

STATE OF OKLAHOMA

1st Session of the 50th Legislature (2005)

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1913

By: Peters (Ron)

COMMITTEE SUBSTITUTE

An Act relating to oil and gas; amending 52 O.S. 2001, Section 86.1, which relates to oil and gas definitions; updating statutory language; adding certain definition; and declaring an emergency.

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

SECTION 1. AMENDATORY 52 O.S. 2001, Section 86.1, is amended to read as follows:

Section 86.1 For the purposes of this act, ~~;~~

~~(a) The term 1. "Commission" shall mean~~ means the Corporation Commission;

~~(b) The word "person" shall include~~ 2. "Person" includes any individual, copartnership, corporation, common law or statutory trust or association of whatever character;

~~(c) The term "common~~ 3. "Common source of supply" shall ~~comprise and include~~ comprises and includes that area which is underlaid or which, from geological or other scientific data, or from drilling operations, or other evidence, appears to be underlaid, by a common accumulation of oil or gas or both; ~~provided, that, if.~~ If any such area is underlaid, or appears from geological or other scientific data, or from drilling operations, or other evidence, to be underlaid by more than one common accumulation of oil or gas or both, separated from each other by a strata of earth and not connected with each other, then such area, as to each said

1 common accumulation of oil or gas or both, shall be deemed a
2 separate common source of supply;

3 ~~(d) The term "owner" shall mean~~ 4. "Owner" means a person who
4 has the right to drill into and to produce from any common source of
5 supply and to appropriate the production, either for ~~himself~~ that
6 person or for ~~himself~~ that person and others;

7 ~~(e) The word "oil" shall mean~~ 5. "Oil" means crude petroleum
8 oil, and any other hydrocarbons, regardless of gravity, which are
9 produced at the well in liquid form by ordinary production methods;

10 ~~(f) The word "gas" shall mean~~ 6. "Gas" means all natural gas,
11 including casinghead gas, and all other hydrocarbons not defined as
12 oil in ~~the subsection above~~ paragraph 5 of this section;

13 ~~(g) The term "producer" shall mean~~ 7. "Producer" means any
14 person who, along or in association with another person or persons,
15 shall have the right to drill into and produce from, or who has any
16 interest in production from, any common source of supply in this
17 state;

18 ~~(h) The term "operator" shall mean~~ 8. "Operator" means any
19 producer of oil or gas who has drilled a well or wells into a common
20 source of supply and is engaged in operating ~~such~~ the well or wells
21 for the purpose of producing oil or gas therefrom;

22 ~~(i) The term "taker" shall include~~ 9. "Taker" includes any
23 person, who, acting alone, or jointly with any person or persons, is
24 directly or indirectly purchasing or transporting by any means
25 whatsoever or otherwise removing oil or gas from any common source
26 of supply in this state; and

27 10. "Hearing" means and includes any process or proceeding,
28 after notice and opportunity to be heard, by which the Commission
29 may exercise its authority under Chapter 3 of this title and as set
30 forth in the Rules of Practice of the Commission. Any evidence as
31 defined, authorized, and permitted by the Oklahoma Constitution, the
32 laws of the State of Oklahoma, and rules of the Commission in

1 support of an application for Commission action or relief shall be
2 received as evidence.

3 SECTION 2. It being immediately necessary for the preservation
4 of the public peace, health and safety, an emergency is hereby
5 declared to exist, by reason whereof this act shall take effect and
6 be in full force from and after its passage and approval.

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