

STATE OF OKLAHOMA

1st Session of the 46th Legislature (1997)

CONFERENCE COMMITTEE SUBSTITUTE

FOR ENGROSSED

SENATE BILL NO. 115

By: Haney and Hobson of the
Senate

and

Hamilton and Settle of
the House

CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to the Corporation Commission; amending 17 O.S. 1991, Sections 166.2, 167, 270 and 518, which relate to transcripts, fees, and financial assurances; authorizing certain funds for purpose of purchasing certain transcripts; updating references to Oil and Gas Conservation Division; directing certain monies to be deposited in the Oil and Gas Revolving Fund; deleting obsolete language; crediting certain excess monies to the Oil and Gas Revolving Fund; amending 52 O.S. 1991, Sections 140, as amended by Section 256, Chapter 145, O.S.L. 1993, 141, as amended by Section 257, Chapter 145, O.S.L. 1993, 152, 207, 208, 318 and 318.1, as amended by Section 2, Chapter 362, O.S.L. 1992 (52 O.S. Supp. 1996, Sections 140, 141 and 318.1), which relate to earthen storage ponds, salaries and expenses, the Interstate Oil Compact Fund of Oklahoma, well plugging and financial assurances; modifying reference to certain fund; providing for certain salaries to be paid out of the General Revenue Fund; updating certain statutory references; providing for certain employees and expenses to be paid from appropriated funds; providing gender-neutral language; authorizing certain unexpended funds transferred to Oil and Gas Revolving Fund; providing for certain funds to be credited to the Oil and Gas Revolving Fund upon withdrawal from certain compact; stating sources for certain well plugging expenditures; updating certain effective date reference; crediting certain excess funds to the Oil and Gas Revolving Fund; amending 68 O.S. 1991, Section 1103, as amended by Section 11, Chapter 328, O.S.L. 1995 (68 O.S. Supp. 1996, Section 1103), which relates to oil and gas excise taxes; crediting certain excise taxes to the General Revenue Fund; deleting requirement for certain salaries and expenses to be paid from the Conservation Fund; updating all references from Conservation Fund to General Revenue Fund; deleting creation of Conservation Fund; providing for transfer of unencumbered and unobligated funds in the Conservation Fund to the General Revenue Fund of the State Treasury on certain date; repealing 17 O.S. 1991, Section 36, which relates to the Complaints, Investigation and Mediation Division of the Corporation Commission, and 52 O.S. 1991, Sections 81 and 83, which relate to the Oil and Gas Conservation Act and the Well

Log Division; providing for noncodification; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 17 O.S. 1991, Section 166.2, is amended to read as follows:

Section 166.2 In addition to other purposes now authorized by law, the Corporation Commission is authorized to utilize the ~~Conservation~~ Oil and Gas Revolving Fund for the purpose of purchasing transcripts of proceedings before the Commission, or before any other court, agency or board.

SECTION 2. AMENDATORY 17 O.S. 1991, Section 167, is amended to read as follows:

Section 167. Any person, firm or corporation desiring to ascertain such facts may make application in writing to the Corporation Commission of the State of Oklahoma for a certificate setting forth what the records of the Corporation Commission, returned and compiled under its lawfully issued rules and regulations, disclose with reference to notices to drill, plug and abandon oil and gas well or wells and the production therefrom, if any, on the tract or tracts of land or lands covered by such application. Such application must be accompanied by a fee of Ten Dollars (\$10.00) to be paid to the Oil and Gas Conservation Department Division to be deposited in the ~~Conservation~~ Oil and Gas Revolving Fund. It shall be the duty of the Commission to mail to the address given in the application a certificate setting forth the information and date requested in ~~said~~ such application, which certificate shall be signed by the chairman or vice-chairman of the Commission and attested to by its secretary. Any such certificates may be filed for record in the county in which the tract or tracts of land is located, and the county clerk shall properly endorse such instruments under the lands affected as certificates of the Corporation Commission.

