

ENGROSSED SENATE
BILL NO. 894

BY: GILES of the SENATE

and

RICE of the HOUSE

AN ACT RELATING TO LIENS; STATING THE STATE OF
OKLAHOMA SHALL HAVE A LIEN UPON ABANDONED WELL-SITE
EQUIPMENT, STRUCTURES AND CONTENTS; DEFINING
ABANDONED WELL-SITES; STATING PRESUMPTION OF
ABANDONMENT SHALL APPLY ONLY FOR PURPOSES OF LIEN;
STATING EFFECT; STATING WHEN LIEN IS DEEMED
PERFECTED; STATING PRIORITY OF LIEN OVER OTHER
ENCUMBRANCES; STATING LIEN SHALL BE ASSIGNABLE BY
THE CORPORATION COMMISSION; PROVIDING FOR
CODIFICATION; AND DECLARING AN EMERGENCY.

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

SECTION 1. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 53.3 of Title 17, unless there
is created a duplication in numbering, reads as follows:

A. The State of Oklahoma shall have a lien upon all abandoned
oil and gas well-site equipment, including but not limited to
production and storage structures, along with their contents.

B. Well-site equipment is presumed abandoned if, for longer than one (1) year, the well has shown no activity in terms of production, injection, disposal or testing, and has not otherwise been maintained in compliance with plugging rules. The presumption of abandonment shall apply only for purposes of the lien created herein and shall have no effect upon the term, duration, or continued existence of any property or contract right in the premises.

C. The lien created by this section shall be perfected against the equipment when notice of the lien is filed pursuant to Sections 9-401 through 9-407 of 12A of the Oklahoma Statutes.

D. The lien created by this section, once perfected, shall have priority over all inchoate and subsequently recorded encumbrances.

E. The lien created by this section shall be assignable by the Corporation Commission.

SECTION 2. It being immediately necessary for the preservation of the public peace, health and 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 2d day of March, 1992.

President of the Senate

Passed the House of Representatives the ____ day of

_____, 1992.

Speaker of the House of Representatives