

(1ST EXTRAORDINARY SESSION
OF THE 47TH LEGISLATURE)
ENROLLED SENATE
BILL NO. 9X

By: Easley of the Senate

and

Beutler and Begley of the
House

An Act relating to oil and gas; providing certain notice and hearing procedures for applicants filing for Corporation Commission approval of increased density wells; requiring notices to be sent by regular mail by certain date; stating limit on notice requirement; requiring certain notice publication; 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 87.5 of Title 52, unless there is created a duplication in numbering, reads as follows:

A. When any application is filed with the Corporation Commission for approval of an increased density well in any drilling and spacing unit, notice of the hearing to be held upon such application shall be given by the applicant to:

1. Those persons, including government entities, entitled to oil or gas or the proceeds of oil or gas produced from the common source of supply in the drilling and spacing unit for which the application for an increased density well has been filed; and

2. The operator, as shown by the records of the Commission, of each well which is commencing or currently producing from the same common source of supply in the drilling and spacing unit or any separate tract of land immediately surrounding the drilling and spacing unit for such an increased density well.

B. If the applicant is seeking approval of an increased density well to be completed in a common source of supply for which the Commission has established field rules, and for which no application for an increased density well in such common source of supply has been approved by the Commission subsequent to January 1, 1998, and prior to the effective date of this act, notice shall also be given to the operator, as shown by the records of the Commission, of each

well commencing or currently producing from that same common source of supply governed by the field rules.

C. If the applicant is the operator of a well commencing or currently producing from the same common source of supply applicable to the increased density well in a drilling and spacing unit or a separate tract of land immediately surrounding the drilling and spacing unit for such increased density well, notice shall also be given to each owner, as shown by the records of the operator, with a working interest in such well in such common source of supply.

D. The notices required by subsections A, B and C of this section shall be given by mailing by regular mail no less than fifteen (15) days prior to the date of the hearing.

E. No person except for those persons provided for in this section shall be entitled to notice of the hearing on an application for approval of an increased density well in any drilling and spacing unit.

F. The Commission shall require that notice of the hearing be published one time at least fifteen (15) days prior to the hearing in a newspaper of general circulation published in each county in which the lands embraced in the application are located. If the increased density well is to be completed in a common source of supply for which the Commission has established field rules and for which no application for an increased density well in such common source of supply has been approved by the Commission subsequent to January 1, 1998, and prior to the effective date of this act, notice of the hearing shall also be published one time at least fifteen (15) days prior to the hearing in a newspaper of general circulation published in each county in which the lands subject to the field rules are located.

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.

Passed the Senate the 16th day of June, 1999.

President of the Senate

Passed the House of Representatives the 18th day of June, 1999.

Speaker of the House of Representatives