

1 ENGROSSED SENATE
2 BILL NO. 1966

By: Sykes of the Senate

3 and

4 Echols of the House

5
6 [Commissioners of the Land Office - Office of the
7 Attorney General - employing attorneys - effective
8 date]
9

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

11 SECTION 1. AMENDATORY 52 O.S. 2011, Section 570.14, is
12 amended to read as follows:

13 Section 570.14. A. The district courts within this state shall
14 have the sole and exclusive jurisdiction to determine the
15 entitlement of any owner in a well to:

16 1. Its share of proceeds from production; or

17 2. Damages, interest, court costs, attorneys' fees or allowable
18 litigation expenses incurred as a result of the violation of this
19 act.

20 B. Any rulemaking power granted to the Corporation Commission
21 by the Production Revenue Standards Act shall neither preclude nor
22 impair the right of any owner to obtain through the district courts
23 remedies available under existing law or additional remedies herein
24 granted to any owner injured in business or property by reason of

1 any action in violation of the provisions of the Production Revenue
2 Standards Act.

3 C. Any owner injured in business or property by reason of any
4 action in violation of the provisions of the Production Revenue
5 Standards Act shall have the right to:

- 6 1. Recover actual damages so sustained; and
- 7 2. Obtain specific performance where equitable.

8 The prevailing party in any court proceeding brought pursuant to
9 the Production Revenue Standards Act shall be entitled to recover
10 the costs of the suit, including but not limited to reasonable
11 attorney and expert witness fees.

12 D. For purposes of the Production Revenue Standards Act, the
13 statute of limitations on actions brought pursuant to the provisions
14 of the Production Revenue Standards Act shall be five (5) years from
15 the date the cause of action shall have accrued, provided however,
16 nothing shall create, limit or expand any statute of limitations
17 applicable to production occurring prior to September 1, 1992.

18 E. The five (5) year statute of limitations period as provided
19 in subsection D of this section shall apply to the Commissioners of
20 the Land Office effective September 1, 2014; provided, however,
21 nothing shall create, limit or expand any existing rights or
22 obligations with respect to production occurring prior to September
23 1, 2014.

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1 SECTION 2. AMENDATORY 64 O.S. 2011, Section 1038, is
2 amended to read as follows:

3 Section 1038. The Commissioners of the Land Office are hereby
4 authorized to employ attorneys or ~~to~~ engage ~~private~~ attorneys ~~to~~ and
5 may bring or defend suits in the name of the Commissioners of the
6 Land Office and on behalf of the State of Oklahoma in ~~all~~ matters
7 affecting the public lands of the state, and in ~~all~~ matters
8 affecting the loaning, investing or collecting of school land and
9 state land monies~~7~~ of~~7~~ and belonging to the state. Provided,
10 however, that before attorneys may be engaged to represent the
11 Commissioners of the Land Office, approval by a majority vote of the
12 Commissioners during a public open meeting must first be obtained,
13 and in addition, written approval of the state's Attorney General.

14 B. Written approval from the state's Attorney General shall be
15 obtained in the following manner:

16 1. Attorneys proposed for engagement shall be selected from a
17 list maintained or otherwise approved by the Attorney General;

18 2. A copy of the proposed contract shall be submitted to the
19 Attorney General providing the nature, scope, anticipated costs,
20 duration, and details of the representation; and

21 3. The Commissioners of the Land Office shall provide to the
22 Attorney General written documentation concerning the reasons why
23 the attorneys employed by the agency and the Attorney General's
24 Office are not undertaking the representation.

1 C. The Commissioners of the Land Office shall:

2 1. Provide an annual report to the Attorney General of all
3 attorneys engaged pursuant to the provisions of this section and the
4 total costs incurred; and

5 2. Comply with the applicable provisions of Section 85.41 of
6 Title 74 of the Oklahoma Statutes relating to contracts for
7 professional services.

8 D. It shall be the duty of the Attorney General of the state,
9 when requested by the Commissioners of the Land Office, to represent
10 the Commissioners, and the state in the prosecution or defense of
11 any suit or action so instituted, brought or defended.

12 SECTION 3. AMENDATORY 64 O.S. 2011, Section 1063, is
13 amended to read as follows:

14 Section 1063. A. The Commissioners of the Land Office are
15 authorized to lease for oil and gas purposes any of the school or
16 other lands owned by the State of Oklahoma, which such Commissioners
17 may deem valuable for oil and gas. Each such lease shall ~~be~~:

18 1. Be a commence-type lease and shall provide for a term not
19 less than one year and not to exceed five (5) years ~~and~~;

20 2. Continue as long thereafter as oil or gas may be produced
21 therefrom in paying quantities, upon such terms and conditions and
22 in such quantities as the Commissioners shall by rules and
23 regulations prescribe. ~~Each such lease shall provide;~~

1 3. Provide for the delivery to the state of a royalty of not
2 less than one-eighth (1/8) part of the oil or gas produced from the
3 leased premises or in lieu thereof the payment to the state of the
4 market value of ~~said~~ such royalty interest, as the Commissioners may
5 elect. ~~The leases shall be;~~

6 4. Be offered by public competition after notice of the lease
7 auction published one time not less than thirty (30) days prior to
8 the lease auction date in two newspapers authorized by law to
9 publish legal notices. One of the newspapers shall be published in
10 the county where the land is located or other newspaper as
11 authorized by Section 106 of Title 25 of the Oklahoma Statutes. The
12 other shall be a newspaper of general circulation in this state.
13 ~~Such leasing shall be;~~

14 5. Be let by sealed bids and each lease awarded to the highest
15 responsible bidder, ~~such oil and gas leases may be;~~ and

16 6. Be assigned only with the consent and approval of the
17 Commissioners of the Land Office; provided, the Commissioners have
18 the right to reject any and all bids.

19 B. The Commissioners of the Land Office shall provide any other
20 notice of oil and gas lease sales to all interested parties by any
21 means it determines is needed to attract the best competition.

22 SECTION 4. This act shall become effective September 1, 2014.
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1 Passed the Senate the 12th day of March, 2014.

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4 Presiding Officer of the Senate

5 Passed the House of Representatives the ____ day of _____,
6 2014.

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8 _____
9 Presiding Officer of the House
10 of Representatives