

SHORT TITLE: Oil and gas; creating the Oklahoma Energy Resources Department; creating Oil and Gas Regulatory Board, Fuels Administration Board and Executive Committee; recodifying statutes governing oil and gas and alternative fuels administration; emergency.

STATE OF OKLAHOMA

1st Session of the 44th Legislature (1993)

SENATE BILL NO. 549

By: Easley

AS INTRODUCED

An Act relating to energy; amending 74 O.S. 1991, Section 130, which relates to alternative fuels administration; transferring powers, duties and responsibilities of the Oklahoma Alternative Fuels Conversion Act and the Alternative Fuels Technician Certification Act from the Office of Public Affairs to the Oklahoma Energy Resources Department; transferring certain rules to the Department; stating rules shall remain in effect and shall be enforced by Department; creating the Oklahoma Energy Resources Act; providing short title; creating the Oklahoma Energy Resources Department; stating divisions of Department; creating the Oil and Gas Regulatory Board; stating membership of Board; authorizing Governor, President Pro Tempore of the Senate and Speaker of the House of Representatives to appoint certain members; stating eligibility of members; stating terms of office; providing procedure in case of vacancy in office; authorizing each member to succeed himself for one term; authorizing Board to hold meetings and select officers; authorizing special meetings of the Board; authorizing members to receive travel reimbursement; stating duties of Board; creating the Fuels Administration Board; stating membership of Board; authorizing Governor, President Pro

Tempore of the Senate and Speaker of the House of Representatives to appoint certain members; stating eligibility of members; stating terms of office; providing procedure in case of vacancy in office; authorizing each member to succeed himself for one term; authorizing Board to hold meetings and select officers; authorizing special meetings of the Board; authorizing members to receive travel reimbursement; stating duties of Board; stating structure of Administration and Special Project Division of Department; including certain boards and commissions for certain purposes; creating Executive Committee of the Department; stating membership of Committee; requiring certain Committee meeting; authorizing special Committee meetings; stating duties of Committee; authorizing Executive Committee to appoint Executive Director of the Oklahoma Energy Resources Department and fix salary and qualifications; stating duties of the Executive Director; transferring certain powers, duties, responsibilities, unexpended funds, property, records, personnel and outstanding financial liability of the Corporation Commission to the Oklahoma Energy Resources Department; transferring rules and orders of the Corporation Commission to the Department; stating rules shall remain in effect and enforced by the Department; providing for recodification; 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 1001 of Title 52, unless there is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Oklahoma Energy Resources Act".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1002 of Title 52, unless there is created a duplication in numbering, reads as follows:

There is hereby created the Oklahoma Energy Resources Department. Said Department shall consist of the following divisions: the Oil and Gas Regulatory Division, the Fuels Administration Division and the Administration and Special Projects Division.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1003 of Title 52, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created the Oil and Gas Regulatory Board.

B. Said Board shall consist of twelve (12) members to be appointed as follows:

1. The Governor shall appoint four members as follows:

- a. two members who shall represent the independent oil and gas production industry,
- b. one member who shall represent oil and gas royalty owners, and
- c. one member who shall represent a major oil company;

2. The President Pro Tempore of the Senate shall appoint four members as follows:

- a. two members who shall represent the independent oil and gas production industry,

- b. one member who shall represent a statewide nonprofit environmental organization, and
- c. one member who shall represent oil and gas royalty owners; and

3. The Speaker of the House of Representatives shall appoint four members as follows:

- a. two members who shall represent the independent oil and gas production industry,
- b. one member who shall represent a major oil company, and
- c. one member who shall represent a statewide nonprofit environmental organization.

C. To be eligible for appointment to the Board a person shall:

- 1. Be a citizen of the United States;
- 2. Be a resident of this state;
- 3. Be a qualified elector of this state;
- 4. Not have been convicted of a felony pursuant to the laws of this state, the laws of any other state or the laws of the United States; and

5. Be recommended to the appointing authority by a qualified state association. A qualified state association is one which has been in existence as of January 1, 1993, organized and operating within this state on a statewide basis, who represents the interests of the position for which it is making a recommendation.

