

STATE OF OKLAHOMA

2nd Session of the 44th Legislature (1994)

COMMITTEE SUBSTITUTE  
FOR ENGROSSED  
SENATE BILL NO. 1160

By: Easley of the Senate

and

Rice of the House

COMMITTEE SUBSTITUTE

An Act relating to the Corporation Commission; amending 17 O.S. 1991, Sections 32, and 152, as amended by Section 2, Chapter 231, O.S.L. 1993 (17 O.S. Supp. 1993, Section 152), 52 O.S. 1991, Sections 87.1, as amended by Section 17, Chapter 190, O.S.L. 1992, and 149 (52 O.S. Supp. 1993, Section 87.1), 63 O.S. 1991, Section 2418, 74 O.S. 1991, Section 840.8, as last amended by Section 2, Chapter 333, O.S.L. 1993 (74 O.S. Supp. 1993, Section 840.8), and 82 O.S. 1991, Section 1324.23, which relate to the operations and employees of the Oklahoma Corporation Commission; stating procedures relating to utility rate proceedings; modifying powers and duties of General Administrator; authorizing Commission to suspend certain time limit; defining term; authorizing Commission to determine interest on certain refund; modifying definition; authorizing Commission to regulate cable television systems; modifying procedures for certain administrative review of pooling applications; modifying certain requirement for field inspectors; directing Commission to implement certain program connecting certain hearing-impaired persons with intercommunication devices and telephone systems; modifying certain surcharge; adding certain positions to the unclassified service; stating certain gas systems shall be under certain federal jurisdiction; creating a Multi-Agency Task Force for the development of an Oil and Gas Data Management System; stating membership; stating purpose; providing for employees; requiring annual report; providing for termination; repealing 17 O.S. 1991, Sections 41, 42, 43, 44, 45, 46 and 47, which relate to cotton gin regulation; 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 281 of Title 17, unless there is created a duplication in numbering, reads as follows:

A. Discovery may be conducted by a party to a proceeding only if allowed by the Commission, by rule or order. If so allowed,

discovery must be conducted pursuant to the Oklahoma Discovery Code; provided, that nothing in this section shall be construed to restrict the Commission's Public Utility Division from inspecting, copying or conducting an audit of the books and records kept in the ordinary course of business of any public utility regulated by the Commission.

B. In any utility rate proceeding and subject to any confidentiality order the Commission may enter, the Public Utility Division shall give the Attorney General access to copies of books and records and other information obtained from an audit or inspection of the utility whose rates are being reviewed. Such access shall be made without resort to the discovery process.

C. The Commission may by rule or order impose reasonable limitations on the right of any party to depose witnesses or conduct other discovery.

D. The parties to any proceeding may stipulate to alternate discovery procedures by written agreement.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 282 of Title 17, unless there is created a duplication in numbering, reads as follows:

A. In any contested public utility rate proceeding, the Commission shall at the request of any of the parties, order a settlement conference among the parties, to be held at a time and place to be fixed by the Commission.

B. An administrative law judge designated by the Commission will preside as settlement judge at the settlement conference. The settlement judge will take no part in adjudicating the case subsequent to the settlement conference.

C. Scheduling of settlement conferences will not continue, delay, or otherwise interfere with scheduling dates set pursuant to a scheduling order. Likewise, the scheduling dates set at the prehearing or scheduling conference will not effect the date of a settlement conference set pursuant to a separate settlement conference order.

D. At least one attorney who is fully familiar with the case shall appear for each party. A person or representative with full

settlement authority shall accompany the attorney to the settlement conference. The settlement judge presiding over the settlement conference may make such other and additional requirements of the parties as shall be deemed proper in order to expedite an amicable resolution of the case. The settlement authority of the Public Utility Division shall be extended from the director of that division.

E. Any settlement reached by the parties shall be subject to the approval of the Commission.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 283 of Title 17, unless there is created a duplication in numbering, reads as follows:

Auditors conducting an audit or inspection of the books and records of a public utility on behalf of the Public Utility Division shall conduct exit conferences with designees of the utility being audited at the close of each audit or inspection. At the exit conferences, the findings and conclusions of the auditors shall be discussed and the parties shall make a reasonable effort to resolve any disagreements.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 284 of Title 17, unless there is created a duplication in numbering, reads as follows:

The Oklahoma Evidence Code as applied in nonjury civil cases in the courts of Oklahoma shall be followed in contested cases. Irrelevant, immaterial, or unduly repetitious evidence shall be excluded. When necessary to ascertain facts not reasonably susceptible of proof under the Oklahoma Evidence Code, evidence not admissible under those rules may be admitted, except where precluded by statute, if it is of a type commonly relied upon by reasonably prudent persons in the conduct of their affairs.

SECTION 5. AMENDATORY 17 O.S. 1991, Section 32, is amended to read as follows:

Section 32. ~~(a)~~ A. The Corporation Commission shall employ one (1) General Administrator. Said position shall be in the unclassified service and shall have a maximum annual salary,

payable monthly, which shall be specified in the Commission's annual appropriation bill. ~~Any person filling said position~~

B. The General Administrator shall be required to hold at least a bachelor's degree in marketing, business administration, accounting, personnel management, public administration, counseling, political science, related fields or experience equivalent thereto, or shall hold a juris doctorate degree, and shall have experience in a supervisory capacity in administrative or personnel management work.

