ENGROSSED HOUSE AMENDMENT
TO
ENGROSSED SENATE BILL NO. 1414 By: Marlatt of the Senate

and

Calvey of the House

[oil and gas - Oil and Gas Water Recycling and Reuse Act - codification]

AUTHOR: Add the following House Coauthor: McBride

AMENDMENT NO. 1. Strike the stricken title, enacting clause and entire bill and insert

"[oil and gas - creating the Oil and Gas Water Recycling and Reuse Act - clarifying liability]

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 155 of Title 52, unless there is created a duplication in numbering, reads as follows:

A. This act shall be known and may be cited as the "Oil and Gas Water Recycling and Reuse Act".

B. As used in this act, "fluid oil and gas waste" means waste containing salt or other mineralized substances, brine, hydraulic

fracturing fluid, flowback water, produced water or other fluid that arises out of or is incidental to the drilling for or production of oil or gas.

C. Unless otherwise expressly provided by a contract, bill of sale or other legally binding document:

1. When fluid oil and gas waste is transferred to a person who takes possession of that waste for the purpose of treating the waste for a subsequent beneficial use, the transferred material is considered to be the property of the person who takes possession of it for the purpose of treating the waste for subsequent beneficial use until the person transfers the waste or treated waste to another person for disposal or use; and

2. When a person who takes possession of fluid oil and gas waste for the purpose of treating the waste for a subsequent beneficial use transfers possession of the treated product or any treatment byproduct to another person for the purpose of subsequent disposal or beneficial use, the transferred product or byproduct is considered to be the property of the person to whom the material is transferred.

D. 1. Except as provided in paragraph 2 of this subsection, a person who takes possession of fluid oil and gas waste, produces from that waste a treated product generally considered in the oil and gas industry to be suitable for use in connection with the drilling for or production of oil or gas and transfers the treated

product to another person with the contractual understanding that the treated product will be used in connection with the drilling for or production of oil or gas is not liable in tort for a consequence of the subsequent use of that treated product by the person to whom the treated product is transferred or by another person.

2. This section does not affect the liability of a person that treats fluid oil and gas waste for beneficial use in an action brought by a person for damages for personal injury, death or property damage arising from exposure to fluid oil and gas waste or a treated product."

Passed the House of Representatives the 21st day of April, 2016.

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Presiding Officer of the House of Representatives

Passed the Senate the ____ day of _____, 2016.

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Presiding Officer of the Senate