

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 SENATE BILL 1175

By: Schulz

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6 AS INTRODUCED

7 An Act relating to energy; stating legislative  
8 findings relating to the Oklahoma First Energy Plan;  
9 requesting Governor to direct creation of certain  
10 working groups; stating purpose; requiring  
11 recommendations by certain date; amending 52 O.S.  
2011, Section 318.2, which relates to surface  
damages; creating the Oklahoma Surface Damages Act;  
providing short title; providing for noncodification;  
and declaring an emergency.

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

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

17 Recognizing that "Oklahoma is an energy state and an energy  
18 leader," Governor Mary Fallin recently released the "Oklahoma First  
19 Energy Plan" as a vision for "leveraging our unique human and  
20 natural resources to create wealth at home," and recognizing "the  
21 role of government is to provide a fair and equitable environment  
22 for the free market to work while protecting the public interest."  
23 Therefore recommendations in the Energy Plan "are designed to be  
24 used by legislators in statutes, employed by regulators in rule

1 making, or promoted through executive order or bully-pulpit  
2 advocacy."

3 In an effort to reduce conflicts and litigation between oil and  
4 gas operators, producers, mineral owners, wind developers,  
5 transmission line developers and surface estate owners, the Energy  
6 Plan seeks to "foster coordination between multiple uses of the  
7 surface estate, including agriculture, oil and gas, and wind  
8 development" and "foster better relationships and understanding with  
9 regard to the rights and obligations among the various  
10 stakeholders." In order to facilitate these goals, the  
11 recommendation of the Energy Plan is to "assemble working groups of  
12 the stakeholders to examine Oklahoma's statutory and regulatory  
13 framework to determine areas of conflict and consider potential  
14 solutions."

15 The Legislature finds there exists a number of areas of  
16 significant and growing conflicts between the stakeholders,  
17 including:

18 1. Surface use and damages related to oil and gas exploration,  
19 including seismic exploration;

20 2. The use of Oklahoma's police power in creating and  
21 implementing drilling and spacing units, and the force pooling of  
22 those units;

23 3. Oil and gas royalty payment practices; and  
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1 4. Siting and related damage or payment issues for electric  
2 transmission lines.

3 Building upon the successes of the working groups that resulted  
4 in the development and adoption of the 2011 Shale Reservoir  
5 Development Act and the Exploration Rights Act of 2011, the  
6 Legislature requests that the Governor direct the Secretary of  
7 Energy to establish working groups of the above identified  
8 stakeholders for the purpose of examining this state's statutory and  
9 regulatory framework related to these identified areas of conflict  
10 and develop legislative and administrative recommendations prior to  
11 the beginning of the 2013 legislative session.

12 SECTION 2. AMENDATORY 52 O.S. 2011, Section 318.2, is  
13 amended to read as follows:

14 Section 318.2. ~~For purposes of Sections 1 through 8 of this act~~

15 A. Sections 318.2 et seq. of this title shall be known and may  
16 be cited as the "Oklahoma Surface Damages Act".

17 B. As used in the Oklahoma Surface Damages Act:

18 1. "Operator" means a mineral owner or lessee who is engaged in  
19 drilling or preparing to drill for oil or gas; and

20 2. "Surface owner" means the owner or owners of record of the  
21 surface of the property on which the drilling operation is to occur.

22 SECTION 3. It being immediately necessary for the preservation  
23 of the public peace, health and safety, an emergency is hereby  
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1 declared to exist, by reason whereof this act shall take effect and  
2 be in full force from and after its passage and approval.

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