BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

IN THE MATTER OF AN EMERGENCY RULEMAKING OF THE OKLAHOMA CORPORATION COMMISSION AMENDING OAC 165:10, OIL & GAS CONSERVATION

CAUSE NO. RM 202000004

CHAPTER 10 EMERGENCY RULES ADOPTED AT COMMISSION MEETING ON MAY 7, 2020

TITLE 165. CORPORATION COMMISSION
CHAPTER 10. OIL & GAS CONSERVATION
SUBCHAPTER 3. DRILLING, DEVELOPING, AND PRODUCING
PART 5. OPERATIONS

165:10-3-29. OilCrude oil storage tanks associated with oil and/or gas wells assigned API numbers, commercial disposal wells, noncommercial disposal wells, commercial recycling facilities, underground injection wells, and reclaimers
OilCrude oil storage tanks associated with oil and/or gas wells assigned API numbers, commercial disposal wells, noncommercial disposal wells, commercial recycling facilities, underground injection wells, and reclaimers shall be constructed so as to prevent leakage. Dikes or retaining walls, where necessary, shall be constructed, based on tank capacity and throughput, so as to prevent crude oil or deleterious substances from causing pollution and to ensure public safety.

165:10-3-29.1. Other crude oil storage tanks
(a) Scope. This Section shall apply to crude oil storage tanks utilized on or after April 1, 2020. This Section shall not apply to crude oil storage tanks located at commercial disposal wells, noncommercial disposal wells, commercial recycling facilities, underground injection wells, reclaiming facilities, midstream facilities, refineries, sites previously permitted by the Commission or other governmental entities, or crude oil storage tanks associated with oil and/or gas wells assigned API numbers, whether such tanks are located on an oil and gas lease or offsite. Crude oil storage must occur in above-ground tanks designed to store crude oil.
(b) Permit required. No person shall store crude oil in a tank without applying for and obtaining a Form 1014TOS permit issued by the Conservation Division. Permits shall be renewed on an annual basis. A copy of the Form 1014TOS application for permit shall be served by the applicant, within five days of the date the application for permit is submitted to the Commission, on each surface owner and surface lessee of record on each tract of land adjacent and contiguous to the site. For use of a crude oil storage tank(s) without a permit, or operation of a crude oil storage tank(s) in violation of Commission rules, a person may be fined up to $5,000.00 per day per violation.
(c) Surety requirements. A person is prohibited from storing crude oil in tanks at a site pursuant to this Section without submitting surety to the Commission in the amount of $100,000.00 per site.
The amount shall be subject to change for good cause as determined by the Conservation Division or the Commission. Surety shall be posted with the Commission before a permit is issued, pursuant to (b) of this Section. The surety shall be a surety bond, certificate of deposit, irrevocable letter of credit, cashier's check, or other type of surety approved by the permit. Any type of surety that expires shall be renewed thirty days prior to the expiration date.

(d) Site limitation. No crude oil storage tanks shall be placed on any site that is located within a 100-year flood plain or as is otherwise prohibited by law.

(e) Operation and maintenance requirements.

(1) Fencing. The site shall be completely enclosed by a fence at least four feet in height. No livestock will be allowed inside the fence.

(2) Sign. A sign shall be posted at the entrance to the site bearing the name of the person operating the site, a twenty-four hour emergency telephone number, legal description, permit number, and contain language prohibiting trespassing and access by unauthorized personnel. The legal description shall specify the location of the site to the nearest quarter quarter quarter section and must include the section, township, range and county. The foregoing requirements are in addition to signage requirements otherwise specified by law.

(3) Removal of fire hazards. Any material that might constitute a fire hazard shall be removed a safe distance from crude oil storage tanks.

(4) Removal of surface trash. All surface trash, debris and junk associated with operations shall be removed from the site.

(5) Roads. All roads to the site shall be kept in a passable condition and shall be made accessible at all times to representatives and field inspectors of the Commission.

(6) Prevention of pollution. All crude oil storage tanks shall be constructed, used, operated, and maintained at all times so as to prevent pollution. Dikes or retaining walls, where necessary, shall be constructed, based on tank capacity, so as to prevent crude oil or deleterious substances from causing pollution and to ensure public safety. In the event of a nonpermitted discharge from a crude oil storage tank, sufficient measures shall be taken to stop or control the loss of materials and reporting procedures in 165:10-7-5(c) shall be followed. Any materials lost due to such discharge shall be cleaned up as directed by a representative of the Conservation Division.

(f) Closure requirements.

(1) Notification. The Manager of the Pollution Abatement Department shall be notified in writing whenever a site becomes inactive, is abandoned, or operation of the site ceases for any reason. A site may be considered to be inactive by the Commission if:

(A) The site has been shut down by the Commission because of a violation which results in the filing of an application to vacate the permit.

(B) The authority to operate the site has been terminated by failure to comply with (g) of this Section.

(2) Time limit. With the exception of approved, existing crude oil storage facilities, removal of crude oil storage tanks from a site shall be commenced within 60 days and completed within one year of cessation of storage, pursuant to (1) of this subsection. In cases where extenuating circumstances arise, one extension of six months may be administratively approved in writing by the Manager of the Pollution Abatement Department. A progress report shall be submitted to the Manager of Pollution Abatement every three months (during January, April, July, and October) after cessation of operations until removal of the tanks is completed.

(g) Additional requirements. The requirements set forth in this Section are minimum requirements. Additional requirements may be imposed by the Conservation Division if the site
has certain limitations or other conditions of risk exist. Sites containing crude oil storage tanks must comply with applicable requirements of other governmental entities, including, but not limited to, the Environmental Protection Agency and the Oklahoma Department of Environmental Quality. In order to be eligible to obtain a Form 1014TOS permit under this Section, an applicant must also demonstrate that a copy of the Form 1014TOS permit application has been provided to the Chief Engineer at the Oklahoma Department of Environmental Quality.

(h) **Application to existing crude oil storage tank sites.** Persons who stored crude oil in tanks at sites on or after April 1, 2020, must either comply with subsections (b), (c), (d), (e), (f) and (g) of this Section or remove such crude oil storage tanks from the site within sixty (60) days of the effective date of this Section.