration as well as identifying areas for additional research. (27A O.S. § 3-4-102). Furthermore, the Conservation Commission will establish and administer the carbon sequestration certification program and work with DEQ to promulgate rules as necessary to implement the Act. [27A O.S. § 3-4-105(A) and (B)].

Additionally, the Oklahoma Geological Survey (OGS) is a state agency for research and public service located at the University of Oklahoma and affiliated with the OU Mewbourne College of Earth and Energy. The agency is chartered by the Oklahoma Constitution and charged with investigating the state's land, water, mineral, and energy resources, and disseminating the results of those investigations. OGS runs the state seismic network and provides technical assessment of earthquakes to the OCC for regulatory consideration. Additionally, OGS runs the Oklahoma Petroleum Information Center (OPIC) which houses the state's geological core, samples, and data collection. OGS conducts assessments of potential carbon capture and sequestration targets based on data in OPIC. Because OGS serves in both monitoring and technical assessment

¹ On April 28, 2023, EPA announced a proposal to approve Louisiana's Class VI injection well program which will be open to a 60-day public comment period following publication in the Federal Register. West Virginia and Arizona have submitted applications to EPA for Class VI primacy and Texas has applied for program delegation to be administered through the Texas Railroad Commission. Texas has a similar jurisdictional structure to Oklahoma.

capacities on topics related to Class VI injection, OGS will assist with evaluation of the Oklahoma Carbon Capture and Geologic Sequestration Act and Class VI primacy application.

Section II. Legislative Mandate to Review Statutory Constructs

A. Discussion of Current Law

In 2023, the Oklahoma Legislature passed Senate Bill 200 (SB 200), amending 27A O.S. §3-5-104, and directing OCC and DEQ to evaluate the regulatory and statutory framework that governs the agencies and identify and report any areas in which modifications may be needed to provide for the development of underground injection control Class VI wells.

The OSEE shall report findings and recommendations by August 1, 2023, to the Governor, President Pro Tempore of the Senate, and the Speaker of the House of Representatives.

B. Memorandum of Understanding

DEQ and OCC have entered into several Memoranda of Understanding (MOU) over the years, either pursuant to state statute or through voluntary agreement between the agencies. As directed by SB 200, amending 27A O.S. § 3-5-104, the agencies shall execute an MOU “to address areas in which the implementation of the Oklahoma Carbon Capture and Geologic Sequestration Act will require interagency cooperation or interaction, including procedures for directing applicants through the application process.” DEQ and OCC will develop the MOU concurrent with the development of the primacy application to be submitted to EPA for approval.

Section III. Challenges/Considerations

This section of the report identifies some of the challenges and considerations for the advancement of a Class VI carbon sequestration program in Oklahoma.

These include:

- Agency oversight of subsurface carbon sequestration
- Unitization for subsurface carbon sequestration
- Long-term stewardship of the carbon sequestration facility after closure
- Potential conflict between traditional oil and gas operations and subsurface carbon sequestration

Pore space ownership is a major consideration in some states. “[P]ore space is real property and, until...separately transferred, pore space is property of the person or persons holding title to the land surface above it.” [60 O.S. § 6(B)(2)]. Oklahoma statutes are clear that the pore space is a property right of the surface owner.

Louisiana is also pursuing program delegation from EPA for UIC Class VI wells. Its application recently appeared in the Federal Register. Louisiana’s efforts will provide additional insights into the application process under the current federal administration.

Section IV. Recommended Regulatory and Statutory Changes for Legislative Consideration

This section of the report outlines recommendations for the advancement of a Class VI Carbon Sequestration program delegation in Oklahoma. Next steps will include (1) statutory change recommendations proposed during the 59th Legislature, Second Session in 2024, (2) OCC and DEQ collaboration on an MOU as directed under current law, (3) proposed rulemaking at the OCC to adopt program rules if the proposed legislation passes, and (4) a primacy application submitted to the EPA. The OSEE will coordinate state agencies and stakeholder comments to ensure an effective program is established in Oklahoma.

Below are the current recommended changes for the 2024 Session necessary for the establishment of a carbon capture and geologic sequestration program in Oklahoma. Ultimately, this will lead to an application for program delegation in administration of Class VI wells from the EPA.