C. The General Administrator shall be provide for the administration of the Commission and shall:

1. Be the chief administrative officer and appointing authority of the Commission and shall have supervision and control over all Commission employees except for the administrative aide and executive secretary for each Commissioner;

2. Employ, discharge, appoint or contract with, and fix the duties and compensation of all personnel, except for the administrative aide and executive secretary for each Commissioner either on a full-time, part-time, fee or contractual basis, as in his or her judgment and discretion shall be deemed necessary, expedient, convenient or appropriate to the performance of carrying out the provisions of the laws of the State of Oklahoma and the rules of the Commission; and

3. Establish internal policies and procedures for the proper and efficient administration of the Commission.

D. The General Administrator shall not be an owner, stockholder, employee or officer of, nor have any other business relationship with or receive compensation from, any corporation, partnership, or other business or entity which is subject to regulation by the Commission.

E. In the event of the General Administrator's temporary absence, the General Administrator may delegate the exercise of such powers and duties to a designee during the General Administrator's absence. In the event of a vacancy in the position of General Administrator, the Commission may designate an interim or acting General Administrator who is authorized to

exercise such powers and duties until a permanent General Administrator is employed. Any designee exercising such powers and duties of the General Administrator on a temporary, acting or interim basis shall meet the requirements of subsection D of this section.

~~(b)~~ F. Whenever a vacancy occurs in the General Administrator's position, the new General Administrator shall be chosen by a majority vote of the Commissioners from at least three (3) candidates recruited and screened by the Office of Personnel Management.

SECTION 6. AMENDATORY 17 O.S. 1991, Section 152, as amended by Section 2, Chapter 231, O.S.L. 1993 (17 O.S. Supp. 1993, Section 152), is amended to read as follows:

Section 152. A. The Commission shall have general supervision over all public utilities, with power to fix and establish rates and to ~~prescribe~~ promulgate rules, ~~requirements and regulations,~~ affecting their services, operation, and the management and conduct of their business; shall inquire into the management of the business thereof, and the method in which same is conducted.

B. 1. When any public utility subject to general supervision pursuant to this section or to Section 158.27 of this title shall file with the Commission a request for review of its rates and charges, such request shall be given immediate attention.

2. In the exercise of this responsibility, the Commission shall complete any examination of such request for a review of its rates and charges within one hundred twenty (120) days from the date such application for review of its rates and charges is filed.

3. Public hearings on such matter must commence within thirty (30) days of the end of such examination to be conducted by the Commission and in no event shall the conclusion of such examination of the rates and charges and the hearing conducted by the Commission exceed one hundred eighty (180) days from the date the request was filed.

4. The Commission may for good cause shown or by agreement of all parties of record suspend the one-hundred-eighty-day limit imposed herein. For the purposes of this section, the term "good cause" shall include but not be limited to failure to provide requested information and repeated and continuing data on a timely basis.

5. If such request for review of the applicant's rates and charges has not been completed and an order issued within one hundred eighty (180) days from the date of filing of such application, and provided that the one-hundred-eighty-day limitation has not been suspended for cause, some or all of the request for changes in the rates, ~~charges, and regulations~~ made in such application shall be immediately placed into effect and collected through new tariffs on an interim basis at the discretion of the applicant.

~~5.~~ 6. Should the Commission determine upon the completion of its examination and public hearings that a refund regarding the amount of interim relief is appropriate and necessary, the Commission shall order such refund including ~~reasonable interest at the one-year U.S. Treasury bill rate accruing on that portion of the rate increase~~ interest at a rate to be determined by the Commission to be refunded for a period not to exceed ninety (90) days from the effective date of the rate increase which is being refunded.

C. The Commission shall have full visitorial and inquisitorial power to examine such public utilities, and keep informed as to their general conditions, their capitalization, rates, plants, equipments, apparatus, and other property owned, leased, controlled or operated, the value of same, the management, conduct, operation, practices and services; not only with respect to the adequacy, security and accommodation afforded by their service, but also with respect to their compliance with the provisions of this act, and with the Constitution and laws of this state, and with the orders of the Commission.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 220 of Title 17, unless there is created a duplication in numbering, reads as follows:

A. The Corporation Commission is hereby authorized to regulate cable television systems to the extent allowed by federal law.

B. The Corporation Commission shall establish within the Commission a program to regulate cable television systems and shall promulgate rules as necessary to carry out the provisions of this section.

SECTION 8. AMENDATORY 52 O.S. 1991, Section 87.1, as amended by Section 17, Chapter 190, O.S.L. 1992 (52 O.S. Supp. 1993, Section 87.1), is amended to read as follows:

Section 87.1 Whenever the production from any common source of supply of oil or natural gas in this state can be obtained only under conditions constituting waste or drainage not compensated by counterdrainage, then any person having the right to drill into and produce from such common source of supply may, except as otherwise authorized or in this section provided, take therefrom only such proportion of the oil or natural gas that may be produced therefrom without waste or without such drainage as the productive capacity of the well or wells of any such person considered with the acreage properly assignable to each such well bears to the total productive capacities of the wells in such common source of supply considered with the acreage properly assignable to each well therein.

