

STATE OF OKLAHOMA

2nd Session of the 47th Legislature (2000)

HOUSE BILL HB2419

By: Rice

AS INTRODUCED

An Act relating to oil and gas; amending 52 O.S. 1991, Section 310, which relates to plugging leaking abandoned oil and gas wells; updating statutory language; providing for the evaluation of the status of certain persons to plug, replug, or repair certain wells; allowing the Commission to order the replugging or repair of certain wells threatened by construction; establishing responsibility for the replugging or repair; establishing responsibility when certain information is not obtained; establishing the responsibility of certain persons who disturb the integrity of a well with construction; defining certain term; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 52 O.S. 1991, Section 310, is amended to read as follows:

Section 310. A. If, after notice and hearing, the Commission finds that:

1. A well drilled for the exploration, development, or production of oil or gas, or as an injection or disposal well, is abandoned and unplugged or improperly plugged or is causing or is likely to cause surface or subsurface pollution of any fresh water or is purging or is likely to purge salt water, oil, gas, or other deleterious substances onto the surface of the land in the vicinity of the well; and

2. The operator of the well or any other person responsible for plugging, replugging, or repairing the well 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 work, the

Commission or any person authorized by the Commission may enter upon the land upon which the well is located and plug, replug, or repair the well as may be reasonably required to remedy the condition. 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. The operation shall be conducted in the manner prescribed by the Commission.

B. For the purpose of immediately responding to emergency situations within the Commission's jurisdiction 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 Plugging 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 ~~Office of Public Affairs~~ 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 Plugging Fund. Any monies received as reimbursement shall be deposited to the credit of the Corporation Commission Plugging Fund.

C. If, at any time, the monies in the Corporation Commission Plugging Fund are insufficient to cover the cost of remedial action for all wells eligible for plugging, replugging or repair under this statute, the Commission shall prioritize expenditures according to degree of actual or potential environmental harm.

D. If the plugging, replugging, or repair of a well drilled for the exploration, development, or production of oil or gas, or as an injection or disposal well which is required to meet the standards established in Section 309 of this title, the Commission shall evaluate the status of the operator of the well or any other person responsible for plugging, replugging, or repair of the well and the potential use of state funds to plug, replug, or repair the well as provided for in subsection A of this section, except as provided as follows:

1. To prevent conditions enumerated in Section 309 of this title, the Commission may order the replugging or repair of a well previously plugged and abandoned according to the rules of the Commission if the Commission has reason to question the integrity of the plugged or abandoned well because of any proposed construction on the surface estate. In such case, the cost of replugging or repairing the well shall be the responsibility of the landowner or owner of the surface estate upon which the proposed construction will be located. If the well has not been plugged and abandoned according to the rules of the Commission, then the cost of plugging shall be the responsibility of:

- a. the operator of record of the well at the time it was required to be plugged by Commission rule or order,
- b. any working interest owner of the well at the time it was required to be plugged by Commission rule or order, or
- c. any person licensed by the Commission to pull pipe or plug wells that failed to comply with the rules of the Commission governing such activities, as determined by the Commission;

2. To remedy any condition requiring the replugging or repair of a well that is causing or is likely to cause surface or subsurface pollution of any fresh water or is purging or is likely

to purge salt water, oil, gas, or other deleterious substances onto the surface of the land in the vicinity of the well, where construction over or near such well began on or after July 1, 2000, and the developer, the landowner, or the owner of the surface estate, or the local or municipal government or agency permitting the construction failed to contact the Oil and Gas Division of the Corporation Commission before beginning construction to obtain information regarding the location and status of the well and the recommendation of the Conservation Division about the replugging or repair of the well, the responsibility to replug or repair the well shall rest with the developer, the landowner, or the owner of the surface estate at the time construction began; and

3. To remedy any condition requiring the replugging or repair of a well that is causing or is likely to cause surface or subsurface pollution of any fresh water or is purging or is likely to purge salt water, oil, gas, or other deleterious substances onto the surface of the land in the vicinity of the well, if the Commission determines from the evidence obtained by the Conservation Division, or otherwise made available to it, that:

- a. after the well was properly plugged and abandoned according to the rules of the Commission, development of the surface of the property on which the well is located by someone other than the operator or an affiliate of the operator has likely disturbed the integrity of the properly plugged and abandoned well, and
- b. the Commission can identify the party or parties responsible for disturbing the integrity of the properly plugged and abandoned well,

The Commission shall determine and assess, after notice and hearing, the responsibility for the replugging and repairing the well upon

the party or parties who are found to have likely disturbed the integrity of the well.

E. As used in this section, "construction" shall mean, including but not limited to, the erection of a structure or other improvements on the surface, the excavation of the surface, or the placement of fill on the surface over or near any well which may affect the well or prevent or impede access to the well for purposes of remedying any condition requiring the plugging, replugging, or repair of such well.

SECTION 2. This act shall become effective July 1, 2000.

SECTION 3. 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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