SECTION 3. AMENDATORY 17 O.S. 1991, Section 270, is amended to read as follows:

Section 270. In order to implement the Natural Gas Policy Act of 1978 (Public Law 95-621), the Corporation Commission is hereby authorized to process applications for determinations as provided for in the rules and regulations issued by the Federal Energy Regulatory Commission. The Corporation Commission shall possess such powers and perform such acts as are necessary to comply with the Natural Gas Policy Act of 1978 (Public Law 95-621). The Corporation Commission shall charge a filing fee of Twenty-five Dollars (\$25.00) per well for a well category determination or determinations under the Natural Gas Policy Act of 1978. All filing fees charged and collected hereunder shall be deposited daily with the State Treasurer and shall be credited and apportioned to the ~~"Conservation Fund" created by Section 1103 of Title 68 of the Oklahoma Statutes~~ Oil and Gas Revolving Fund.

SECTION 4. AMENDATORY 17 O.S. 1991, Section 518, is amended to read as follows:

Section 518. A. Any person who drills or operates any well or unit for the exploration, development or production of oil or brine, or as an injection or disposal well, within this state, shall furnish in writing, on forms approved by the Corporation Commission, his or her agreement to drill, operate and plug wells in compliance with the rules ~~and regulations~~ of the Commission and the laws of this state, together with evidence of financial ability to comply with the requirements for plugging, closure of surface impoundments, removal of trash and equipment as established by the rules ~~and regulations~~ of the Commission and by law.

B. To establish evidence of financial ability, the Commission shall require an irrevocable commercial letter of credit, cash, a cashier's check, a Certificate of Deposit, Bank Joint Custody Receipt, other negotiable instrument or a blanket surety bond. The amount of such letter of credit, cash, cashier's check, certificate, bond, receipt or other negotiable instrument shall be in the amount of Twenty-five Thousand Dollars (\$25,000.00) per

well. If an operator operates more than four ~~(4)~~ wells subject to this requirement, the operator may file appropriate evidence of financial ability in a blanket amount of One Hundred Thousand Dollars (\$100,000.00). Any instrument shall constitute an unconditional promise to pay and be in a form negotiable by the Commission.

C. The agreement provided for in subsection A of this section shall provide that if the Commission determines that the person furnishing the agreement has neglected, failed or refused to plug and abandon, or cause to be plugged and abandoned, or replug any well or has neglected, failed or refused to close any surface impoundment or removed or cause to be removed trash and equipment in compliance with the rules ~~and regulations~~ of the Commission, then the person shall forfeit from his or her bond, letter of credit or negotiable instrument or shall pay to this state, through the Commission, for deposit in the State Treasury, a sum equal to the cost of plugging the well, closure of any surface impoundment or removal of trash and equipment. The Commission may cause the remedial work to be done, issuing a warrant in payment of the cost thereof drawn against the monies accruing in the State Treasury from the forfeiture or payment. Any monies accruing in the State Treasury by reason of a determination that there has been a noncompliance with the provisions of the agreement or the rules ~~and regulations~~ of the Commission, in excess of the cost of remedial action ordered by the Commission, shall be credited to the ~~Conservation~~ Oil and Gas Revolving Fund. The Commission shall also recover any costs arising from litigation to enforce this provision. Provided, before a person is required to forfeit or pay any monies to the state pursuant to this section, the Commission shall notify the person at his or her last-known address of the determination of neglect, failure or refusal to plug or replug any well, or close any surface impoundment or remove trash and equipment and ~~said~~ such person shall have ten (10) days from the date of notification within which to commence remedial operations. Failure to commence remedial operations

shall result in forfeiture or payment as provided in this subsection.

D. If title to property or a well is transferred, the transferee shall furnish the evidence of financial ability to plug the well and close surface impoundments required by the provisions of this section, prior to the transfer.

SECTION 5. AMENDATORY 52 O.S. 1991, Section 140, as amended by Section 256, Chapter 145, O.S.L. 1993 (52 O.S. Supp. 1996, Section 140), is amended to read as follows:

Section 140. A. The Corporation Commission shall not, by a rule or order, prohibit the storage in earthen ponds of the deleterious substances described in Section 139 of this title, but shall by rule or order prescribe standards, conditions, or limitations for the use of such ponds, and shall by rule or order prohibit the storage of such substances in earthen ponds in areas, fields, or instances found to be required to prevent pollution.

