

STATE OF OKLAHOMA

1st Session of the 55th Legislature (2015)

HOUSE BILL 2177

By: Hickman

AS INTRODUCED

An Act relating to oil and gas; amending 52 O.S. 2011, Sections 87.6, as last amended by Section 1, Chapter 400, O.S.L. 2014, 87.7, 87.8, as amended by Section 2, Chapter 400, O.S.L. 2014 and 87.9 (52 O.S. Supp. 2014, Sections 87.6 and 87.8), which relate to the 2011 Shale Reservoir Development Act; changing name of act to the Extended Lateral Horizontal Well Development Act; modifying definitions; providing an alternate development method to creating a new unit or changing an existing drilling and spacing unit for certain horizontal development; limiting allowance of multiunit horizontal wells to targeted reservoir or reservoirs; modifying requirements for allocation of certain costs; expanding authority of the Corporation Commission to adjust allocation factors; changing pooling requirements to targeted reservoirs; updating statutory citations; and declaring an emergency.

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

SECTION 1. AMENDATORY 52 O.S. 2011, Section 87.6, as last amended by Section 1, Chapter 400, O.S.L. 2014 (52 O.S. Supp. 2014, Section 87.6), is amended to read as follows:

Section 87.6 A. Sections 87.6 through 87.9 of this title shall be known and may be cited as the "~~2011 Shale Reservoir~~ Extended Lateral Horizontal Well Development Act".

1 B. As used in the ~~2011 Shale Reservoir~~ Extended Lateral
2 Horizontal Well Development Act:

3 1. "Allocation factor" means the percentage of costs,
4 production or proceeds allocated to a unit affected by a multiunit
5 horizontal well;

6 2. "Application" means a written request filed by an owner of
7 the right to drill seeking approval to drill, complete and produce a
8 multiunit horizontal well or to create a horizontal well
9 unitization;

10 3. "Associated common source of supply" means a common source
11 of supply which is subject to a drilling and spacing unit formed by
12 the Corporation Commission and located in all or a portion of the
13 lands in which the completion interval of a multiunit horizontal
14 well is located, or which is located within the boundaries of a unit
15 created through a horizontal well unitization, and which is
16 immediately adjoining the shale common source of supply in which the
17 completion interval of the horizontal well is located, and which is
18 inadvertently encountered in the drilling of the lateral of such
19 horizontal well when such well is drilled out of or exits, whether
20 on one or multiple occasions, such shale common source of supply;

21 4. "Commission" means the Corporation Commission;

22 5. "Completion interval" means, for an open hole completion in
23 a horizontal well, the interval from the point of entry to the
24 terminus and, for a cased and cemented completion in a horizontal

1 well, the interval from the first perforations to the last
2 perforations;

3 6. "Horizontal well" means a well drilled, completed, or
4 recompleted with one or more laterals which, for at least one
5 lateral, the horizontal component of the completion interval exceeds
6 the vertical component of the completion interval and the horizontal
7 component extends a minimum of one hundred fifty (150) feet in the
8 formation;

9 7. "Horizontal well unitization" means a unitization for a
10 shale reservoir created pursuant to Section 87.9 of this title;

11 8. "Horizontal component" means the calculated horizontal
12 distance from the point of entry to the terminus;

13 9. "Lateral" means the portion of the wellbore of a horizontal
14 well from the point of entry to the terminus;

15 10. "Marmaton common source of supply" means a common source of
16 supply located within Texas and Beaver Counties and designated as
17 the Marmaton by the Commission through rule or order;

18 11. "Multiunit horizontal well" means a horizontal well in a
19 targeted reservoir wherein the completion interval of the well is
20 located in more than one unit formed for the same targeted
21 reservoir, with the well being completed in and producing from such
22 targeted reservoir in two or more of such units;

23 12. "Plan of development" means the proposed plan for
24 developing the shale reservoir unitized pursuant to Section 87.9 of

1 this title, which plan, based upon the information and knowledge
2 then available to the applicant, shall include:

- 3 a. a map or maps indicating the location of each existing
4 well in the proposed unit and the anticipated location
5 of each horizontal well proposed to be drilled in the
6 proposed unit that is anticipated to be necessary,
7 based upon the information and knowledge then
8 available to the applicant, for the full and efficient
9 development and operation of the proposed unit for the
10 recovery of oil and gas from the shale reservoir
11 within the proposed unit,
- 12 b. any applicable proposed allocation factor or factors
13 for allocating the costs, production and proceeds from
14 the proposed unit,
- 15 c. the anticipated timing and anticipated sequence of
16 drilling of each horizontal well in the proposed unit,
17 and
- 18 d. any other specific terms, provisions, conditions and
19 requirements set forth in Section 87.9 of this title
20 or determined by the Commission to be reasonably
21 necessary or proper to effectuate or accomplish the
22 purpose of Section 87.9 of this title;