(a) To prevent or to assist in preventing the various types of waste of oil or gas prohibited by statute, or any of said wastes, or to protect or assist in protecting the correlative rights of interested parties, the Corporation Commission, upon a proper application and notice given as hereinafter provided, and, upon administrative review or, if contested after a hearing, as provided in said notice, shall have the power to establish well spacing and drilling units of specified and approximately uniform size and shape covering any common source of supply, or prospective common source of supply, of oil or gas within the

State of Oklahoma; provided, that the Commission may authorize the drilling of an additional well or wells on any spacing and drilling unit or units or any portion or portions thereof or may establish, reestablish, or reform well spacing and drilling units of different sizes and shapes when the Commission determines that a common source of supply contains predominantly oil underlying an area or areas and contains predominantly gas underlying a different area or areas; provided further that the units in the predominantly oil area or areas shall be of approximately uniform size and shape, and the units in the predominantly gas area or areas shall be of approximately uniform size and shape, except that the units in the gas area or areas may be of nonuniform size and shape when they adjoin the units in the oil area or areas; provided further that the drilling pattern for such nonuniform units need not be uniform, and provided further that the Commission shall adjust the allowable production within said common source of supply, or any part thereof, and take such other action as may be necessary to protect the rights of interested parties. Any order issued pursuant to the provisions hereof may be entered after ~~a hearing~~ administrative review, and if contested after a hearing, upon the ~~petition~~ application of any person owning an interest in the minerals in lands embraced within such common source of supply, or the right to drill a well for oil or gas on the lands embraced within such common source of supply, or on the ~~petition~~ application of the Conservation Officer of the State of Oklahoma. When such ~~a petition~~ an application is filed with the Commission, the ~~Commission~~ applicant shall give at least fifteen (15) days' notice ~~of the~~ prior to the date the application will be submitted for administrative review or for a hearing, if contested, to be held upon such ~~petition~~ application 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 application will be submitted for administrative review or for a hearing, if contested, in some newspaper published in the county, or in each county, if there be

is more than one, in which the lands embraced within the application are situated. Except for pooling applications, only contested applications will have a hearing; uncontested applications will be administratively reviewed. Except as to the notice of hearing on such ~~a petition~~ an application, the procedural requirements of Sections 86.1 et seq. of this title, shall govern all proceedings and hearings provided for by this section. Applications not contested may be submitted to administrative review by announcement without necessity of counsel appearing.

(b) In case of a spacing unit of one hundred sixty (160) acres or more, no oil and/or gas leasehold interest outside the spacing unit involved may be held by production from the spacing unit more than ninety (90) days beyond expiration of the primary term of the lease.

(c) In establishing a well spacing or drilling unit for a common source of supply thereunder, the acreage to be embraced within each unit shall not exceed six hundred forty (640) acres for a gas well plus ten percent (10%) tolerance, unless a governmental section contains more than six hundred forty (640) acres in which case the unit may comprise the entire section. Provided, however, fractional sections along the state boundary line and within the townships along the boundary where the survey west of the Indian Meridian meets the survey east of the Cimarron Meridian may be spaced with adjoining section unit, and the shape thereof shall be determined by the Commission from the evidence introduced upon administrative review or at the hearing, if contested, and the following facts, among other things, shall be material:

(1) The lands embraced in the actual or prospective common source of supply; (2) the plan of well spacing then being employed or contemplated in said source of supply; (3) the depth at which production from said common source of supply has been or is expected to be found; (4) the nature and character of the producing or prospective producing formation or formations; and (5) any other available geological or scientific data pertaining

to said actual or prospective source of supply which may be of probative value to said Commission in determining the proper spacing and well drilling unit therefor, with due and relative allowance for the correlative rights and obligations of the producers and royalty owners interested therein.

The order establishing such spacing or drilling units shall set forth: (1) the outside boundaries of the surface area included in such order; (2) the size, form, and shape of the spacing or drilling units so established; (3) the drilling pattern for the area, which shall be uniform except as hereinbefore provided; and (4) the location of the permitted well on each such spacing or drilling unit. To such order shall be attached a plat upon which shall be indicated the foregoing information. Subject to other provisions of this act, Section 81 et seq. of this title, the order establishing such spacing or drilling units shall direct that no more than one well shall thereafter be produced from the common source of supply on any unit so established, and that the well permitted on that unit shall be drilled at the location thereon as prescribed by the Commission, with such exception as may be reasonably necessary where it is shown, upon application, and notice ~~and hearing~~ in conformity with the procedural requirements of Sections 86.1 et seq. of this title, and the Commission finds that any such spacing unit is located on the edge of a pool and adjacent to a producing unit, or for some other reason that to require the drilling of a well at the prescribed location on such spacing unit would be inequitable or unreasonable. Whenever such an exception is granted, the Commission shall adjust the allowable production for said spacing unit and take such other action as may be necessary to protect the rights of interested parties.

Any well spacing or drilling unit for a common source of supply thereunder which exceeds six hundred forty (640) acres for a gas well plus ten percent (10%) tolerance or exceeds the total amount of acreage contained in a governmental section, and is not in production or in the process of drilling development on the effective date of this act shall be de-spaced. However,

fractional sections along the state boundary line and within the townships along the boundary where the survey west of the Indian Meridian meets the survey east of the Cimarron Meridian may be spaced with adjoining section unit, and the shape thereof shall be determined by the Commission.

(d) The Commission shall have jurisdiction upon the filing of a proper application therefor, and upon notice given as provided in subsection (a) above, to decrease the size of the well spacing units or to permit additional wells to be drilled within the established units, upon proper proof given at the administrative review or at such hearing, if contested, that such modification or extension of the order establishing drilling or spacing units will prevent or assist in preventing the various types of wastes prohibited by statute, or any of said wastes, or will protect or assist in protecting the correlative rights of persons interested in said common source of supply, or upon the filing of a proper application therefor to enlarge the area covered by the spacing order, if such proof discloses that the development or the trend of development indicates that such common source of supply underlies an area not covered by the spacing order and such proof discloses that the applicant is an owner within the area or within a drilling and spacing unit contiguous to the area covered by the application. The Commission shall not establish well spacing units of more than forty (40) acres in size covering common sources of supply of oil, the top of which lies less than four thousand (4,000) feet below the surface as determined by the original or discovery well in said common source of supply. The Commission shall not establish well spacing units of more than eighty (80) acres in size covering common sources of supply of oil, the top of which lies less than nine thousand nine hundred ninety (9,990) feet and more than four thousand (4,000) feet below the surface as determined by the original or discovery well in said common source of supply.