B. If, after notice and hearing, the Commission finds that:

1. An earthen pond is subject to the provisions of this section;
2. It is a facility constructed or used for permanent storage or disposal of deleterious substances;
3. It is causing or is likely to cause the discharge of deleterious substances to the environment; and
4. The operator of ~~said~~ such facility or any other person responsible for repairing or closing of ~~said~~ such facility in such manner as is necessary to prevent further or future pollution cannot be found or is financially unable to pay the cost of performing ~~said~~ remediation work~~;~~, the Commission or any person authorized by the Commission may enter upon the land upon which the facility is located and repair, close or take such other steps as may be reasonably necessary to remedy the condition.

C. If an emergency exists or if it otherwise appears to the Commission that irreparable injury will result if immediate remedial action is not taken, said entry upon the land may be made or authorized by the Commission without notice or hearing, for the purpose of taking such temporary remedial action as the Commission

considers necessary to prevent or minimize the injury, pending the giving of notice and hearing.

D. For the purpose of immediately responding to emergency situations having potentially critical environmental or public safety impact, the Commission may take whatever necessary action, without notice and hearing, including the expenditure of monies from the Corporation Commission Revolving Fund, to promptly respond to the emergency. Such emergency expenditure shall be made pursuant to the provisions of the Oklahoma Central Purchasing Act, upon such terms and conditions established by the Department of Central Services to accomplish the purposes of this section. Thereafter, the Commission shall seek reimbursement from the responsible person, firm or corporation for all expenditures made from the Corporation Commission Revolving Fund. Any monies received as reimbursement shall be deposited to the credit of the Corporation Commission Revolving Fund.

E. When the Commission undertakes any remedial action pursuant to this section, all such remedial work shall be done by contracts let upon competitive bids; provided further that the Commission shall not expend from ~~the Conservation Fund or any other~~ any fund in the State Treasury, in any fiscal year, for the purposes herein provided, an amount of money in excess of the total sum specifically authorized annually by the Legislature for such purposes. Any monies received by the Commission through execution on any required surety shall not be subject to such limitation on expenditure for remedial action.

F. Neither the Commission nor any independent contractor of the Commission authorized to conduct remedial action under this section shall be held liable or responsible for any damages resulting from operations reasonably necessary to:

1. Contain or remove deleterious substances discharged from a facility;
2. Repair a facility; or
3. Close a facility for abandonment.

G. Nothing in this section shall limit the authority of the Commission or relieve any person or persons otherwise legally responsible from any obligation to:

1. Properly contain and dispose of deleterious substances;
2. Repair an earthen pond; or

3. Properly close an earthen pond before abandonment. It is intended that the provisions of this section shall serve as a supplemental remedy when any person or persons obligated to do so fail or cannot be made to do so.

SECTION 6. AMENDATORY 52 O.S. 1991, Section 141, as amended by Section 257, Chapter 145, O.S.L. 1993 (52 O.S. Supp. 1996, Section 141), is amended to read as follows:

Section 141. A. In all matters pertaining to the making, issuing and enforcement of its rules or orders made pursuant to the provisions of this act the Corporation Commission shall have and exercise all the powers and authority granted to it under, and to the extent the same are reasonably applicable and except as herein specifically provided shall comply with the procedural requirements of ~~Sections~~ Section 81 to 136, et seq. of Title 52, O.S. 1951 of the Oklahoma Statutes, or any amendment thereof, all to the same extent as if the powers and duties prescribed by this act had been included as a part of the powers and duties of the Commission under said ~~Sections~~ Section 81 to 136, et seq. of Title 52, O.S. 1951 of the Oklahoma Statutes. Any employee of the Commission ~~whose salary and expenses are paid out of the Conservation Fund~~ employed pursuant to the provisions of Section 81 et seq. of Title 52 of the Oklahoma Statutes shall perform such duties incident to the administration and enforcement of this act and the rules, ~~regulations~~ and orders issued pursuant thereto as the Commission may direct.

B. The Attorney General on behalf of the State of Oklahoma, any state environmental agency, as such term is defined in the Oklahoma Environmental Quality Act, and any municipality or other governmental officer, agency, person, firm or corporation are expressly authorized to file applications with the Commission for rules or orders authorized by this act or for the amendment or

modification of any such rule or order, or to otherwise appear in any proceeding pending before the Commission in respect thereto.