23 13. "Point of entry" means the point at which the borehole of a
24 horizontal well first intersects the top of the targeted reservoir;

1 14. "PRSA" means the Production Revenue Standards Act;

2 15. "Shale reservoir" means a common source of supply which is
3 a shale formation that is so designated by the Commission through
4 rule or order, and ~~shall also~~ may, for good cause shown, include any
5 associated common source of supply in relation thereto as defined in
6 this section;

7 16. "Targeted reservoir" means any shale reservoir or any
8 portion of the Marmaton common source of supply or any other common
9 source of supply which has been:

10 a. designated by the Commission through a rule or
11 emergency rule as a common source of supply that is
12 potentially suited for development through a multiunit
13 horizontal well, or

14 b. determined by the Commission as part of the order
15 approving the multiunit horizontal well as a common
16 source of supply that is appropriately suited for
17 development through a multiunit horizontal well for
18 the particular application, and

19 in designating or determining whether a particular common source of
20 supply should be considered a targeted reservoir, the Commission may
21 limit its designation to certain geographical areas;

22 17. "Terminus" means the end point of the borehole of a
23 horizontal well;
24

1 18. "Wellbore royalty interest" means, for each separate
2 multiunit horizontal well, the sum of resulting products of each
3 affected unit's royalty share for that unit, as defined by the PRSA,
4 multiplied by that unit's allocation factor for production and
5 proceeds;

6 19. "Wellbore royalty proceeds" means the proceeds or other
7 revenue derived from or attributable to any production of oil and
8 gas from the multiunit horizontal well multiplied by the wellbore
9 royalty interest;

10 20. "Unit" means a drilling and spacing unit for a single
11 common source of supply created pursuant to Section 87.1 of this
12 title or ~~a horizontal well unitization~~ an extended lateral
13 horizontal unit created pursuant to Section 87.9 of this title;

14 21. "Unit's royalty contribution factor" means the royalty
15 share for an affected unit, as defined by PRSA, multiplied by that
16 unit's allocation factor, then divided by the total wellbore royalty
17 interest; and

18 22. "Vertical component" means the calculated vertical distance
19 from the point of entry to the terminus.

20 SECTION 2. AMENDATORY 52 O.S. 2011, Section 87.7, is
21 amended to read as follows:

22 Section 87.7 Corporation Commission Jurisdiction.

23 The Corporation Commission shall have jurisdiction, upon the
24 filing of a proper application therefor, to permit the drilling,

1 completing and producing of a multiunit horizontal well in
2 conformity with Section 4 87.8 of this ~~act~~ title, or to create a
3 horizontal well unitization in conformity with Section ~~5~~ 87.9 of
4 this ~~act~~ title, if the Commission finds that the multiunit
5 horizontal well or the horizontal well unitization will prevent
6 waste and will protect the correlative rights of the owners of oil
7 and gas rights. Furthermore, for the planned development of a
8 common source of supply through the use of horizontal well
9 technology where there is currently production from the common
10 source of supply within an existing unit or units, and the planned
11 horizontal well or wells would extend beyond the boundaries of one
12 or more of the existing units, an alternative to creating a new unit
13 or units pursuant to Section 87.1 or 87.9 of this title, or
14 modifying, superseding, amending or vacating the existing drilling
15 and spacing unit or units, to accommodate the horizontal development
16 is the utilization of a multiunit horizontal well or wells pursuant
17 to Section 87.8 of this title.

18 SECTION 3. AMENDATORY 52 O.S. 2011, Section 87.8, as
19 amended by Section 2, Chapter 400, O.S.L. 2014 (52 O.S. Supp. 2014,
20 Section 87.8), is amended to read as follows:

21 Section 87.8 A. Under the conditions contained in this
22 section, the Corporation Commission is authorized to allow multiunit
23 horizontal wells in any targeted reservoir or reservoirs in order to
24

1 prevent waste and protect the correlative rights of the owners of
2 oil and gas rights.

3 B. Ownership, Allocation of Costs, Commingled Production, and
4 Proceeds.

5 The Commission shall require the allocation to each of the units
6 affected by a multiunit horizontal well of the actual and reasonable
7 drilling, completion and production costs associated with a
8 multiunit horizontal well ~~to each of the affected units which the~~
9 ~~well actually penetrates within the completion interval~~ and shall
10 further require the allocation to each of the units affected by a
11 multiunit horizontal well of the commingled production and the
12 proceeds from the sale thereof, from the completion interval of a
13 multiunit horizontal well, with any allocation to be in a manner
14 that will prevent waste and protect the correlative rights of the
15 owners of the oil and gas rights in each of the affected units ~~which~~
16 ~~the well actually penetrates within the completion interval.~~

17 1. The allocation factor for each affected unit shall be
18 determined by dividing the length of the completion interval located
19 within the affected unit by the entire length of the completion
20 interval in the subject multiunit horizontal well. The Commission
21 shall have the authority to adjust the allocation factors or
22 participation in the subject multiunit horizontal well, based upon
23 reasonable testimony and evidence presented to the Commission, if
24 necessary to prevent waste and adequately protect the correlative

1 rights or vested rights, or both, of the owners of the oil and gas
2 rights in each of the affected units.