(e) The drilling of any well or wells into any common source of supply for the purpose of producing oil or gas therefrom, after a spacing order has been entered by the Commission covering such

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common source of supply, at a location other than that fixed by said order is hereby prohibited. The drilling of any well or wells into a common source of supply, covered by a pending spacing application, at a location other than that approved by a special order of the Commission authorizing the drilling of such well is hereby prohibited. The operation of any well drilled in violation of any spacing so entered is also hereby prohibited. When two or more separately owned tracts of land are embraced within an established spacing unit, or where there are undivided interests separately owned, or both such separately owned tracts and undivided interests embraced within such established spacing unit, the owners thereof may validly pool their interests and develop their lands as a unit. Where, however, such owners have not agreed to pool their interests and where one such separate owner has drilled or proposes to drill a well on said unit to the common source of supply, the Commission, to avoid the drilling of unnecessary wells, or to protect correlative rights, shall, upon a proper application therefor and a hearing thereon, require such owners to pool and develop their lands in the spacing unit as a unit. The applicant shall give all the owners whose addresses are known or could be known through the exercise of due diligence at least fifteen (15) days' notice 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 lands embraced within the spacing unit are situated. The applicant shall file proof of publication and an affidavit of mailing with the Commission prior to the hearing. All orders requiring such pooling shall be made after notice and hearing, and shall be upon such terms and conditions as are just and reasonable and will afford to the owner of such tract in the unit the opportunity to recover or receive without unnecessary expense his just and fair share of the oil and gas. The portion of the production allocated

to the owner of each tract or interests included in a well spacing unit formed by a pooling order shall, when produced, be considered as if produced by such owner from the separately owned tract or interest by a well drilled thereon. Such pooling order of the Commission shall make definite provisions for the payment of cost of the development and operation, which shall be limited to the actual expenditures required for such purpose not in excess of what are reasonable, including a reasonable charge for supervision. In the event of any dispute relative to such costs, the Commission shall determine the proper costs after due notice to interested parties and a hearing thereon. The operator of such unit, in addition to any other right provided by the pooling order or orders of the Commission, shall have a lien on the mineral leasehold estate or rights owned by the other owners therein and upon their shares of the production from such unit to the extent that costs incurred in the development and operation upon said unit are a charge against such interest by order of the Commission or by operation of law. Such liens shall be separable as to each separate owner within such unit, and shall remain liens until the owner or owners drilling or operating the well have been paid the amount due under the terms of the pooling order. The Commission is specifically authorized to provide that the owner or owners drilling, or paying for the drilling, or for the operation of a well for the benefit of all shall be entitled to production from such well which would be received by the owner or owners for whose benefit the well was drilled or operated, after payment of royalty, until the owner or owners drilling or operating the well have been paid the amount due under the terms of the pooling order or order settling such dispute. No part of the production or proceeds accruing to any owner of a separate interest in such unit shall be applied toward payment of any cost properly chargeable to any other interest in said unit.

For the purpose of this section, the owner or owners of oil and gas rights in and under an unleased tract of land shall be regarded as a lessee to the extent of a seven-eighths (7/8) interest in and to said rights and a lessor to the extent of the

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remaining one-eighth (1/8) interest therein. Should the owners of separate tracts or interests embraced within a spacing unit fail to agree upon a pooling of their interests and the drilling of a well on the unit, and should it be established by final, unappealable judgment of a court of competent jurisdiction that the Commission is without authority to require pooling as provided for herein, then, subject to all other applicable provisions of this act, the owner of each tract or interest embraced within a spacing unit may drill on his separately owned tract, and the allowable production therefrom shall be that portion of the allowable for the full spacing unit as the area of such separately owned tract bears to the full spacing unit.

In the event a producing well or wells are completed upon a unit where there are, or may thereafter be, two or more separately owned tracts, each royalty interest owner shall share in all production from the well or wells drilled within the unit, or in the gas well rental provided for in the lease covering such separately owned tract or interest in lieu of the customary fixed royalty, to the extent of such royalty interest owner's interest in the unit. Each royalty interest owner's interest in the unit shall be defined as the percentage of royalty owned in each separate tract by the royalty owner, multiplied by the proportion that the acreage in each separately owned tract or interest bears to the entire acreage of the unit.

(f) Notwithstanding any provision of this section to the contrary, the Corporation Commission shall have jurisdiction upon the filing of a proper application therefor, and upon notice given as provided in subsection (a) above, to establish spacing rules for horizontally drilled oil wells whereby horizontally drilled oil wells may have well spacing units established of up to six hundred forty (640) acres plus tolerances and variances as allowed for gas wells pursuant to subsection C of this section. For purposes of this subsection a "horizontally drilled oil well" shall mean an oil well drilled, completed or recompleted in a manner in which the horizontal component of the completion interval in the geological formation exceeds the vertical

component thereof and which horizontal component extends a minimum of one hundred fifty (150) feet in the formation. The Corporation Commission shall promulgate rules necessary for the proper administration of this subsection.

