

THE HOUSE OF REPRESENTATIVES
Thursday, February 26, 2009

Committee Substitute for
House Bill No. 1291

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 1291 - By: SHOEMAKE AND MORGAN of the House.

An Act relating to property; requiring a seller of certain property to deliver an oil and gas production property disclosure statement to a purchaser; requiring disclosures relating to oil and gas operations on the property; requiring certain notice relating to oil and gas operations to be included with the disclosure statement; requiring certain notices relating to the contents and impact of the disclosure; requiring the disclosure statement to be completed and signed by a certain date; directing the Oklahoma Real Estate Commission to develop and make available the disclosure statement; providing for codification; and providing an effective date.

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

1 SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma
2 Statutes as Section 841 of Title 60, unless there is created a duplication in numbering,
3 reads as follows:

4 A. A seller of any real property located in this state which may or may not be
5 improved with one or more dwelling units shall deliver, or cause to be delivered, to the
6 purchaser of the property a written oil and gas production property disclosure statement
7 on a form established by rule by the Oklahoma Real Estate Commission which shall
8 include the information set forth in subsection B of this section.

1 B. 1. The oil and gas production property disclosure statement shall include a
2 statement of whether the seller has actual knowledge of:

- 3 a. past or current oil and gas production located on the property,
4 including the number of active wells, any surface drilling and storage
5 equipment, gathering systems, any surface modification made due to
6 drilling operations, and identification of any current production
7 operator,
8 b. current oil and gas lease agreements affecting the property, including
9 identification of the lease owner and terms of the lease,
10 c. any abandoned wells located on the property, and
11 d. any lease roads.

12 2. The disclosure statement shall include notices to the purchaser which explain
13 the:

- 14 a. rights of a surface owner regarding oil and gas operations on property,
15 and
16 b. law restricting the location of habitable structures within a certain
17 distance from an active well and equipment.

18 3. The disclosure statement shall include the following notices to the purchaser in
19 bold and conspicuous type:

- 20 a. "The information and statements contained in this disclosure
21 statement are declarations and representations of the seller and are
22 not the representations of the real estate licensee.",

1 b. "The information contained in this disclosure statement is not
2 intended to be a part of any contract between the purchaser and the
3 seller.", and

4 c. "The declarations and information contained in this disclosure
5 statement are not warranties, express or implied of any kind, and are
6 not a substitute for any inspections or warranties the purchaser may
7 wish to obtain."

8 C. The oil and gas production property disclosure statement required by this
9 section shall be completed, signed and dated by the seller. The date of completion on the
10 disclosure statement may not be more than one hundred eighty (180) days prior to the
11 date of receipt of the statement by the purchaser.

12 D. The Oklahoma Real Estate Commission shall develop by rule the forms for the
13 oil and gas production property disclosure statement. After development of the initial
14 forms, the Oklahoma Real Estate Commission may amend by rule the forms as is
15 necessary and appropriate.

16 The forms shall be made available upon request irrespective of whether the person
17 requesting a disclosure form is represented by a real estate licensee.

18 SECTION 2. This act shall become effective November 1, 2009.

19 COMMITTEE REPORT BY: COMMITTEE ON ENERGY AND UTILITY
20 REGULATION, dated 02-25-09 - DO PASS, As Amended and Coauthored.

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