OCC and DEQ understand that a state program for Class VI injection wells must be at least as protective and stringent as federal requirements but provide flexibility for Oklahoma specific considerations.

1. Recommend that OCC be vested with exclusive jurisdiction, power and authority, to promulgate and enforce rules, and issue and enforce orders governing and regulating a Class VI injection well program in Oklahoma.

The Oklahoma Carbon Capture and Geologic Sequestration Act should be amended to remove the current split jurisdiction and name the OCC as the agency to handle all subsurface carbon sequestration projects. Edits to 17 O.S. § 52, 27A O.S. § 1-3-101, and 52 O.S. § 139 may also be required to provide for sole jurisdiction for Class VI wells with the OCC.

2. Recommend that carbon sequestration unitization be patterned after existing statute 52 O.S. § 287.1 et seq.
3. Recommend that the Legislature address by statute a provision regarding the long-term stewardship of the carbon sequestration facility after closure.
4. Recommend that the OCC will create regulations to address the following:
 - a. Financial surety consistent with state and federal regulations.
 - b. Authority to assess fees such as an application fee, an annual site regulatory fee, and a tonnage fee charged per metric ton of injected carbon dioxide be addressed in statute.
 - c. Delineation of responsibilities for carbon sequestration between the OCC and Oklahoma Conservation Commission, clarifying that the Conservation Commission's efforts in carbon sequestration are related to soils and agricultural practices, and the OCC's efforts in carbon sequestration are related to subsurface storage in geologic strata.

APPENDIX: Stakeholder Feedback



June 15, 2023

Submitted via ClassVI@occ.ok.gov

Ken McQueen
Secretary of Energy and Environment
204 N. Robinson, Suite 1010
Oklahoma City, OK 73102

Re: Comments – Amendments to the 2009 Oklahoma Carbon Capture and Geologic Sequestration Act (27A O.S. §3-5-101) to obtain primacy from the Environmental Protection Agency for Class VI wells

Dear Secretary McQueen:

The Petroleum Alliance of Oklahoma (The Alliance) appreciates the opportunity to provide comments on potential amendments the 2009 Oklahoma Carbon Capture and Geologic Sequestration Act (27A O.S. §3-5-101) to obtain primacy from the Environmental Protection Agency (EPA) for Class VI wells.

The Alliance represents more than 1,400 individuals and member companies and their tens of thousands of employees in the upstream, midstream, and downstream sectors and ventures ranging from small, family-owned businesses to large, publicly traded corporations. Our members produce, transport, process and refine the bulk of Oklahoma's crude oil and natural gas.

Our members have and will continue to play an essential role in providing products and solutions to improve human health and welfare, power the global economy, and make modern life possible. We lead the world in providing affordable, reliable natural gas and crude oil in the most environmentally responsible manner. Abundant, clean-burning natural gas has enabled the United States to become the global leader in greenhouse gas emissions reductions. The Alliance's members have and will continue to deploy technologies that result in meaningful greenhouse gas emission reductions through innovative solutions and breakthrough technologies while meeting the energy demands of today and the future. The use of Class VI wells to capture and sequester carbon is yet another tool for our members to use.

We support the State's effort to obtain primacy for Class VI wells and we offer the following comments.

1. The Oil and Gas Conservation Division of the Oklahoma Corporation Commission (OCC) is in the best position to manage the Class VI well program.

OCC has a long history of managing oil and gas development in Oklahoma and has successfully managed Class II wells since the early 1980s when they obtained primacy from the EPA. The OCC has a regulatory framework that can be tailored to manage Class VI wells e.g., bonding, permitting, construction, drilling, completion, production, testing, reporting, and closure. They have the judicial and legal services and well-established departments (Administrative, Field Operations, Induced Seismicity and Underground Injection Control, Pollution Abatement, Public Assistance, Surety, and Technical Services) with knowledgeable personnel to successfully manage a Class VI well program for the State. Designating a



single agency for management of Class VI well program would be beneficial to regulated community, property owners, mineral owners and other various stakeholders as it would be a “one-stop-shop” that would reduce confusion among the various stakeholders and avoid redundant agency programs and personnel. As such, we recommend OCC be the agency to manage any future Class VI well program.