SECTION 9. AMENDATORY 52 O.S. 1991, Section 149, is amended to read as follows:

Section 149. There is hereby created within the Corporation Commission of Oklahoma, herein called "Commission", a Conservation Division, the duties and functions of which, subject to the supervision and direction of the Commission, shall be to aid the Commission in the administration and performance of the powers, duties and functions of the Commission with respect to oil and gas conservation and the prevention of pollution resulting from oil and gas production, transportation, and refining operations. The Conservation Division so created shall consist of the following personnel:

1. A Director of Conservation, who, in addition to the duties and functions now or hereafter prescribed for such officer in this title, shall have overall responsibility, supervision and direction of the activities of the Conservation Division and the administration and enforcement of the rules, regulations and orders of the Commission relating to oil and gas conservation and the prevention of pollution. The Director of Conservation shall be a graduate of an accredited college or university with a Bachelor's Degree and shall have five (5) years' experience in a supervisory capacity in an administrative or personnel management position;

2. Duly licensed attorneys, one to be designated as Conservation Attorney who shall be subject to the supervision and direction of the Commission, and the others as Assistant Conservation Attorneys who shall be under the supervision and direction of the Conservation Attorney. The duties and functions of the Conservation Attorney and Assistant Conservation Attorneys shall be to act as legal advisors to and to represent the Commission, the Director of Conservation, and all other personnel of the Division of Conservation, in all matters and proceedings

relating to the performance of their duties and functions relating to oil and gas conservation and the prevention of pollution, including proceedings involving the validity or enforcement of the orders, rules and regulations of the Commission-i

3. A Manager of Pollution Abatement, whose duties and functions shall be to direct and supervise the activities of the Conservation Division with respect to the prevention of pollution. The Manager of Pollution Abatement shall be a graduate of an accredited college or university with a Bachelor of Science Degree and shall have at least five (5) years' practical experience in the production of oil and gas-i

4. A Manager of Field Operations, whose duties and functions shall be to direct, supervise and coordinate the activities of the district offices and the field activities of the Conservation Division with respect to both oil and gas conservation and the prevention of pollution. The Manager of Field Operations shall be a graduate of an accredited college or university with a Bachelor of Science Degree and at least five (5) years' practical experience in the production of oil and gas or, in the alternative, shall have at least seven (7) years' experience equivalent to that of a district drilling or production superintendent in the oil and gas industry-i

5. A Manager of Office Administration, whose duties and functions shall be the administrative management of the various offices of the Conservation Division including, but not limited to, office services and procedures, personnel administration, processing of expense statements, budget preparation and cost accounting, procurement and use of supplies, files and records, and other clerical services. The Manager of Office Administration shall be a graduate of an accredited college or university with a Bachelor's Degree in Office or Business Administration and at least three (3) years' experience in a supervisory capacity in office management or, in the alternative, shall have five (5) years' experience in a supervisory capacity in office management-i

6. A Senior Engineer and a Senior Geologist, whose duties and functions shall be to provide the Commission, the Director of

Conservation, and the Conservation Division with engineering, geological and other technical advice and assistance as needed with respect to oil and gas conservation and the prevention of pollution, including participation in hearings before the Commission or Trial Examiners. The Senior Engineer shall be a graduate of an accredited college or university, with a Bachelor of Science Degree in Petroleum Engineering and at least five (5) years' experience as a petroleum engineer. The Senior Geologist shall be a graduate of an accredited college or university, with a Bachelor of Science Degree in Geology and shall have five (5) years' practical experience in petroleum geology-i

7. Staff Engineers and Geologists to serve on the staff and as assistants to the Senior Engineer. The Staff Engineers and Geologists shall be graduates of accredited colleges or universities, with Bachelor of Science Degrees in Engineering or Geology, as the case may be, and have a knowledge of petroleum engineering or geology and its application-i

8. District Managers, whose duties and functions shall be to supervise and direct the district offices and all field activities of the Conservation Division, including both oil and gas conservation and the prevention of pollution in the respective districts to which they are assigned. A District Manager shall be a graduate of an accredited college or university with a Bachelor of Science Degree in Petroleum Engineering and shall have five (5) years' practical experience in the production of oil and gas or, in lieu of a college degree, shall have ten (10) years' experience in the production of oil and gas, of which five (5) years' experience shall be in a supervisory capacity-i

9. District Office Assistants, who, under the direction and supervision of the District Manager in the respective districts to which they are assigned, shall perform the administrative and clerical functions of the district offices including, but not limited to, the preparation and filing of reports, keeping of files and records, providing dispatcher service to the field supervisors, and receipt of requests, complaints and other communications from industry representatives, landowners or the

general public. A District Office Assistant shall be a graduate of a high school or business college and shall have at least three (3) years' practical experience in office administration and a general knowledge of oil and gas production practices-;i

10. Field Inspectors, whose duties and functions, subject to the direction and supervision of the District Manager of the respective district to which they are assigned, shall be to make inspections and investigations, witness tests, and generally serve as enforcement officers and representatives of the Commission in the administration and enforcement of the rules, regulations and orders of the Commission relating to both oil and gas conservation and the prevention of pollution. A Field Inspector shall ~~be a high school graduate with~~ possess an Associates Degree and at least ~~one (1) year's~~ five (5) years' experience in oil field production and drilling operations or equivalent training and experience with the Commission-;i

11. Trial Examiners, who shall severally or jointly, as the Commission may direct, hear cases referred to them by the Commission for hearing, and who shall then file with the Commission a report of the proceedings and their recommendations as to the disposition thereof. The Commission is hereby authorized to refer any and all cases it sees fit to such Trial Examiners for hearing. A Trial Examiner shall be a graduate of an accredited college or university with a degree in law, petroleum engineering or geology and experience in the practice of the profession and knowledge of oil and gas law, courtroom procedure, the technical aspects of oil and gas operations, and a knowledge of state statutes and rules and regulations governing such operations-;i

