

**EHB 3003**

**THE STATE SENATE**  
**Monday, April 7, 2008**

**ENGROSSED**

**House Bill No. 3003**

**As Amended**

ENGROSSED HOUSE BILL NO. 3003 - By: Johnson (Rob) and Worthen of the House and Bingman and Branam of the Senate.

An Act relating to oil and gas; creating the Sustaining Oklahoma's Energy Resources Act; providing short title; stating legislative findings; creating board; stating purpose; stating membership; providing for travel reimbursement; stating terms; providing for appointments by certain date; providing for vacancies; authorizing the Secretary of Energy to determine meeting schedule; authorizing board to promulgate rules; designating Secretary of Energy responsible for administration of certain funds; providing for codification; and declaring an emergency.

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

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

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

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

The State Legislature finds that while oil and gas exploration has long been associated with the growth of our state and is

1 responsible for supplying over twenty percent (20%) of our state's  
2 annual tax revenues, there is no reinvestment mechanism to help  
3 ensure that current production levels, and thus high levels of tax  
4 revenues which support critical governmental functions, are  
5 sustained.

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

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

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

20 By creating and funding the Sustaining Oklahoma's Energy  
21 Resources Board, our state will be recognized nationally and  
22 internationally for developing new technologies that will create

1 additional wealth for our citizens and increase our nation's energy  
2 security.

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

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

12 B. The Board shall be composed as follows:

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

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

19 **3. Three industry representatives, one each to represent well**  
20 **service operators, mid-stream and end use providers to be appointed**  
21 **by the Governor;**

1           4. Three representatives appointed by the Presidents of the  
2 University of Oklahoma, Oklahoma State University and the University  
3 of Tulsa; and

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

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

18           D. The Board is authorized to promulgate rules and shall be  
19 responsible for establishing procedures and operations of the Board.  
20 Such procedures and operations shall be established as rules  
21 promulgated by the Board pursuant to the requirements of the  
22 Administrative Procedures Act. Such rules may provide for  
23 protection from public disclosure of trade secrets and proprietary

1 information of any kind, including, but not limited to, data,  
2 processes and technology, as the Board determines necessary.

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

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

13 COMMITTEE REPORT BY: COMMITTEE ON ENERGY AND ENVIRONMENT, dated  
14 4-3-08 - DO PASS, As Amended and Coauthored.