2. Any statutory changes and/or new regulatory requirements related to Class VI well program should be based on practical core principles.

Any statutory changes or new regulatory requirements for Class VI well program should not be more stringent than EPA’s regulatory requirements. In addition, the Class VI well program should provide regulatory flexibility to accommodate site specific considerations, be easy to understand and comply with, be practical to implement, and be cost effective for entities that plan to develop Class VI wells.

3. The draft report required by Senate Bill 200 should be made available to the public for review and comment.

The Alliance requests the opportunity to review and comment on the draft report (as required by Senate Bill 200) prior to its submittal to the Governor, President Pro Tempore of the Senate, and the Speaker of the House of Representatives. This will allow The Alliance’s members the opportunity to submit thoughtful and reasoned comments that may provide beneficial insight as the State seeks primacy for Class VI wells from EPA.

The Alliance appreciates the opportunity to provide comments on this issue. If you have questions, please contact me at 405-601-2112.

Sincerely,

Brook Simmons
President



Sent Via Email: ClassVI@occ.ok.gov

June 19, 2023

Re: Comments on a Potential Regulatory Framework for an Underground Injection Control (UIC) Class VI Carbon Sequestration Program in Oklahoma.

To Whom It May Concern:

As Oklahoma's largest agricultural organization, representing around 80,000 member families, we appreciate the opportunity to provide comments on potential amendments to the 2009 Oklahoma Carbon Capture and Geologic Sequestration Act (27A O.S. § 3-5-101) as prescribed in Senate Bill 200, signed by Governor Kevin Stitt on June 7, 2023.

The Stakeholder Meeting last week was an excellent way to begin this effort. We were pleased to see the Corporation Commission and the Department of Environmental Quality working with Secretary of Energy and Environment Ken McQueen on this project. The status report was helpful. We think Oklahoma can learn from the challenges other states have faced in seeking delegation for UIC Class VI programs in their states.

At the June 14 meeting, several issues that need to be addressed were brought to the forefront. With that in mind, our organization has some recommendations on how to proceed:

- We support a voluntary working group of stakeholders to study and draft legislation. The stakeholder group must include people representing landowners' interests.
- Oklahoma's natural resources must be protected in an UIC Class VI carbon sequestration program.
- Protecting surface owners' property rights is a priority.
- We oppose any attempt to grant eminent domain authority to parties who wish to utilize a UIC Class VI program in Oklahoma.

- From our brief discussions at the meeting, it appears UIC Class VI projects may require permission from surface and mineral owners and may involve spacing and unitization issues. It is possible the Oklahoma Corporation Commission may be the appropriate agency to seek delegation to administer an UIC Class VI program.

We appreciate the opportunity to participate in this process and will continue to be engaged. Thank you for the opportunity to provide these comments.

Sincerely,

A handwritten signature in black ink that reads "Marla R. Peek". The signature is written in a cursive, flowing style.

Marla Peek
Sr. Director of Regulatory Affairs

cc: OKFB Board of Directors

ROCO

ROYALTY OWNER COALITION OF OKLAHOMA, INC.
2501 N STILES AVE, OKLAHOMA CITY, OK 73105

BOARD OF DIRECTORS
Mason Mungle, *President*
Scott Blubaugh, *Vice President*
Jared Boehs, *Secretary*
Rodd Moesel, *Treasurer*
Michael Kelsey, *Governance*

Working together to promote, educate, advocate for, and develop public policy concerning the petroleum industry from the mineral owners' perspective.

June 19, 2023

Ken McQueen
Oklahoma Secretary of Energy & Environment
classvi@occ.ok.gov

Secretary McQueen:

Thank you for the opportunity to provide input on possible legislative action related to the sequestration of CO₂ in Oklahoma. These comments are intended to summarize and supplement the oral comment ROCO provided in our previous meetings. I have reviewed both the “Oklahoma Carbon Sequestration Enhancement Act” and the “Oklahoma Carbon Capture and Geologic Sequestration Act” and make the following initial comments, observations and suggestions on behalf of ROCO:

1. Identifying and certifying an appropriate formation for **all** carbon sequestration should be done through a unitization process at the Oklahoma Corporation Commission. Accordingly, I would suggest modifying **27A O.S. §3-5-101 (C)(2)** as follows:

In the event the The State of Oklahoma, through the Corporation Commission, shall establishes a unitization process to support the establishment of all CO₂ sequestration facilities in this state, the Corporation Commission shall regulate all aspects of such process, including being responsible for making any necessary findings concerning the suitability of the reservoir targeted for carbon

The Royalty Owner Coalition of Oklahoma (ROCO)



ROCO has a combined membership of more than 150,000 and represents Oklahoma's estimated 1.6 million Royalty Owners

Steve Thompson, Interim Executive Director
(405) 630-5644 | steve.thompson@okfb.org

Jami Longacre, Lobbyist
(405) 206-8829 | jamilongacre@gmail.com

Terry L. Stowers, Policy Advisor
Reagan Bradford, Policy Advisor

The Organizations Supporting SB1524 Misstate its Impact on Royalty Owners

sequestration, whether its use for such purpose is in the public interest, determining the form and amount of fair compensation to be paid by the facility owner to the owners of the pore space, as set forth in Section 6 of Title 60 of the Oklahoma Statutes, for the use and occupation of the pore space within the sequestration facility, and the impact of that use on the oil, gas, coal-bed methane and mineral brine resources in the State of Oklahoma will be negligible.

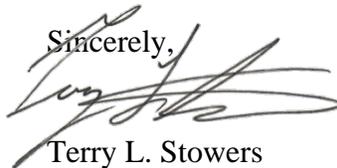
The suggested language assumes that the legislature is delegating its authority for determining the process of “unitization” to Corporation Commission and its rulemaking process. This process could also be established by legislation, such as is the case for oil and gas operations and under the Oklahoma Brine Act.

2. Since the above language delegates the authority to the Corporation Commission to determine the “unitization” for ALL reservoirs, there are references to “*determined by the Agency with jurisdiction*” or “*Agency*” which should be modified to “*Corporation Commission*”, such as §3-5-102(3) and §3-5-102(9).
3. ROCO suggests further clarification on “exclusive” jurisdiction as between the Corporation Commission and DEQ. ROCO would offer the following modification to **27A O.S. §3-5-103:**

A. *In addition to the exclusive jurisdiction granted the Corporation Commission over the unitization process of all CO2 sequestration facilities pursuant to Section 3-5-101 (C)(2) of this Title, the Corporation Commission shall be the "Agency" for, and shall have exclusive jurisdiction over CO2 sequestration facilities involving, and injection of CO2 for carbon sequestration into, oil reservoirs, gas reservoirs, coal-bed methane reservoirs, and mineral brine reservoirs, and any reservoir in which oil and gas produced water and waste, as defined by Section 86.7(A)(4) of Title 52 of the Oklahoma Statutes, has been, or may be, injected. The Commission shall have such jurisdiction regardless of whether such CO2 sequestration facility or other injection of carbon dioxide involves enhanced oil or gas recovery.*

B. *Subject to the exclusive jurisdiction granted the Corporation Commission over the unitization process of all CO2 sequestration facilities pursuant to Section 3-5-101 (C)(2) of this Title, the Department of Environmental Quality shall be the "Agency" for, and shall have exclusive jurisdiction over CO2 sequestration facilities involving, and injection of CO2 for carbon sequestration into all reservoirs other than those described in subsection A of this section, which shall include, but not be limited to, deep saline formations, unmineable coal seams where methane is not produced, basalt reservoirs, salt domes, and non-mineral bearing shales.*

These are our initial thoughts and thank you for including us in the process.

Sincerely,

Terry L. Stowers
Policy Advisor
(405) 659-8881



July 11, 2023

Submitted via ClassVI@occ.ok.gov

Honorable Ken McQueen
Secretary of Energy and Environment
204 N. Robinson, Suite 1010
Oklahoma City, OK 73102

Re: Comments – Draft Report on the Amendments to the 2009 Oklahoma Carbon Capture and Geologic Sequestration Act (27A O.S. §3-5-101) to obtain primacy from the Environmental Protection Agency for Class VI wells

Honorable Ken McQueen:

The Petroleum Alliance of Oklahoma (The Alliance) appreciates the opportunity to provide comments on the draft report regarding potential amendments the 2009 Oklahoma Carbon Capture and Geologic Sequestration Act (27A O.S. §3-5-101) to obtain primacy from the Environmental Protection Agency (EPA) for Class VI wells.