12. Court Reporters, who shall make a record of the proceedings and evidence at all hearings conducted before the Commission, the Trial Examiners, or an employee of the Conservation Division named to act in the capacity of a Trial Examiner-;i

13. A Senior Statistician and Assistant Statisticians, whose duties and functions shall be the procurement, compilation,

analysis and preparation of reports and schedules containing statistics necessary or desirable to the administration or performance of the powers, duties and functions of the Commission and of the Conservation Division with respect to oil and gas conservation and the prevention of pollution. The Senior Statistician shall be a graduate of an accredited college or university with a Bachelor's Degree in Accounting, Business Administration, Mathematics or the sciences and at least two (2) years' experience in the processing of large volumes of data with respect to oil and gas operations. An Assistant Statistician shall have at least a high school education and an aptitude and experience in working with the tabulation of numbers-; and

14. Secretaries, who shall be qualified to accurately take and transcribe dictation and perform normal duties performed by a secretary; stenographer-clerks who shall be qualified to do typing, filing, handling of mail, and the routine clerical duties of an office; file clerks or librarians who shall be qualified to keep and maintain the central files and records of the Division; and duplicating machine operators.

The employees of the Commission who at the effective date of this act are holding positions or performing functions corresponding to those herein prescribed but who do not have the qualifications required by this act for such positions or functions shall not, for that reason, be disqualified to continue in such positions or to perform such functions, but at such time as there is a vacancy in such position it shall be filled by an employee having the qualifications herein prescribed.

SECTION 10. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2417.1 of Title 63, unless there is created a duplication in numbering, reads as follows:

The Corporation Commission is hereby directed to:

1. Implement a program whereby third party intervention shall connect the deaf, severely hearing-impaired, severely speech-impaired or deaf-blind persons with persons of hearing by the way of inter-communication devices and the telephone system; and

2. Provide for distribution, public assistance and administration of the program.

SECTION 11. AMENDATORY 63 O.S. 1991, Section 2418, is amended to read as follows:

Section 2418. A. There is hereby imposed a surcharge of ~~five cents (\$0.05)~~ two cents (\$0.02) per local exchange telephone access line per month to pay for the equipment and maintenance program provided for herein, such surcharge to be paid by each local exchange subscriber to local telephone service in this state, unless such subscriber is otherwise exempt from taxation.

B. The surcharge shall be collected on the regular monthly bill by each local exchange telephone company operating in this state and shall be remitted quarterly to the Oklahoma Tax Commission no later than fifteen (15) days following the end of each quarter.

C. There is hereby created in the State Treasury the Telecommunications for the Hearing Impaired Revolving Fund. The fund shall consist of monies imposed in subsection A of this section. All monies accruing to said fund are hereby appropriated and may be budgeted and expended by the Department of ~~Human~~ Rehabilitation Services. The fund shall be a continuing fund not subject to fiscal year limitations and expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims submitted to the Director of State Finance for the purpose of implementation of this act.

SECTION 12. AMENDATORY 74 O.S. 1991, Section 840.8, as last amended by Section 2, Chapter 333, O.S.L. 1993 (74 O.S. Supp. 1993, Section 840.8), is amended to read as follows:

Section 840.8 The following offices, positions, and personnel comprise the exempt unclassified service:

1. Persons chosen by popular vote or appointment to fill an elective office, and their employees, except the employees of the Corporation Commission, the State Department of Education and the Department of Labor;

2. Members of boards and commissions, and heads of agencies; also one principal assistant or deputy and one executive secretary for each state agency;

3. All judges, elected or appointed, and their employees;

4. Federally funded time-limited employees hired for the specific purpose of providing public service employment or one-time special or research project services for a limited period of time and shall not exceed the period of time for which that specific federal funding is provided;

5. All officers and employees of The Oklahoma State System of Higher Education, State Board of Education and State Department of Vocational and Technical Education;

6. Persons employed in a professional or scientific capacity to make or conduct a temporary and special inquiry, investigation, or examination on behalf of the Legislature or a committee thereof or by authority of the Governor;

7. Election officials and employees;

8. Temporary employees employed to work less than one thousand (1,000) hours in any twelve-month period. This category of employees shall include persons employed on an intermittent, provisional, seasonal, temporary or emergency basis;

9. Temporary lake patrol officers, regardless of the number of hours worked, who are employed by the Department of Public Safety during the period March 16 through October 31 in any calendar year; provided, the hours worked shall be considered in determining the temporary employee's eligibility for subsequent employment in any other unclassified temporary employment category;

10. Professional trainees only during the prescribed length of their course of training or extension study;

11. Students who are employed on a part-time basis, which shall be seventy-five percent (75%) of a normal forty-hour work week or thirty (30) hours per week, or less, or on a full-time basis if the employment is pursuant to a cooperative education program such as that provided for under Title I IV-D of the Higher

Education Act of 1965 (20 U.S.C. 1087a-1087c), as amended, and who are regularly enrolled in:

- a. an institution of higher learning within The Oklahoma State System of Higher Education,
- b. an institution of higher learning qualified to become coordinated with said State System of Higher Education. For purposes of this act a student shall be considered a regularly enrolled student if he or she is enrolled in a minimum of five (5) hours of accredited graduate courses or a minimum of ten (10) hours of accredited undergraduate courses, provided, however, the student shall only be required to be enrolled in a minimum of six (6) hours of accredited undergraduate courses during the summer, and such student is regularly attending classes during that semester of employment, or
- c. high school students regularly enrolled in a high school in Oklahoma and regularly attending classes during such time of enrollment;

