

STATE OF OKLAHOMA

1st Session of the 46th Legislature (1997)

HOUSE BILL NO. 1339

By: Begley

AS INTRODUCED

An Act relating to oil and gas; amending 52 O.S.

1991, Section 239, as last amended by Section 1, Chapter 345, O.S.L. 1995 (52 O.S. Supp. 1996, Section 239), which relates to regulation of gas from a common source of supply; deleting certain exception; modifying Corporation Commission authority over taking gas from certain common sources of supply; providing for termination of certain field rules under certain conditions; providing for continuation of certain orders; and declaring an emergency.

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

SECTION 1. AMENDATORY 52 O.S. 1991, Section 239, as last amended by Section 1, Chapter 345, O.S.L. 1995 (52 O.S. Supp. 1996, Section 239), is amended to read as follows:

Section 239. A. Any person, firm or corporation, having the right to drill into and produce gas from any common source of supply, may take therefrom only such proportion of the natural gas that may be marketed without waste, as the natural flow of the well or wells owned or controlled by the person, firm or corporation bears to the total natural flow of such common source of supply

having due regard to the acreage drained by each well, so as to prevent the person, firm or corporation securing any unfair proportion of the gas from the common source of supply. Except as otherwise provided in this section, the Corporation Commission is authorized and directed to prescribe rules for the determination of the natural flow of any well or wells, and to promulgate field rules to regulate the taking of natural gas from any or all common sources of supply within the state, so as to prevent waste as the same is defined in Section 86.3 of this title, protect the interests of the public, and the correlative rights of all those having a right to produce from the common source of supply, and to prevent unreasonable discrimination in favor of any one common source of supply as against another. ~~Except for the common source of supply referred to as the Guymon-Hugoton, the~~

B. The Commission shall have no authority to prescribe or enforce rules under this section for the taking of natural gas from any ~~other~~ common source of supply when the average wellhead shut-in pressure of such ~~other~~ common source of supply declines to below one hundred (100) pounds per square inch gauge or the average production per well in the common source of supply declines below two hundred thousand (200,000) standard cubic feet per day for each day of the last calendar year.

C. When the average wellhead shut-in pressure of a common source of supply declines to below one hundred (100) pounds per square inch gauge or the average production per well in the the common source of supply declines below two hundred thousand (200,000) standard cubic feet per day for each day of the last calendar year, the existing field rules for that common source of supply shall automatically terminate and shall thereafter have no further force and effect. The termination of field rules as provided for in this subsection shall not effect the validity of

well spacing or drilling units established pursuant to Section 87.1 of this title, or any predecessor statute.

SECTION 2. 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.

46-1-5220

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