ENGROSSED HOUSE
BILL NO. 1720 By: Peterson of the House

and

Crain of the Senate

An Act relating to oil and gas; amending 52 O.S. 2011, Section 317.1, as amended by Section 217, Chapter 304, O.S.L. 2012 (52 O.S. Supp. 2014, Section 317.1), which relates to seeping natural gas; modifying definition of seeping natural gas; deleting authorization for certain expenditure; deleting authorization for certain reimbursements; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 52 O.S. 2011, Section 317.1, as amended by Section 217, Chapter 304, O.S.L. 2012 (52 O.S. Supp. 2014, Section 317.1), is amended to read as follows:

Section 317.1 A. The Corporation Commission is vested with jurisdiction, power, and authority, and it shall be its duty, to promulgate and enforce rules, and issue and enforce orders relating to seeping natural gas.

B. For purposes of this section, "seeping natural gas" shall mean natural gas which has migrated into, under, or around a structure at hazardous concentrations ~~or is leaking from a~~

~~distribution pipeline operated by a private natural gas utility regulated by the Commission that serves no more than three hundred (300) customers~~.

C. The jurisdiction, power, and authority of the Commission shall extend to responding to any occurrences of seeping gas and coordinating response efforts of private industry, state, county, municipal, and local government entities. The Commission is authorized to investigate seeping natural gas occurrences as provided for in this section and to order any person responsible for a facility which is found to be causing a seeping natural gas occurrence to abate the hazard.

D. The Commission is authorized to form emergency response teams to immediately respond to seeping natural gas occurrences as provided for in this section.

E. There is hereby created in the State Treasury a fund for the Commission to be designated the "Corporation Commission Gas Seep Fund". The fund shall consist of monies appropriated by the Legislature or monies designated by law to be deposited in the fund. The fund shall be subject to legislative appropriations. The Commission is authorized to make expenditures from the fund as necessary and appropriate for coordinating the response to and investigating seeping natural gas occurrences as specified in this section. Expenditures from the fund shall be made pursuant to The Oklahoma Central Purchasing Act. For purposes of responding to

serious environmental emergencies, expenditures from the fund may be made without requisition pursuant to paragraph 5 of subsection A of Section 85.7 of Title 74 of the Oklahoma Statutes. Warrants for expenditures from the fund shall be drawn by the State Treasurer, based on claims signed by an authorized employee or employee of the Commission and approved for payment by the Director of the Office of Management and Enterprise Services. Expenditures made pursuant to this act shall be limited to the available balance in the fund and no other fund shall be accessible for any remediation or repair arising under the provisions of this act.

F. 1. When there is an occurrence of seeping natural gas, the Commission shall seek to abate the hazard by:

a. issuing an order to a responsible person pursuant to subsection C of this section, or

b. plugging a well if the source of the seeping natural gas is a well drilled for the exploration or production of oil or gas, including an injection or disposal well.

2. If the Commission is unable to abate the hazard of a seeping natural gas occurrence as provided for in paragraph 1 of this subsection, the Commission may~~: (1)~~ expend up to Twenty Thousand Dollars ($20,000.00) from the Corporation Commission Gas Seep Fund for the cost of installing a system to divert natural gas away from a structure or otherwise abate the hazards~~; or (2) expend up to One~~

~~Hundred Twenty-five Thousand Dollars ($125,000.00) to repair or replace a distribution pipeline identified in subsection B of this section~~.

3. The Commission may seek reimbursement of expenditures made by the Commission pursuant to this subsection from a responsible person who has not complied with an order issued pursuant to subsection C of this section. Any monies received as reimbursement shall be deposited to the credit of the Corporation Commission Gas Seep Fund.

4. The Commission shall promulgate rules defining the criteria for determining the eligibility of the owner of a structure for assistance pursuant to this subsection. Eligibility shall be determined based on the nature and extent of the hazard, the financial need of the owner of the structure, and other relevant factors.

G. The Commission shall not be responsible for damages to land or improvements resulting from the investigation of seeping natural gas occurrences as provided for in this section. Any person entering upon the land pursuant to the authority of the Commission under this section shall not be liable or held responsible for any damages resulting from operations reasonably necessary or proper for the investigation of the seeping natural gas occurrence or the abatement of associated hazards.

H. Any person entering upon the land to investigate or abate the associated hazards of a seeping natural gas occurrence, pursuant to the authority of the Commission under this section, shall not be held to have assumed responsibility for future abatement work on the land or be liable for damages or otherwise for conditions subsequently arising from or in connection with the land.

I. Nothing in this section shall relieve any person or persons otherwise legally responsible from any obligation to properly abate hazards associated with seeping natural gas.

J. The term "person" as used in this section means any individual, business association or corporation, partnership, governmental or political subdivision, public corporation, body politic and corporate public authority, trust or any other legal entity.

~~K. Upon application, the Commission may reimburse: (1) up to Twenty Thousand Dollars ($20,000.00) of the costs incurred by the applicant in installing a system to divert natural gas away from a structure or otherwise abate the hazards; or (2) up to One Hundred Twenty-Five Thousand Dollars ($125,000.00) of the costs incurred by the applicant to repair or replace a distribution pipeline identified in subsection B of this section. Costs associated with occurrences of seeping natural gas reported after January 1, 2003, are eligible for reimbursement under this subsection.~~

SECTION 2. This act shall become effective July 1, 2015.

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

Passed the House of Representatives the 9th day of March, 2015.

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Presiding Officer of the House
of Representatives

Passed the Senate the ___ day of _____, 2015.

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Presiding Officer of the Senate