C. Any person, firm or corporation aggrieved by any rule, ~~regulation~~ or order of the Commission made pursuant to this act may appeal therefrom to the Supreme Court of the State of Oklahoma within the same time and in the same manner as is provided in said ~~Sections~~ Section 81 to 136, et seq. of Title 52, O.S. 1951 of the Oklahoma Statutes, or any amendment thereof, for the taking of appeals from orders of the Commission made thereunder.

SECTION 7. AMENDATORY 52 O.S. 1991, Section 152, is amended to read as follows:

Section 152. Subject to the traveling and subsistence limitations applicable to state employees generally, and to the extent approved by the Corporation Commission, employees of the Oil and Gas Conservation Division shall be paid all necessary traveling and subsistence expenses incurred in the performance of their duties and functions ~~under this act~~. The Commission is further authorized to incur such other costs and expenses for equipment, facilities, supplies, services and other operating costs as determined by the Commission to be reasonably necessary and proper for the functioning of the Oil and Gas Conservation Division and the administration and enforcement by the Commission of its powers, duties and functions with respect to oil and gas conservation and the prevention of pollution. All salaries and authorized expenses of the employees of the Oil and Gas Conservation Division and all other authorized cost and expense incurred for or on account of the Oil and Gas Conservation Division or for the administration and enforcement by the Commission of its powers, duties and functions with respect to oil and gas conservation and the prevention of pollution, may be paid out of ~~the Conservation Fund and no part thereof shall be paid out of the General Revenue Fund of the state; except, the salaries of the members of the Corporation Commission may be paid fifty percent (50%) from the Conservation Fund and fifty percent (50%) from other available funds and the salaries of general administrative employees of the Commission who perform services in~~

~~relation to both the Conservation Division and other divisions of the Commission, may be apportioned between the Conservation Fund and other available funds in the proportion that the services rendered the Conservation Division bear to services rendered other divisions of the Commission, as determined by the Commission. The whole of the Conservation Fund is hereby appropriated for the payment of the salaries, cost and expense authorized by this section or other provisions of law to be paid therefrom funds appropriated to the Commission for such purpose.~~

SECTION 8. AMENDATORY 52 O.S. 1991, Section 207, is amended to read as follows:

Section 207. A. There is hereby created in the Office of the State Treasurer a special fund to be known as "The Interstate Oil Compact Fund of Oklahoma". All monies accruing to said fund are hereby appropriated for the purpose of paying the compensation of the assistant representative referred to in Section 205 of this title, the compensation of such clerical, technical, and legal assistants as he or she, with the consent of the Governor, may employ, the actual and necessary traveling expenses of the assistant representative and his or her employees and of the Governor when traveling in his or her capacity as official representative of this state on "The Interstate Oil Compact Commission", all items of office expense including the cost of office supplies and equipment, such contributions as the Governor shall deem proper to pay to The Interstate Oil Compact Commission to defray its expenses, and such other necessary expenses as may be incurred in enabling this state to fully cooperate in accomplishing the objects of "The Interstate Compact to Conserve Oil and Gas".

B. The maintenance of the Bartlesville Energy Research Center at Bartlesville, Oklahoma, is hereby declared to be a part of the accomplishment of the objects of The Interstate Compact to Conserve Oil and Gas and the Governor is hereby authorized to contract with appropriate entities for such purposes and to pay the obligations thereof from the fund created by this section.

C. Said fund shall be disbursed upon warrants issued by the State Treasurer upon sworn itemized claims approved by said assistant representative and the Governor. If at the end of any fiscal year any part of said special fund shall remain unexpended or unobligated, such balance shall be transferred by the State Treasurer to and become a part of the ~~Conservation~~ General Revenue Fund of the state for the ensuing fiscal year.

SECTION 9. AMENDATORY 52 O.S. 1991, Section 208, is amended to read as follows:

Section 208. The provisions of this act, Section 201 et seq, of this title, shall be in force and effect so long as the State of Oklahoma shall be and remain a party to "The Interstate Compact to Conserve Oil and Gas." In the event the State of Oklahoma withdraws from said Compact, the provisions of this act shall cease to operate and any unencumbered monies in "The Interstate Oil Compact Fund of Oklahoma" shall be credited to the ~~Conservation~~ General Revenue Fund of the State of Oklahoma ~~and be used for the purposes for which said fund is created.~~

SECTION 10. AMENDATORY 52 O.S. 1991, Section 318, is amended to read as follows:

Section 318. When the Corporation Commission undertakes to plug, replug, or repair any well or wells as authorized and provided in Sections 309 and 310 of this title, all such remedial work shall be done by contracts let upon competitive bids. Except for expenditures made from the Corporation Commission Plugging Fund, the Commission shall not expend from the ~~Conservation~~ Oil and Gas Revolving Fund or any other fund in the State Treasury, in any fiscal year, for the purposes herein provided, an amount of money in excess of the total sum specifically authorized annually by the Legislature for such purposes. Provided any monies received by the Commission through execution on any required surety shall not be subject to such limitation on expenditure for plugging, replugging or repairing any well or wells.

SECTION 11. AMENDATORY 52 O.S. 1991, Section 318.1, as amended by Section 2, Chapter 362, O.S.L. 1992 (52 O.S. Supp. 1996, Section 318.1), is amended to read as follows:

Section 318.1 A. Any person who drills or operates any well for the exploration, development or production of oil or gas, or as an injection or disposal well, within this state, shall furnish in writing, on forms approved by the Corporation Commission, his or her agreement to drill, operate and plug wells in compliance with the rules ~~and regulations~~ of the Commission and the laws of this state, together with evidence of financial ability to comply with the requirements for plugging, closure of surface impoundments, removal of trash and equipment as established by the rules ~~and regulations~~ of the Commission and by law. To establish evidence of financial ability, the Commission shall require:

1. Category A surety which shall include a financial statement listing assets and liabilities and including a general release that the information may be verified with banks and other financial institutions. The statement shall prove a net worth of not less than Fifty Thousand Dollars (\$50,000.00); or

2. Category B surety which shall include an irrevocable commercial letter of credit, cash, a cashier's check, a Certificate of Deposit, Bank Joint Custody Receipt, other negotiable instrument or, a blanket surety bond. Except as provided in paragraph 3 of subsection A of this section, amount of such letter of credit, cash, cashier's check, certificate, bond, receipt or other negotiable instrument shall be in the amount of Twenty-five Thousand Dollars (\$25,000.00) but may be set higher at the discretion of the Director of the Oil and Gas Conservation Division. The Commission is authorized to determine the amount of Category B surety based upon the past performance of the operator and its insiders and affiliates regarding compliance with the laws of this state, and any rules ~~and regulations~~ promulgated thereto including but not limited to the drilling, operation and plugging of wells, closure of surface impoundments or removal of trash and equipment. Any instrument shall constitute an unconditional promise to pay and be in a form negotiable by the Commission.

3. The Commission upon certification by any operator subject to Category B surety that its plugging liability statewide is less than the twenty-five-thousand-dollar standard specified in this

section may allow said operator to provide Category B type surety in an amount less than the required Twenty-five Thousand Dollars (\$25,000.00), but at least sufficient to cover the estimated cost of all plugging, closure, and removal operations currently the responsibility of that operator. The liability certification referred to in this paragraph shall take the form of an affidavit from a licensed well plugger estimating the costs of all plugging, closure, and removal operations of the operator requesting such relief. This alternative amount shall be modified upward upon the assumption of additional operations by ~~said~~ such operator, the maximum amount of Category B surety to be posted not to exceed the twenty-five-thousand-dollar total unless as provided previously.

B. Operators of record as of ~~the effective date of this act~~ June 7, 1989, who do not have any outstanding contempt citations or fines and whose insiders or affiliates have no outstanding contempt citations or fines may post Category A surety.

New operators, operators who have outstanding fines or contempt citations and operators whose insiders or affiliates have outstanding contempt citations or fines as of ~~the effective date of this act~~ June 7, 1989, shall be required to post Category B surety. Operators who have posted Category B surety and have operated under this type surety and have no outstanding fines at the end of three (3) years may post Category A surety.

Operators using Category A surety who are assessed a fine of Two Thousand Dollars (\$2,000.00) or more and who do not pay the fine within the specified time shall be required to post a Category B surety within thirty (30) days of notification by the Commission.

C. For good cause shown concerning pollution or improper plugging of wells by the operator posting either Category A or B surety or by an insider or affiliate of such operator, the Commission, upon application of the Director of the Oil and Gas Conservation Division, after notice and hearing, may require the filing of additional Category B surety in an amount greater than Twenty-five Thousand Dollars (\$25,000.00) but not to exceed One Hundred Thousand Dollars (\$100,000.00).