12. The spouses of personnel who are employed on a part-time basis to assist or work as a relief for their spouses in the Oklahoma Tourism and Recreation Department;

13. Service substitute attendants who are needed to replace museum and site attendants who are unavoidably absent. Service substitutes may work as part-time or full-time relief for absentees for a period of not more than four (4) weeks per year in the Oklahoma Historical Society sites and museums; such substitutes will not count towards the agency's Full-Time-Equivalent Employee Limit;

14. Employees of State Capitol cafeterias;

15. Employees of either the House of Representatives or the State Senate;

16. Grand River Dam Authority personnel occupying the following offices and positions:

- a. the general manager, assistant general managers, secretaries to the general manager, and assistant general managers,
- b. the chief engineer and the engineers, superintendents, and assistant superintendents,
- c. the general counsel and the attorneys on the general counsel's staff,
- d. the secretary,
- e. the treasurer,
- f. rate analysts, and
- g. unclassified employees hired prior to May 1, 1989, who hold engineering job titles but who are not registered engineers, provided said persons are reassigned nonengineering job titles. At such time as the positions occupied by said unclassified employees are vacated, the positions shall revert to the classified service;

17. Oklahoma Tax Commission personnel occupying the following offices and positions:

- a. all revenue administrators, the budget officer and the comptroller of the Tax Commission,
- b. all administrators and unit managers in the Management Information Services Division,
- c. all Computer Programming Systems Specialist positions,
- d. all Data Processing Programmer Analyst Supervisor and Data Processing Programmer Analyst III positions,
- e. all Public Affairs Officer and Assistant Public Affairs Officer positions,
- f. Public Information Officer, and
- g. all Tax Economist positions;

18. Corporation Commission personnel occupying the following offices and positions:

- a. administrative assistant, administrative aides, and executive secretaries to the Commissioners,

- b. Directors of all the divisions, ~~and~~
- c. General Counsel,
- d. Public Utility Division Chief Engineer,
- e. Public Utility Division Chief Accountant, and
- f. Public Utility Division Chief Economist;

19. State Department of Education personnel occupying the following offices and positions:

- a. Administrative Assistants,
- b. Informational Representatives III,
- c. Driver Educational Electronics Technician,
- d. Media Technical Assistants,
- e. Executive Secretaries,
- f. Accounting Supervisor,
- g. Supervisor of Records,
- h. Supervisor of Printing Services,
- i. Migrant Records Transfer System Representative,
- j. Financial Managers, and
- k. in addition to the State Department of Education offices and positions listed in this paragraph, any and all offices and positions within the State Department of Education for which the annual salary is Twenty-one Thousand Nine Hundred Forty-three Dollars (\$21,943.00) or more shall also be in the unclassified service of this state.

Nothing in this paragraph is intended to change the status, whether classified or unclassified, of any person employed by the Department of Education prior to May 1, 1989. No position shall become unclassified while it is occupied by a classified employee because of any change in salary or grade. Hereafter, any position paid an annual salary of Twenty-one Thousand Nine Hundred Forty-three Dollars (\$21,943.00) or more shall be in the unclassified service upon being vacated;

20. At the option of the employing agency, the Supervisor, Director, or Educational Coordinator in any other state agency having a primary responsibility to coordinate educational programs operated for children in state institutions;

21. Bill Willis Community Mental Health Center personnel occupying the following offices and positions:

- a. Director of Facility,
- b. Deputy Director for Administration,
- c. Clinical Services Director, and
- d. Executive Secretary to Director;

22. The State Comptroller, Office of the Director of State Finance;

23. Employees of the Oklahoma Development Finance Authority;

24. Those positions so specified in the annual business plan of the Department of Commerce;

25. Those positions so specified in the annual business plan of the Oklahoma Center for the Advancement of Science and Technology;

26. The following positions and employees of the Oklahoma School of Science and Mathematics:

- a. positions for which the annual salary is Twenty-four Thousand One Hundred Ninety-three Dollars (\$24,193.00) or more, as determined by the Office of Personnel Management, provided no position shall become unclassified because of any change in salary or grade while it is occupied by a classified employee,
- b. positions requiring certification by the State Department of Education, and
- c. positions and employees authorized to be in the unclassified service of the state elsewhere in this section or in Section 840.10 of this title;

27. State Insurance Fund personnel occupying the following offices and positions:

- a. Commissioner,
- b. Deputy Commissioner,
- c. Administrative Assistants to the Commissioner,
- d. Executive Secretaries to the Commissioner and Deputy Commissioner,
- e. Law Clerks and Legal Assistants,

- f. Special Counsel,
- g. General Counsel,
- h. Medical Analysts Supervisor,
- i. Medical Analysts,
- j. Field Adjusters,
- k. Investment Officer, and
- l. Collections Attorneys;

28. The Carl Albert Internship Program Coordinator within the Office of Personnel Management;

29. Department of Corrections personnel occupying the following offices and positions:

- a. Associate Director,
- b. Executive Secretary,
- c. General Counsel,
- d. Assistant General Counsel,
- e. Deputy Director,
- f. Public Information Officer,
- g. Personnel Manager,
- h. Administrator of Planning and Research,
- i. Administrator of Finance and Accounting,
- j. Executive Assistant,
- k. Administrator of Information Services,
- l. Affirmative Action Officer,
- m. System Development Manager,
- n. Computer Operations Manager,
- o. Training Director,
- p. Assistant Training Director,
- q. Administrator of Construction and Maintenance,
- r. Administrative Assistant,
- s. Secretary,
- t. Administrator of Classification and Programs,
- u. Coordinator of Facility Classification,
- v. Mediation Coordinator,
- w. Inspector General,
- x. Medical Director,
- y. Psychiatrist,