D. The term of office for members of the Oil and Gas Regulatory Board shall be for four (4) years. For the initial terms of office, each appointing authority shall appoint one member to serve for four (4) years, one member to serve for three (3) years, one member to serve for two (2) years and one member to serve for one (1) year.

E. An appointment shall be made by the appropriate appointing authority within ninety (90) days after the expiration of the term of any member due to resignation, death or any cause resulting in an

unexpired term. In the event of a vacancy on the Board resulting in an unexpired term, if such vacancy is not filled within ninety (90) days, the Board may appoint a provisional member to serve in the interim until the appointing authority acts.

F. A member of the Board may be reappointed to succeed himself for one additional term.

G. The Board shall hold meetings as necessary at a place and time to be fixed by the Board. The Board shall select, at its first meeting following the passage of the Oklahoma Energy Resources Act, one of its members to serve as chairman and another of its members to serve as vice-chairman. At the first meeting in each calendar year thereafter, the chairman and vice-chairman for the ensuing year shall be elected. Special meetings may be called by the chairman or by seven (7) members of the Board by delivery of written notice to each member of the Board. A majority of the Board present at the meeting shall constitute a quorum of the Board.

H. Members of the Board shall receive necessary travel expenses according to the provisions of the State Travel Reimbursement Act, Section 500.1 et seq. of Title 74 of the Oklahoma Statutes.

I. The Board shall:

1. Be the rulemaking body for the Oil and Gas Regulatory Division of the Oklahoma Energy Resources Department;

2. Select two of its members to serve on the Executive Committee of the Oklahoma Energy Resources Department; and

3. Have the authority to adopt nonbinding resolutions expressing the sense of the Board and advising the Department in any matter relating to the regulation of oil and gas.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1004 of Title 52, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created the Fuels Administration Board.

B. Said Board shall consist of twelve (12) members to be appointed as follows:

1. The Governor shall appoint four members as follows:

- a. two members who shall represent the liquefied petroleum gas industry,
- b. one member who shall represent the retail petroleum industry, and
- c. one member who shall represent a statewide nonprofit environmental organization;

2. The President Pro Tempore of the Senate shall appoint four members as follows:

- a. two members who shall represent the retail petroleum industry,
- b. one member who shall represent the liquefied petroleum gas industry, and
- c. one member who shall represent the compressed natural gas industry;

3. The Speaker of the House of Representatives shall appoint four members as follows:

- a. one member who shall be a geologist,
- b. two members who shall represent the liquefied petroleum gas industry, and
- c. one member who shall represent the retail petroleum industry.

C. To be eligible for appointment to the Board a person shall:

1. Be a citizen of the United States;
2. Be a resident of this state;
3. Be a qualified elector of this state;
4. Not have been convicted of a felony pursuant to the laws of this state, the laws of any other state or the laws of the United States; and

5. Be recommended to the appointing authority by a qualified state association. A qualified state association is one which has been in existence as of January 1, 1993, organized and operating within this state on a statewide bases, who represents the interests of the position for which it is making a recommendation.

D. The term of office for members of the Fuels Administration Board shall be for four (4) years. For the initial terms of office, each appointing authority shall appoint one member to serve for four (4) years, one member to serve for three (3) years, one member to serve for two (2) years and one member to serve for one (1) year.

E. An appointment shall be made by the appropriate appointing authority within ninety (90) days after the expiration of the term of any member due to resignation, death or any cause resulting in an unexpired term. In the event of a vacancy on the Board resulting in an unexpired term, if such vacancy is not filled within ninety (90) days, the Board may appoint a provisional member to serve in the interim until the appointing authority acts.