D. If the Commission determines that a blanket surety bond is required, the bond shall be conditioned on the fact that the operator shall cause the wells to be plugged and abandoned surface impoundments to be closed, and trash and equipment to be removed in accordance with the laws of this state and the rules ~~and regulations~~ of the Commission. Each bond shall be executed by a corporate surety authorized to do business in this state and shall be renewed and continued in effect until the conditions have been met or release of the bond is authorized by the Commission.

E. The agreement provided for in subsection A of this section shall provide that if the Commission determines that the person furnishing the agreement has neglected, failed, or refused to plug and abandon, or cause to be plugged and abandoned, or replug any well or has neglected, failed or refused to close any surface impoundment or removed or cause to be removed trash and equipment in compliance with the rules ~~and regulations~~ of the Commission, then the person shall forfeit from his or her bond, letter of credit or negotiable instrument or shall pay to this state, through the Commission, for deposit in the State Treasury, a sum equal to the cost of plugging the well, closure of any surface impoundment or removal of trash and equipment. The Commission may cause the remedial work to be done, issuing a warrant in payment of the cost thereof drawn against the monies accruing in the State Treasury from the forfeiture or payment. Any monies accruing in the State Treasury by reason of a determination that there has been a noncompliance with the provisions of the agreement or the rules ~~and regulations~~ of the Commission, in excess of the cost of remedial action ordered by the Commission, shall be credited to the ~~Conservation~~ Oil and Gas Revolving Fund. The Commission shall also recover any costs arising from litigation to enforce this provision. Provided, before a person is required to forfeit or pay any monies to the state pursuant to this section, the Commission shall notify the person at his or her last-known address of the determination of neglect, failure or refusal to plug or replug any well, or close any surface impoundment or remove trash and equipment and said person shall have ten (10)

days from the date of notification within which to commence remedial operations. Failure to commence remedial operations shall result in forfeiture or payment as provided in this subsection.

F. It shall be unlawful for any person to drill or operate any oil or gas well subject to the provisions of this section, without the evidence of financial ability required by this section. The Commission shall shut in, without notice, hearing or order of the Commission, the wells of any such person violating the provisions of this subsection and such wells shall remain shut in for noncompliance until the required evidence of Category B surety is obtained and verified by the Commission.

G. If title to property or a well is transferred, the transferee shall furnish the evidence of financial ability to plug the well and close surface impoundments required by the provisions of this section, prior to the transfer.

H. As used in this section:

1. "Affiliate" means an entity that owns twenty percent (20%) or more of the operator, or an entity of which twenty percent (20%) or more is owned by the operator; and

2. "Insider" means officer, director, or person in control of the operator; general partners of or in the operator; general or limited partnership in which the operator is a general partner; spouse of an officer, director, or person in control of the operator; spouse of a general partner of or in the operator; corporation of which the operator is a director, officer, or person in control; affiliate, or insider of an affiliate as if such affiliate were the operator; or managing agent of the operator.

SECTION 12. AMENDATORY 68 O.S. 1991, Section 1103, as amended by Section 11, Chapter 328, O.S.L. 1995 (68 O.S. Supp. 1996, Section 1103), is amended to read as follows:

Section 1103. A. 1. Prior to July 1, 2001 and as provided in Section 1103.1 of this title, all monies derived from the levy of the excise tax on petroleum oil provided for by Section 1101 of

this ~~Code~~ title shall be deposited with the State Treasurer, who shall credit and apportion the same as follows:

- a. eighty-four and five hundred fifty-three thousandths percent (84.553%) of said excise tax shall be credited ~~and apportioned to a separate and distinct fund to be known as the "Conservation Fund", which fund is hereby created~~ to the General Revenue Fund of the State Treasury;
- b. ten and five hundred twenty-six thousandths percent (10.526%) shall be credited and apportioned to a separate and distinct fund to be known as the "Corporation Commission Plugging Fund"; and
- c. the remaining four and nine hundred twenty-one thousandths percent (4.921%) of said excise tax shall be credited and apportioned to a separate and distinct fund to be known as "The Interstate Oil Compact Fund of Oklahoma", which fund is hereby created.