The Alliance represents more than 1,400 individuals and member companies and their tens of thousands of employees in the upstream, midstream, and downstream sectors and ventures ranging from small, family-owned businesses to large, publicly traded corporations. Our members produce, transport, process and refine the bulk of Oklahoma's crude oil and natural gas.

Our members have and will continue to play an essential role in providing products and solutions to improve human health and welfare, power the global economy, and make modern life possible. We lead the world in providing affordable, reliable natural gas and crude oil in the most environmentally responsible manner. Abundant, clean-burning natural gas has enabled the United States to become the global leader in greenhouse gas emissions reductions. The Alliance's members have and will continue to deploy technologies that result in meaningful greenhouse gas emission reductions through innovative solutions and breakthrough technologies while meeting the energy demands of today and the future. The use of Class VI wells to capture and sequester carbon is yet another tool for our members to use.

We support the State's effort to obtain primacy for Class VI wells and we offer the following comments on the draft report.

General Comments

1. It is unclear if the State completed any type of cursory review of EPA's Class VI regulations or guidance or the statutory and regulatory requirements of states that have obtained Class VI primacy to determine if there are any obvious gaps in Oklahoma's statutes or regulations that would prevent Oklahoma from obtaining primacy from the EPA for a Class VI program. Such an analysis would provide beneficial information to the Legislature.



THE PETROLEUM ALLIANCE OF OKLAHOMA

2. It is unclear if projects for direct air capture and sequestration are allowed under the Oklahoma Carbon Capture and Geologic Sequestration Act. Should statutory amendments be made to allow for these types of projects? If yes, this issue should be included in the “recommendations” on page 6.
3. “Notice” under the existing statute is only 15 days. First, it is unclear if this is work or calendar days. Clarification may be beneficial. Also, is 15 days adequate? Should the length of the notice be at least 30 days? If yes, include a recommendation on page 6.

Specific Comments

1. On page 1, is the statutory citation and Senate Bill number correct in the first sentence? If not, correct this information.
2. On page 4, there are statements regarding the Conservation Commission.
 - a. Should the Conservation Commission remain the entity responsible for verification and certification of the Oklahoma Carbon Sequestration Enhancement Act if the Oklahoma Corporation Commission (OCC) has sole authority for the Class VI program? Would verification and certification be better situated at OCC for Class VI wells?
 - b. There is a statement that the Conservation Commission will establish and administer the certification program and work with the Department of Environmental Quality (DEQ) to promulgate rules necessary to implement the Act. Should references to Conservation Commission and/or DEQ be changed to the OCC if OCC has sole jurisdiction of Class VI wells?
3. On page 5, the challenges and considerations include the following; however, no recommendations are provided for either issue on page 6. Should this section elaborate on the issue and/or provide potential recommendations on page 6?
 - Long-term stewardship of the carbon sequestration facility after closure
 - Potential conflict between traditional oil and gas operations and subsurface carbon sequestration
4. Reference to page 6.
 - a. In general, the recommendations are vague and leave significant uncertainty on how the Legislature should address these issues. Should any discussions or recommendations be included in the report as to what North Dakota, Wyoming and Louisiana have or have not done on these issues?
 - b. Item 1 recommends that OCC be vested with exclusive jurisdiction over Class VI wells. We support this recommendation. Also, as stated above, would it be beneficial to have OCC administer the verification/certification program for Class VI wells since they will have sole jurisdiction for the Class VI wells?
 - c. We suggest that recommendations to the Legislature include the following:
 - Any statutory or regulatory changes to address a Class VI well program should not be more stringent than EPA’s regulatory requirements.
 - In addition, any statutory or regulatory changes to address a Class VI well program should be based on practical core principles i.e., provide regulatory flexibility to accommodate site specific considerations, be easy to understand and comply with, be practical to implement, and be cost effective for entities that plan to develop Class VI wells. These core principles would encourage the use of Class VI wells.



THE PETROLEUM ALLIANCE
OF OKLAHOMA

The Alliance appreciates the opportunity to provide comments on this issue. If you have questions, please contact me at 405-601-2112.

Sincerely,

Brook Simmons
President