F. A member of the Board may be reappointed to succeed himself for one additional term.

G. The Board shall hold meetings as necessary at a place and time to be fixed by the Board. The Board shall select, at its first meeting following the passage of the Oklahoma Energy Resources Act, one of its members to serve as chairman and another of its members to serve as vice-chairman. At the first meeting in each calendar year thereafter, the chairman and vice-chairman for the ensuing year shall be elected. Special meetings may be called by the chairman or by seven (7) members of the Board by delivery of written notice to each member of the Board. A majority of the Board present at the meeting shall constitute a quorum of the Board.

H. Members of the Board shall receive necessary travel expenses according to the provisions of the State Travel Reimbursement Act, Section 500.1 et seq. of Title 74 of the Oklahoma Statutes.

I. The Board shall:

1. Be the rulemaking body for the Fuels Administration Division of the Oklahoma Energy Resources Department;
2. Select two of its members to serve on the Executive Committee of the Oklahoma Energy Resources Department; and
3. Have the authority to adopt nonbinding resolutions expressing the sense of the Board and advising the Department in any matter relating to the regulation of fuels.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1005 of Title 52, unless there is created a duplication in numbering, reads as follows:

A. The Administration and Special Project Division of the Oklahoma Energy Resources Department shall consist of the following functions or departments: finance, data processing, personnel, administrative law judges and legal.

B. For administrative purposes the following Boards and Commissions shall be considered as part of the Administration and Special Project Division of the Oklahoma Energy Resources Department:

1. The Commission on Marginally Producing Oil and Gas Wells, established pursuant to the provisions of Section 700 et seq. of Title 52 of the Oklahoma Statutes;
2. The Oklahoma Independent Energy Resources Board, established pursuant to the provisions of Section 288.1 et seq. of Title 52 of the Oklahoma Statutes; and
3. The Interstate Oil and Gas Compact Commission, established pursuant to the provisions of Section 201 et seq. of Title 52 of the Oklahoma Statutes.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1006 of Title 52, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created an Executive Committee of the Oklahoma Energy Resources Department. The Executive Committee shall consist of five (5) members who shall each be a member of the Oil and Gas Regulatory Board, the Fuels Administration Board, the Commission on Marginally Producing Oil and Gas Wells or the Oklahoma Independent Resources Board as follows:

1. The members of the Oil and Gas Regulatory Board shall annually elect two (2) of its members to serve on the Committee;

2. The members of the Fuels Administration Board shall annually elect two (2) of their members to serve on the Committee; and

3. The members of the Commission on Marginally Producing Oil and Gas Wells and the Oklahoma Independent Resources Board shall jointly annually elect one (1) member of either said board or commission to serve on the Committee.

B. The Executive Committee shall meet as necessary and annually on the first Monday in January of each year for the purpose of electing a chairman and vice-chairman from among its members. Special meetings of the Committee may be called by the chairman or by any three (3) members by delivery of written notice to each member of the Committee.

C. It shall be the duty of the Executive Committee to appoint and set the salary for the Executive Director of the Oklahoma Energy Resources Department, subject to the advise and consent of the Oklahoma State Senate. The Executive Director shall serve at the pleasure of the Executive Committee. In case of vacancy in the position of Executive Director, the Executive Committee shall have the authority to appoint an interim Executive Director who shall be eligible to serve for a period not to exceed six (6) months.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1007 of Title 52, unless there is created a duplication in numbering, reads as follows:

A. The Executive Committee of the Oklahoma Energy Resources Department shall appoint the Executive Director, pursuant to the provisions of Section 6 of this act.

B. The Executive Director shall have experience in any of the energy related industries, or other such qualifications as may be required by the Committee.

C. The Executive Director shall provide for the administration of the Department and shall:

1. Be the executive officer and supervise the activities of the Oklahoma Energy Resources Department;

2. Employ, appoint or contract with, and fix the duties and compensation of such assistants, attorneys, technical personnel, aides and other such personnel, either on a full-time, part-time, fee or contractual basis, as in his or her judgement and discretion shall be deemed necessary, expedient, convenient or appropriate to the performance or carrying out of any of the purposes, objectives or provisions relating to the Oklahoma Energy Resources Department pursuant to the Oklahoma Energy Resources Act, or to assist him or her in the performance of his or her official duties and functions; and

3. Exercise all incidental powers which are necessary and proper to implement the purposes of the Oklahoma Energy Resources Department pursuant to the Oklahoma Energy Resources Act.