2. Prior to July 1, 2001 and as provided in Section 1103.1 of this title, all monies derived from the levy of the excise tax on natural gas and/or casinghead gas provided for by Section 1102 of this ~~Code~~ title shall be deposited with the State Treasurer, who shall credit and apportion the same as follows:

- a. eighty-five and four thousand sixty-six ten thousandths percent (85.4066%) of said excise tax shall be credited ~~and apportioned to said Conservation~~ the General Revenue Fund of the State Treasury;
- b. ten and five thousand five hundred fifty-five ten thousandths percent (10.5555%) shall be credited and apportioned to the Corporation Commission Plugging Fund; and
- c. four and three hundred seventy-nine ten thousandths percent (4.0379%) of said excise tax shall be credited and apportioned to The Interstate Oil Compact Fund of Oklahoma.

~~3. Prior to July 1, 2001 and as provided in Section 1103.1 of this title, all monies to accrue to the "Conservation Fund" under the provisions of this article, together with all monies remaining unexpended in the "Conservation Fund" created under the provisions of this subsection are hereby appropriated and shall be used for the payment of salaries and expenses, including premiums on surety bonds as are required by law, of the employees of the Conservation Department, provided for by statute, and all items of office expense and office supplies, including stationery, telephone and telegraph, postage and printing and all other items of expense as fixed and authorized by law, and all expenses necessary to administer and enforce any other statutes of this state enacted to conserve oil and gas; but no monies shall be paid out of said Conservation Fund until the claim therefor has been itemized and verified by claimant and approved by the Conservation Officer and Corporation Commission, and when so approved, the State Treasurer shall draw his or her warrant therefor upon the State Treasurer and the same shall be paid out of the Conservation Fund hereby created.~~

~~4. Prior to July 1, 2001 and as provided in Section 1103.1 of this title, all monies to accrue to "The Interstate Oil Compact Fund of Oklahoma" under the provisions of this article, together with all monies remaining unexpended in "The Interstate Oil Compact Fund of Oklahoma" created under this subsection are hereby appropriated and shall be used for the payment of the compensation of the assistant representative of the State of Oklahoma on "The Interstate Oil Compact Commission", the compensation of such clerical, technical, and legal assistants as he or she may with the consent of the Governor employ; the actual and necessary traveling expenses of said assistant representative and employees, and of the Governor when traveling in his or her capacity as official representative of the State of Oklahoma on "The Interstate Oil Compact Commission"; all items of office expense, including the cost of office supplies and equipment; such contributions as the Governor shall deem necessary and proper to pay to "The Interstate Oil Compact Commission" to defray its~~

expenses; and such other necessary expenses as may be incurred in enabling the State of Oklahoma to fully cooperate in accomplishing the objects of the Interstate Compact to conserve oil and gas. Said fund shall be disbursed by the State Treasurer upon sworn, itemized claims approved by the assistant representative and the Governor; provided, that if at the end of any fiscal year any part of said special fund shall remain unexpended, such balance shall be transferred by the State Treasurer to, and become a part of, the ~~"Conservation~~ General Revenue Fund" of the state for the ensuing fiscal year. Provided, further, that if the State of Oklahoma withdraws from the Interstate Compact to conserve oil and gas, any unencumbered monies in "The Interstate Oil Compact Fund of Oklahoma" shall be transferred to and become a part of the ~~"Conservation~~ General Revenue Fund" of the State Treasury and thereafter the excise tax on petroleum oil, natural gas and/or casinghead gas levied by this article shall be levied ~~and,~~ collected ~~wholly for the purpose for which the "Conservation Fund" is created~~ and deposited in the General Revenue Fund of the State Treasury.

~~5.~~ 4. All monies to accrue to the Corporation Commission Plugging Fund are hereby appropriated and shall be used for payment of expenses related to the statutory purpose of said fund.

The provisions of this subsection shall terminate on June 30, 2001.

B. 1. Beginning on July 1, 2001, all monies derived from the levy of the excise tax on petroleum oil provided for by Section 1101 of this Code shall be deposited with the State Treasurer, who shall credit and apportion the same as follows: ninety-four and five tenths percent (94.5%) of said excise tax shall be credited and apportioned to ~~a separate and distinct fund to be known as the "Conservation~~ General Revenue Fund, ~~which fund is hereby created~~ of the State Treasury, and the remaining five and five-tenths percent (5.5%) of said excise tax shall be credited and apportioned to a separate and distinct fund to be known as "The Interstate Oil Compact Fund of Oklahoma", which fund is hereby created.