- z. Physician,
- aa. Optometrist,
- ab. Dental Services Supervisor,
- ac. Dentist,
- ad. Psychologist,
- ae. Administrator of Dietary Services,
- af. Warden I,
- ag. Warden II,
- ah. Warden III,
- ai. Deputy Warden I,
- aj. Deputy Warden II,
- ak. Deputy Warden III,
- al. Community Treatment Center Superintendent,
- am. Community Treatment Center Assistant Superintendent,
- an. Probation and Parole District Supervisor,
- ao. Probation and Parole Assistant District Supervisor,
- ap. Administrator of Human Resources,
- aq. Facility Staffing Pattern Analyst,
- ar. Correctional School Superintendent,
- as. Regional Director,
- at. Assistant Regional Director,
- au. Chief of Operations, and
- av. Chief Psychologist;

30. Department of Corrections personnel occupying the following offices and positions as representatives of the Oklahoma State Industries:

- a. Administrator of Industrial Production,
- b. Administrator of Agriculture Production,
- c. OSI Sales Representative,
- d. OSI Sales Manager, and
- e. Marketing Manager.

The positions listed in this paragraph shall be funded from the Department of Corrections Industries' Revolving Fund only. In addition to the regular salary, any unclassified sales representative of the Oklahoma State Industries of the Department of Corrections who is responsible for obtaining a contract for

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products manufactured or services provided by prison industries may, at the discretion of the Director of the Department of Corrections, be awarded additional compensation of not more than five percent (5%) of the total amount of said contracts but not more than Five Thousand Dollars (\$5,000.00) per year. This compensation may be in addition to the salary of the employee and may be paid in one lump sum from any funds available to the Department of Corrections. No such compensation shall be made unless funds are available. Funds for payment of any compensation awards shall be encumbered to the extent of the awards.

Incumbents in positions listed in paragraph 29 of this section and in this paragraph that are classified under the Merit System of Personnel Administration on the effective date of this act shall have the option of remaining in their classified status under the Merit System of Personnel Administration. Incumbents that choose to accept unclassified appointments shall so signify in writing. All future appointees to these positions shall be unclassified. Incumbents that choose to remain in the classified service under the Merit System of Personnel Administration shall be subject to all rules and procedures of the Merit System of Personnel Administration. By the end of the first full work week of each month, the Director of the Department of Corrections shall submit to the Director of State Finance a report listing the total number of part-time employees employed during the preceding month, the positions for which they were employed, and the number of hours worked for each part-time position;

31. Department of Labor personnel occupying the following offices and positions:

- a. Deputy Commissioner,
- b. Executive Secretary to the Commissioner,
- c. Chief of Staff, and
- d. Administrative Assistant, Legal;

32. The State Bond Advisor and his employees;

33. The Oklahoma Employment Security Commission employees occupying the following positions:

- a. Associate Director,

- b. Secretary to the Associate Director, and
- c. Assistant to the Executive Director;

34. Oklahoma Human Rights Commission personnel occupying the position of Administrative Assistant; and

35. The officers and employees of the State Banking Department.

SECTION 13. AMENDATORY 82 O.S. 1991, Section 1324.23, is amended to read as follows:

Section 1324.23 Rural water, sewer, ~~gas~~ and solid waste management districts shall be exempt in any and all respects from the jurisdiction and control of the Corporation Commission of this state. Rural gas distribution systems shall be under the jurisdiction of the federal pipeline safety program administered by the Oklahoma Corporation Commission.

SECTION 14. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 801 of Title 52, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created a Multi-Agency Task Force for the development of an Oil and Gas Data Management System. The task force shall consist of the following members:

1. The Administrator of the Oklahoma Tax Commission or the Administrator's designee;
2. The General Administrator of the Corporation Commission or the Administrator's designee;
3. The Director of the Oklahoma Geological Survey or the Director's designee;
4. The Administrator of the Land Office or the Administrator's designee;
5. The Auditor and Inspector or his or her designee;
6. One person engaged in the oil or gas industry to be appointed by the President Pro Tempore of the Oklahoma State Senate; and
7. One person engaged in the oil or gas industry to be appointed by the Speaker of the Oklahoma House of Representatives.

B. The Chairman of the task force shall be elected by the members annually at the beginning of each fiscal year.

C. To create a plan for the development and implementation of a comprehensive Oil and Gas Data Management system, the task force shall:

1. Develop standards and specifications for a system used by agencies concerned with oil and gas issues;

2. Document specifications and prepare estimates of costs, personnel, time and resources necessary for the implementation of the system;

3. Develop a funding plan for system development and implementation for submission to the Oklahoma Legislature by January 1, 1995;

4. Monitor the progress and oversee the coordination of the design, development and implementation of the system;

5. Develop standards and training programs for operations and maintenance of the system;

6. Identify and propose statutory amendments and state agency rules as required;

7. Solicit, receive, review and approve the disbursement of allocated funds for the development and implementation of the system; and

8. Perform other duties as required.

D. The task force shall be authorized to interact with agencies of other states, the federal government and private industry for any assistance necessary to carry out their duties.

E. The task force shall employ a coordinator and such other personnel deemed necessary in order to fulfill its duties.

F. The task force shall submit an annual status report to the Governor, the President Pro Tempore of the Senate and the Speaker of the House of Representatives by February 1, of each year.

G. The task force shall terminate its duties as of July 1, 2000.

SECTION 15. REPEALER 17 O.S. 1991, Sections 41, 42, 43, 44, 45, 46 and 47, are hereby repealed.

SECTION 16. 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.

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