

1 ENGROSSED SENATE
2 BILL NO. 1475

By: Bingman, Gumm, Mazzei and
Branan of the Senate

3 and

4 Johnson (Rob) of the House

5
6
7 [oil and gas - Sustaining Oklahoma's Energy

8 Resources Act - codification -

9 emergency]

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

12 SECTION 1. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 290.1 of Title 52, unless there
14 is created a duplication in numbering, reads as follows:

15 This act shall be known and may be cited as the "Sustaining
16 Oklahoma's Energy Resources Act".

17 SECTION 2. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 290.2 of Title 52, unless there
19 is created a duplication in numbering, reads as follows:

20 The Legislature finds that while oil and gas exploration has
21 long been associated with the growth of our state and is responsible
22 for supplying over twenty percent (20%) of our state's annual tax
23 revenues there is no reinvestment mechanism to help ensure that

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1 current production levels, and thus high levels of tax revenues
2 which support critical governmental functions, are sustained.

3 Resources devoted to upstream oil and gas research and
4 development and advances in production technologies are very
5 limited, even by large producers, and that information is largely
6 proprietary and unavailable to others in the industry.

7 The development of new technologies in oil and gas exploration
8 and production will facilitate the recovery of vast reserves of oil
9 and gas located in new and previously discovered fields and new
10 technologies will be critical for the continued development of gas
11 shales, coalbed methane and tight sands which are found in our
12 state.

13 In addition to seeking new oil and gas fields, maintaining and
14 increasing our marginal well production is critical to our state's
15 energy future. Advances in oilfield technology which will lower
16 costs and maximizes production will ensure sustained oil and gas
17 revenues for our state.

18 By creating and funding the Sustaining Oklahoma's Energy
19 Resources Board, our state will be recognized nationally and
20 internationally for developing new technologies that will create
21 additional wealth for our citizens and increase our nation's energy
22 security.

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1 SECTION 3. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 290.3 of Title 52, unless there
3 is created a duplication in numbering, reads as follows:

4 A. There is hereby created the Sustaining Oklahoma's Energy
5 Resources Board. The purpose of the Board is to direct state and
6 private funds for oil and gas research and development projects.
7 The Board shall oversee projects to develop new technologies capable
8 of maximizing the existing oil and gas production in this state and
9 facilitate the discovery and development of new exploration fields.

10 B. The Board shall be composed as follows:

11 1. Two independent producers, one small oil producer and one
12 larger natural gas producer to be appointed by the President Pro
13 Tempore of the Oklahoma State Senate;

14 2. Two independent producers, one small oil producer and one
15 larger natural gas producer to be appointed by the Speaker of the
16 Oklahoma House of Representatives;

17 3. Three well-service-industry representatives appointed by the
18 Governor;

19 4. Three representatives appointed by the presidents of the
20 University of Oklahoma, Oklahoma State University and the University
21 of Tulsa; and

22 5. The Secretary of Energy, who shall serve as the chair of the
23 Board.

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1 C. Members of the Board shall receive no compensation for their
2 service but may be eligible for necessary and actual travel
3 reimbursement in accordance with the State Travel Reimbursement Act.
4 Appointments to the Board shall be made within ninety (90) days
5 following the effective date of this act. Appointments to the Board
6 shall be for two-year terms and appointees shall be eligible to
7 serve for no more than two consecutive terms. Members shall serve
8 at the pleasure of their appointing authority. Vacancies on the
9 Board shall be filled by the original appointing authority within
10 thirty (30) days following such vacancy. The Secretary of Energy
11 shall call the first meeting of the Board and determine a meeting
12 schedule.

13 D. The Board is authorized to promulgate rules and shall be
14 responsible for establishing procedures and operations of the Board.
15 Such procedures and operations shall be established as rules
16 promulgated by the Board pursuant to the requirements of the
17 Administrative Procedures Act. Such rules may provide for
18 protection from public disclosure of trade secrets and proprietary
19 information of any kind, including, but not limited to, data,
20 processes and technology, as the Board determines necessary.

21 E. The Secretary of Energy shall be responsible for
22 administration of public and private funds appropriated or donated
23 to this Board pursuant to the requirements of state law and the
24 provisions of this act. The Board may receive assistance and

1 cooperation from any other state entity as deemed necessary and
2 appropriate.

3 SECTION 4. 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.

7 Passed the Senate the 10th day of March, 2008.

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Presiding Officer of the Senate

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11 Passed the House of Representatives the ____ day of _____,
12 2008.

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Presiding Officer of the House
of Representatives

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