2. Beginning on July 1, 2001, all monies derived from the levy of the excise tax on natural gas and/or casinghead gas provided for by Section 1102 of this Code shall be deposited with the State Treasurer, who shall credit and apportion the same as follows: twenty-one twenty-seconds (21/22) of said excise tax shall be credited and apportioned to ~~said Conservation~~ the General Revenue Fund of the State Treasury, and one twenty-second (1/22) of said excise tax shall be credited and apportioned to The Interstate Oil Compact Fund of Oklahoma.

~~3. Beginning on July 1, 2001, all monies to accrue to the "Conservation Fund" under the provisions of this article, together with all monies remaining unexpended in the "Conservation Fund" created under the provisions of this subsection are hereby appropriated and shall be used for the payment of salaries and expenses, including premiums on surety bonds as are required by law, of the employees of the Conservation Department, provided for by statute, and all items of office expense and office supplies, including stationery, telephone and telegraph, postage and printing and all other items of expense as fixed and authorized by law, and all expenses necessary to administer and enforce any other statutes of this state enacted to conserve oil and gas; but no monies shall be paid out of said Conservation Fund until the claim therefor has been itemized and verified by claimant and approved by the Conservation Officer and Corporation Commission, and when so approved, the State Treasurer shall draw his or her warrant therefor upon the State Treasurer and the same shall be paid out of the Conservation Fund hereby created.~~

~~4. Beginning on July 1, 2001, all monies to accrue to "The Interstate Oil Compact Fund of Oklahoma" under the provisions of this article, together with all monies remaining unexpended in "The Interstate Oil Compact Fund of Oklahoma" created under this subsection are hereby appropriated and shall be used for the payment of the compensation of the assistant representative of the State of Oklahoma on "The Interstate Oil Compact Commission", the compensation of such clerical, technical, and legal assistants as he or she may with the consent of the Governor employ; the actual~~

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and necessary traveling expenses of said assistant representative and employees, and of the Governor when traveling in his or her capacity as official representative of the State of Oklahoma on "The Interstate Oil Compact Commission"; all items of office expense, including the cost of office supplies and equipment; such contributions as the Governor shall deem necessary and proper to pay to "The Interstate Oil Compact Commission" to defray its expenses; and such other necessary expenses as may be incurred in enabling the State of Oklahoma to fully cooperate in accomplishing the objects of the Interstate Compact to conserve oil and gas. Said fund shall be disbursed by the State Treasurer upon sworn, itemized claims approved by the assistant representative and the Governor; provided, that if at the end of any fiscal year any part of said special fund shall remain unexpended, such balance shall be transferred by the State Treasurer to, and become a part of, the ~~"Conservation~~ General Revenue Fund" of the ~~state~~ State Treasury for the ensuing fiscal year. Provided, further, that if the State of Oklahoma withdraws from the Interstate Compact to conserve oil and gas, any unencumbered monies in "The Interstate Oil Compact Fund of Oklahoma" shall be transferred to and become a part of the ~~"Conservation~~ General Revenue Fund" of the State Treasury and thereafter the excise tax on petroleum oil, natural gas and/or casinghead gas levied by this article shall be levied ~~and, collected wholly for the purpose for which the "Conservation Fund" is created~~ and deposited in the General Revenue Fund of the State Treasury.

SECTION 13. TRANSFER On July 1, 1997, any unencumbered and unobligated funds remaining in the Conservation Fund shall be transferred to the credit of the General Revenue Fund of this state. Any unexpended and unobligated funds remaining in the Conservation Fund after November 15, 1997, shall be transferred to the credit of the General Revenue Fund of the State Treasury.

SECTION 14. REPEALER 17 O.S. 1991, Section 36, is hereby repealed.

SECTION 15. REPEALER 52 O.S. 1991, Sections 81 and 83, are hereby repealed.

SECTION 16. NONCODIFICATION The provisions of Section 13 shall not be codified in the Oklahoma Statutes.

SECTION 17. This act shall become effective July 1, 1997.

SECTION 18. 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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