

ESB 1475

THE HOUSE OF REPRESENTATIVES  
Wednesday, April 9, 2008

ENGROSSED  
**Senate Bill No. 1475**  
**As Amended**

ENGROSSED SENATE BILL NO. 1475 - By: BINGMAN, GUMM, MAZZEI AND  
BRANAN of the Senate and JOHNSON (ROB) of the House.

[ oil and gas - Sustaining Oklahoma's Energy Resources Act – codification –  
emergency ]

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

4       This act shall be known and may be cited as the “Sustaining Oklahoma’s Energy  
5 Resources Act”.

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

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

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

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

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

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

14 By creating and funding the Sustaining Oklahoma's Energy Resources Board, our  
15 state will be recognized nationally and internationally for developing new technologies  
16 that will create additional wealth for our citizens and increase our nation's energy  
17 security.

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

21 A. There is hereby created the Sustaining Oklahoma's Energy Resources Board.  
22 The purpose of the Board is to direct state and private funds for oil and gas research and

UNDERLINED language denotes Amendments to present Statutes.  
**BOLD FACE CAPITALIZED** language denotes Committee Amendments.  
~~Strike thru~~ language denotes deletion from present Statutes.

1 development projects. The Board shall oversee projects to develop new technologies  
2 capable of maximizing the existing oil and gas production in this state and facilitate the  
3 discovery and development of new exploration fields.

4 B. The Board shall be composed as follows:

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

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

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

10 4. Three representatives appointed by the presidents of the University of  
11 Oklahoma, Oklahoma State University and the University of Tulsa; and

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

13 C. Members of the Board shall receive no compensation for their service but may be  
14 eligible for necessary and actual travel reimbursement in accordance with the State  
15 Travel Reimbursement Act. Appointments to the Board shall be made within ninety (90)  
16 days following the effective date of this act. Appointments to the Board shall be for two-  
17 year terms and appointees shall be eligible to serve for no more than two consecutive  
18 terms. Members shall serve at the pleasure of their appointing authority. Vacancies on  
19 the Board shall be filled by the original appointing authority within thirty (30) days  
20 following such vacancy. The Secretary of Energy shall call the first meeting of the Board  
21 and determine a meeting schedule.

1 D. The Board is authorized to promulgate rules and shall be responsible for  
2 establishing procedures and operations of the Board. Such procedures and operations  
3 shall be established as rules promulgated by the Board pursuant to the requirements of  
4 the Administrative Procedures Act. Such rules may provide for protection from public  
5 disclosure of trade secrets and proprietary information of any kind, including, but not  
6 limited to, data, processes and technology, as the Board determines necessary.

7 E. The Secretary of Energy shall be responsible for administration of public and  
8 private funds appropriated or donated to this Board pursuant to the requirements of  
9 state law and the provisions of this act. The Board may receive assistance and  
10 cooperation from any other state entity as deemed necessary and appropriate.

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

14 COMMITTEE REPORT BY: COMMITTEE ON ENERGY AND TECHNOLOGY, dated  
15 04-08-08 - DO PASS, As Amended.