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1008 of Title 52, unless there is created a duplication in numbering, reads as follows:

A. All powers, duties, and responsibilities now exercised by the Oklahoma Corporation Commission pursuant to Title 52 of the Oklahoma Statutes are hereby transferred to the Oklahoma Energy Resources Department, together with all unexpended funds, property, records, personnel, and any outstanding financial obligations and encumbrances related to the activities of the Oil and Gas

Conservation Division and the Fuels Division, including appropriate administrative and support services.

B. As used in Title 52 of the Oklahoma Statutes, the term "Corporation Commission" shall mean the Oklahoma Energy Resources Department.

C. All rules promulgated and orders entered by the Corporation Commission prior to the effective date of this act related to the programs and functions transferred by this act, shall be transferred to the Oklahoma Energy Resources Department and shall remain in full force and effect until amended, modified, revoked or repealed by the Oklahoma Energy Resources Department and shall be enforced by the Department.

SECTION 9. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1009 of Title 52, unless there is created a duplication in numbering, reads as follows:

A. All powers, duties, and responsibilities now exercised by the Oklahoma Liquefied Petroleum Gas Board pursuant to law are hereby transferred to the Oklahoma Energy Resources Department, together with all unexpended funds, property, records, personnel, and any outstanding financial obligations and encumbrances related thereto.

B. As used in Sections 420.1 through 421.1, inclusive, of Title 52 of the Oklahoma Statutes, the term "Oklahoma Liquefied Petroleum Gas Board" shall mean the Oklahoma Energy Resources Department created by this act and the terms "State Liquefied Petroleum Gas Administrator" and "Administrator" shall mean the Executive Director of the Oklahoma Energy Resources Department.

C. All rules promulgated and orders entered by the Oklahoma Liquefied Petroleum Gas Board prior to the effective date of this act shall be transferred to the Oklahoma Energy Resources Department and shall remain in full force and effect until amended, modified,

revoked or repealed by the Oklahoma Energy Resources Department and shall be enforced by the Department.

SECTION 10. AMENDATORY 74 O.S. 1991, Section 130, is amended to read as follows:

Section 130. A. All powers, duties, and responsibilities of the Oklahoma Alternative Fuels Conversion Act and the Alternative Fuels Technician Certification Act now exercised by the ~~Oklahoma Corporation Commission~~ Department of Central Services, also known as the Office of Public Affairs, pursuant to law are hereby transferred to the ~~Office of Public Affairs~~ Oklahoma Energy Resources Department, together with all unexpended funds, property, records, personnel, and any outstanding financial obligations and encumbrances related thereto.

B. As used in the Oklahoma Alternative Fuels Conversion Act and the Alternative Fuels Technician Certification Act, the term "Department of Central Services" shall mean the Oklahoma Energy Resources Department created by this act and the term "Director of the Department of Central Services" shall mean the Executive Director of the Oklahoma Energy Resources Department.

C. All rules promulgated and orders entered by the Department of Central Services prior to the effective date of this act related to the programs and functions transferred by this act shall be transferred to the Oklahoma Energy Resources Department and shall remain in full force and effect until amended, modified, revoked or repealed by the Oklahoma Energy Resources Department and shall be enforced by the Department.

SECTION 11. RECODIFICATION 74 O.S. 1991, Sections 130, as amended by Section 10 of this act, 130.1, 130.2, 130.3, 130.4, 130.5, 130.6, 130.7, 130.8, 130.9, 130.10, 130.11, 130.12, 130.13, 130.14, 130.15, 130.16, 130.17, 130.18, 130.19, 130.20, 130.21, 130.22, 130.23 and 130.24, shall be recodified as Sections 2001

through 2025 of Title 52 of the Oklahoma Statutes, unless there is created a duplication in numbering.

