

SHORT TITLE: Oil and Gas; requiring natural gas meters and recorders; codification; effective date.

STATE OF OKLAHOMA

1st Session of the 45th Legislature (1995)

SENATE BILL NO. 169

By: Stipe

AS INTRODUCED

An Act relating to oil and gas; requiring natural gas wells to have gas meter and recorder for gathering lines; stating exception; defining terms; providing for offsite recorders; providing for certain electronic meters and recorders; requiring equipment to meet certain standards; providing procedures in case of malfunctioning equipment; providing for codification; and providing an effective date.

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 478 of Title 52, unless there is created a duplication in numbering, reads as follows:

A. For allowable, allocation or custody transfer purposes, each well producing natural gas, other than a shut-in gas well, shall have a gas meter and recorder for the gathering line; provided, that if two (2) or more wells share in a single allowable under the rules of the Corporation Commission, a single gas meter and recorder may be used to measure gas production, unless a special order of the Commission requires the allocation of gas production on a per-well basis.

1. For the purposes of this subsection, the term "recorder" shall mean a circular gas chart recorder or other type of recording

device which has been mutually agreed upon by the gas seller and the gas purchaser.

2. For the purposes of this subsection, an offsite recorder shall be permitted provided:

- a. there is compliance with the requirements of this subsection, and
- b. the recording device is made available for inspection by the Conservation Division of the Corporation Commission to determine that the recorder is functioning properly.

3. Offsite recordation under the provisions of this subsection shall be treated as wellsite metering for purposes of reporting requirements.

4. Electronic gas measurement and recording devices that meet industry standards as required by this section may be used for allowable, allocation, custody transfer and well testing.

B. Each meter and recorder shall be properly constructed, maintained, repaired, and operated to continually and accurately register the quantity of gas produced from the well into the gathering line.

C. The meter and recorder shall be installed, used and operated according to the natural gas industry standards and guidelines promulgated by the American Gas Association, the American Petroleum Institute, and the Gas Processors Association in effect at the time of installation of the meter recorder. If there is a conflicting standard, the American Gas Association standard shall apply.

D. In the case of malfunction of a meter or recorder at the wellsite, the owner or operator of the meter is required to repair such equipment within seventy-two (72) hours after discovery of the malfunction. If the well continues to produce gas while the meter or recorder is malfunctioning or being repaired, estimated gas volumes shall be determined using the average stabilized flow for

the twenty-four-hour period immediately preceding and immediately subsequent to the period of malfunction or repair.

SECTION 2. This act shall become effective November 1, 1995.

45-1-0172

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