

1 STATE OF OKLAHOMA

2 2nd Session of the 55th Legislature (2016)

3 COMMITTEE SUBSTITUTE
4 FOR ENGROSSED
5 SENATE BILL NO. 1414

By: Marlatt of the Senate

and

6 Calvey of the House

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9 COMMITTEE SUBSTITUTE

10 An Act relating to oil and gas; creating the Oil and
11 Gas Water Recycling and Reuse Act; providing short
12 title; defining term; defining ownership of fluid oil
13 and gas waste; stating liability in tort for use of
14 certain fluid oil and gas waste; clarifying liability
15 in certain actions; and providing for codification.

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 155 of Title 52, unless there is
19 created a duplication in numbering, reads as follows:

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

22 B. As used in this act, "fluid oil and gas waste" means waste
23 containing salt or other mineralized substances, brine, hydraulic
24 fracturing fluid, flowback water, produced water or other fluid that

1 arises out of or is incidental to the drilling for or production of
2 oil or gas.

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

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

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

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

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

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

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