

STATE OF OKLAHOMA

2nd Session of the 44th Legislature (1994)

COMMITTEE SUBSTITUTE
FOR ENGROSSED
SENATE BILL NO. 949

By: Kerr and Long (Ed) of the
Senate

and

Rice of the House

COMMITTEE SUBSTITUTE

An Act relating to oil and gas; creating a joint interim legislative committee named the Marginal Well Recovery and Protection Committee; stating duties of the Committee; providing membership of the Committee; providing for chairmanship of Committee; providing for staffing; providing for travel reimbursement; providing completion date; providing for recommendations; directing the Corporation Commission to study certain oil and gas wells; stating purpose of study; authorizing the Commission to plug certain wells; allowing owners to request certain certificate of compliance; authorizing the Commission to promulgate certain rules; directing the Commission to plug certain wells; providing for noncodification; providing for codification; and declaring an emergency.

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

SECTION 1. A. There is hereby created a joint interim legislative committee to be named the Marginal Well Recovery and Protection Committee. It shall be the duty of this Committee to study and make appropriate recommendations on the following:

1. A suitable means of funding a revolving fund to indemnify selling owners of marginal oil and gas wells from liability in an effort to keep potentially productive marginal oil or gas wells from being permanently plugged;

2. The processing of the State of Oklahoma's oil and gas production into end use products by industries within the State of Oklahoma; and

3. The sale of marginally producing oil and gas wells by large companies to smaller independent companies who might be better able to operate and produce such wells economically rather than plugging the wells.

B. The members of the Marginal Well Recovery and Protection Committee shall be as follows:

1. Three members of the Oklahoma State Senate to be appointed by the President Pro Tempore of the Senate;

2. Three members of the Oklahoma House of Representatives to be appointed by the Speaker of the House of Representatives;

3. Each member currently serving on the Commission on Marginally Producing Oil and Gas Wells pursuant to Section 700 of Title 52 of the Oklahoma Statutes;

4. The Director of the University of Oklahoma Energy Center;

5. The Director of the Oklahoma Geological Survey; and

6. The Director of the Oil and Gas Conservation Division of the Oklahoma Corporation Commission.

C. The Chairman of the Commission on Marginally Producing Oil and Gas Wells shall serve as the Chairman of the Committee and shall call the first meeting to be held in the State Capitol.

D. Staffing for the Committee shall be provided by the Commission on Marginally Producing Oil and Gas Wells, the Oklahoma Corporation Commission, the Oklahoma Geological Survey, the University of Oklahoma Energy Center, the Oklahoma State Senate and the Oklahoma House of Representatives.

E. Members of the Committee shall receive no compensation for serving on the Committee, but shall receive travel reimbursement as follows:

1. Legislative members of the Committee shall be reimbursed for their necessary travel expenses incurred in the performance of their duties in accordance with Section 456 of Title 74 of the Oklahoma Statutes; and

2. Nonlegislative members of the Committee shall be reimbursed by the respective agencies for their necessary travel expenses incurred in the performance of their duties in accordance

with the State Travel Reimbursement Act, Section 500.1 et seq. of Title 74 of the Oklahoma Statutes.

F. The Marginal Well Recovery and Protection Committee shall complete their duties by January 1, 1995. The Committee shall make legislative recommendations as they deem necessary as a result of their study.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 53.4 of Title 17, unless there is created a duplication in numbering, reads as follows:

A. In an effort to preserve the marginally producing oil and gas wells of this state for the possibility of higher oil and gas prices or new techniques of production that would reduce costs, the Oklahoma Corporation Commission is hereby directed to conduct a study of all nonactive oil and gas wells in the State of Oklahoma noting especially those wells that may be located in environmentally sensitive areas, such as over water aquifers, for the purpose of attempting to save such wells from permanent plugging and preserving the opportunity that such wells may be put back into production in the future. Any well that is found to be creating a hazard to the health or safety of the public and which has been declared to be abandoned with no known owner or responsible party may be plugged by the Commission.

B. If a well inspected under the provisions of this section meets all requirements of the Oklahoma Corporation Commission, the owner of such well may request a certificate, provided by the Oklahoma Corporation Commission, stating that such well at the time of the inspection was found to be in compliance with the rules of the Commission and the laws of the State of Oklahoma.

C. The Oklahoma Corporation Commission is authorized to promulgate rules as necessary to carry out the provisions of this section.

D. The Commission is further directed not to permanently plug any abandoned well under its control pursuant to the provisions of Section 53 et seq. of Title 17 of the Oklahoma Statutes for a period not to exceed two (2) years, unless such well has been

declared by the Commission to be a hazard to the health or safety of the public.

SECTION 3. NONCODIFICATION The provisions of Section 1 of this act shall not be codified in the Oklahoma Statutes.

SECTION 4. 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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