

1 **SENATE FLOOR VERSION**

2 February 28, 2011

3 COMMITTEE SUBSTITUTE  
4 FOR

5 SENATE BILL NO. 242

By: Branam and Justice of the  
Senate

6 and

7 Jackson of the House

8  
9 [ shale reservoir development - creating the 2011  
10 Shale Reservoir Development Act - codification -  
noncodification -

emergency ]

11  
12  
13 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

14 SECTION 1. NEW LAW A new section of law not to be  
15 codified in the Oklahoma Statutes reads as follows:

16 The Legislature finds that advances in horizontal drilling  
17 techniques for wells drilled and completed in shale formations in  
18 Oklahoma have advanced beyond the historical statutory spacing  
19 scheme found in Sections 87.1 and 287.1 et seq. of Title 52 of the  
20 Oklahoma Statutes, in particular with laterals exceeding 5,280 feet  
21 in length. The Corporation Commission, as the agency charged with  
22 the protection of the correlative rights of those owning oil and gas  
23 interests in this state, the prevention of waste and promotion of  
24 full development of these Oklahoma resources, is constrained in its

1 ability to adequately accomplish the balancing of these goals by the  
2 limitations placed upon it by the existing statutory scheme. In  
3 order to prevent waste, better protect the correlative rights of the  
4 owners of oil and gas mineral interests, and harmonize our state's  
5 historical regulatory scheme with the expanding technology of  
6 drilling and completing horizontal wells in shale reservoirs in this  
7 state, the Legislature finds it necessary to modify Oklahoma's oil  
8 and gas regulatory scheme as set forth in this act.

9 SECTION 2. 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, dated 2-24-11 - DO PASS,  
14 As Amended and Coauthored.

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