

COMMITTEE AMENDMENT
HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB1937
_____ Of the printed Bill
Page _____ Section _____ Lines _____
_____ Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Adopted: _____

Amendment submitted by: Mike Jackson

Reading Clerk

1 STATE OF OKLAHOMA

2 1st Session of the 54th Legislature (2013)

3 PROPOSED COMMITTEE
4 SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 1937

By: Jackson

7 PROPOSED COMMITTEE SUBSTITUTE

8 An Act relating to energy; creating the Oklahoma
9 Brine Recycling Act; stating Legislative findings;
10 directing the Corporation Commission to establish a
11 brine recycling incentive program; stating purposed
12 of the program; limiting program to certain
13 operators; providing for certain types of incentives;
14 providing for codification; providing an effective
15 date; and declaring an emergency.

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

17 SECTION 1. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 531 of Title 17, unless there is
19 created a duplication in numbering, reads as follows:

20 This act shall be known and may be cited as the "Oklahoma Brine
21 Recycling Act".

22 SECTION 2. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 532 of Title 17, unless there is
24 created a duplication in numbering, reads as follows:

The Legislature finds:

1 1. As outlined in the 2012 Update of the Oklahoma Comprehensive
2 Water Plan, surface water gaps are forecasted in fifty five of the
3 eighty two water basins by the year 2060, with seven of the ten most
4 severe physical water constraints already existing in regions with
5 heavy oil and natural gas drilling activities;

6 2. The demand for water use by the oil and gas sector in the
7 state is growing faster than any other sector in the state and is
8 projected to grow by approximately two hundred percent (200%) over
9 the next fifty years;

10 3. The use of water in the oil and gas drilling and completion
11 process has increased logarithmically since the year 2003 with the
12 advent of long-lateral horizontal drilling employing hydraulic
13 fracturing techniques, referred to as "fracking". The fracking
14 drilling process can use upwards of five (5) million gallons of
15 water to complete a single well;

16 4. That there have been advancements in technology which have
17 made the recycling of water used in the fracking drilling process
18 more cost efficient and scalable; and

19 5. That incentives which encourage the recycling of used
20 fracking water will put Oklahoma at the forefront of the nation in
21 terms of proactively addressing this issue, which is a growing
22 conflict between the energy industry and municipal water groups.
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1 SECTION 3. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 533 of Title 17, unless there is
3 created a duplication in numbering, reads as follows:

4 A. The Corporation Commission is hereby directed to establish a
5 brine recycling incentive program.

6 B. The brine recycling incentive program shall be designed to
7 provide operators of commercial Class II underground injection
8 control wells, otherwise known as saltwater disposal wells, with
9 incentives to install and incorporate brine recycling technology at
10 commercial class II underground injection control facilities located
11 in the state. Only an operator which has its principal place of
12 business located in the state shall be eligible to participate in
13 the program.

14 C. The brine recycling incentive program shall provide:

15 1. financial incentives to operators to offset the cost of the
16 recycling equipment; and

17 2. regulatory incentives in the form of permitting and annual
18 inspection priority with the Corporation Commission.

19 SECTION 4. This act shall become effective July 1, 2013.

20 SECTION 5. It being immediately necessary for the preservation
21 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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4 54-1-7292 KB 2/24/13

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