

STATE OF OKLAHOMA

1st Session of the 48th Legislature (2001)

SENATE BILL 338

By: Easley

AS INTRODUCED

An Act relating to oil and gas; amending Section 1, Chapter 3, 1st Extraordinary Session, O.S.L. 1999, (52 O.S. Supp. 2000, Section 87.5), which relates to increased density well hearings; clarifying certain date; updating statutory language; and declaring an emergency.

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

SECTION 1. AMENDATORY Section 1, Chapter 3, 1st Extraordinary Session, O.S.L. 1999 (52 O.S. Supp. 2000, Section 87.5), is amended to read as follows:

Section 87.5 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~~ June 21, 1999, 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 a mailed 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~~ June 21, 1999, 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.

48-1-688

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