SECTION 12. RECODIFICATION 52 O.S. 1991, Sections 1, 1.1, 2, 3, 4, 5, 5.1, 5.2, 7, 8, 9, 10, 21, 22, 23, 24, 24.1, 24.2, 25, 26, 27, 28, 30, 30.1, 31, 32, 33, 34, 41, 42, 43, 44, 45, 46.1, 46.2, 46.3, 46.4, 47.1, 47.2, 47.3, 47.4, 47.5, 47.6, as amended by Section 1, Chapter 271, O.S.L. 1992, 47.7, 47.8, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64 and 65 (52 O.S. Supp. 1992, Section 47.6), shall be recodified as Sections 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1021, 1022, 1023, 1024, 1025, 1026, 1027, 1028, 1029, 1030, 1031, 1032, 1033, 1034, 1035, 1036, 1051, 1052, 1053, 1054, 1055, 1056, 1057, 1058, 1059, 1060, 1061, 1062, 1063, 1064, 1065, 1066, 1071, 1072, 1073, 1074, 1075, 1076, 1077, 1078, 1079, 1080, 1081, 1082, 1083, 1084 and 1085 of Title 17 of the Oklahoma Statutes, unless there is created a duplication in numbering.

SECTION 13. RECODIFICATION 17 O.S. 1991, Sections 51, 52, 53, 53.1, 53.2, Section 1, Chapter 362, O.S.L. 1992, 54, 55, 56, Section 21, Chapter 298, O.S.L. 1992, as amended by Section 2, Chapter 401, O.S.L. 1992, 270, 271, 301, 302, 303, as amended by Section 1, Chapter 403, O.S.L. 1992, 304, as amended by Section 2, Chapter 403, O.S.L. 1992, 305, as amended by Section 1, Chapter 406, O.S.L. 1992, 306, as amended by Section 2, Chapter 406, O.S.L. 1992, 306.1, 307, 308, 308.1, 309, as amended by Section 3, Chapter 406, O.S.L. 1992, 310, 311, 312, 313, 314, 315, 316, 350, 351, 352, as amended by Section 4, Chapter 406, O.S.L. 1992, 353, as amended by Section 5, Chapter 406, O.S.L. 1992, 354, 355, 356, as amended by Section 6, Chapter 406, O.S.L. 1992, Section 7, Chapter 406, O.S.L. 1992, 357, 358, Section 11, Chapter 406, O.S.L. 1992, 365, as amended by Section 8, Chapter 406, O.S.L. 1992, 401, 402, as amended by Section 9, Chapter 406, O.S.L. 1992, 403, 404, 405, 406, 407, 408, 409, 410, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509,

510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524 and 525 (17 O.S. Supp. 1992, Sections 53.3, 57, 303, 304, 305, 306, 309, 352, 353, 356, 356.1, 359, 365 and 402), shall be recodified as Sections 1201, 1202, 1203, 1204, 1205, 1206, 1207, 1208, 1209, 1210, 1251, 1252, 1501, 1502, 1503, 1504, 1505, 1506, 1507, 1508, 1509, 1510, 1511, 1512, 1513, 1514, 1515, 1516, 1517, 1518, 1551, 1552, 1553, 1554, 1555, 1556, 1557, 1558, 1559, 1560, 1561, 1562, 1601, 1602, 1603, 1604, 1605, 1606, 1607, 1608, 1609, 1610, 1700, 1701, 1702, 1703, 1704, 1705, 1706, 1707, 1708, 1709, 1710, 1711, 1712, 1713, 1714, 1715, 1716, 1717, 1718, 1719, 1720, 1721, 1722, 1723, 1724 and 1725 of Title 52 of the Oklahoma Statutes, unless there is created a duplication in numbering.

SECTION 14. 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.

44-1-0397

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