3 2. Each party who participates as a working interest owner in a
4 multiunit horizontal well shall own an undivided interest in all
5 portions of the wellbore of the well and in the equipment on or in
6 the well in the same ratio that the party's allocated portion of the
7 total costs of the well and equipment bears to the total costs of
8 the well and equipment. The ownership of undivided interest
9 described in this paragraph shall not affect or prejudice the
10 ownership of oil and gas rights of the affected owners outside of
11 the targeted reservoir for the multiunit horizontal well.

12 3. A multiunit horizontal well shall be treated as a well in
13 each of the affected units and shall be subject to all of the rules
14 otherwise applicable to any other well in any of the affected units.
15 In allowing a multiunit horizontal well, the Commission, under
16 Section 87.1 of this title, may grant any necessary exceptions to
17 the permitted well location tolerances in each of the affected units
18 for the well and permit the well as an additional well in each of
19 the affected units. When an owner has drilled or proposes to drill
20 a multiunit horizontal well or wells and the owners of a present
21 right to drill in any of the affected units have not agreed to pool
22 their interests in the unit or units for the ~~affected common sources~~
23 ~~of supply~~ targeted reservoir, the Commission, under Section 87.1 of
24 this title, may, upon the filing of a proper application therefor,

1 require the owners to pool their interests in the targeted reservoir
2 in each affected unit on a unitwide basis as to the respective unit
3 in regard to the development involving the portion of the multiunit
4 horizontal well or wells located within the affected unit.
5 Furthermore, if the Commission has previously entered an order
6 pooling the interests of owners in an affected unit in which a
7 multiunit horizontal well or wells have been drilled or are proposed
8 to be drilled, the Commission, under Section 87.1 of this title may,
9 upon the filing of a proper application therefor, amend the pooling
10 order to the extent necessary to have the pooling order cover the
11 development involving the portion of the multiunit horizontal well
12 or wells located within the affected unit.

13 4. The application shall include:

- 14 a. the approximate anticipated location of the proposed
15 multiunit horizontal well or wells,
- 16 b. a map or maps indicating the location of each
17 currently existing well in each affected unit which is
18 the subject of the application and the anticipated
19 location of each multiunit horizontal well currently
20 proposed to be drilled in each affected unit as a
21 result of the application and any other horizontal
22 well not included in the current application, but
23 anticipated to be necessary, based upon the
24 information and knowledge then available to the

1 applicant, for the full and efficient development and
2 operations of the targeted reservoir within the
3 affected units if the well or wells are approved by
4 the Commission upon the filing of a proper application
5 at a future date, and

6 c. any applicable proposed allocation factor or factors
7 for allocating the costs, production and proceeds from
8 each proposed multiunit horizontal well under the
9 application.

10 5. Production from the completion interval in the targeted
11 reservoir from each of the affected units in which a multiunit
12 horizontal well is completed may be commingled in the wellbore of
13 the well and produced to the surface. The commingled production
14 from a multiunit horizontal well shall be allocated to each of the
15 affected units based upon the allocation factors approved by the
16 Commission.

17 6. In granting an application for a multiunit horizontal well
18 or wells, the Commission shall find, based on the testimony and
19 evidence presented, that given the information and knowledge then
20 available, the proposed multiunit horizontal well or wells will
21 prevent waste, protect correlative rights and likely will aid in the
22 full and efficient development of each of the affected units.

23 7. The wellbore royalty proceeds for a multiunit horizontal
24 well shall be allocated to each affected unit by multiplying the

1 royalty contribution factor of the unit by the wellbore royalty
2 proceeds, with the resulting product being the royalty proceeds for
3 that unit. Each royalty interest owner in an affected unit shall be
4 entitled to receive the owner's proportionate royalty share of the
5 allocated royalty proceeds for that unit.

6 8. The multiunit horizontal well shall be subject to the
7 provisions of the Product Revenue Standards Act (PRSA). The
8 operator of the multiunit horizontal well shall be the designated
9 royalty distributor pursuant to the PRSA for the multiunit
10 horizontal well, unless there is a diversity of operators in the
11 affected units from which the multiunit horizontal well is producing
12 and another operator in each of the affected units agrees to perform
13 separately the PRSA royalty distribution functions for the unit.

14 C. Application, Notice and Retained Jurisdiction.

15 Application for approval of a multiunit horizontal well shall be
16 in a form prescribed by the Commission. The application, and the
17 notice of hearing on the application, shall be served no less than
18 fifteen (15) days prior to the date of the hearing, by regular mail,
19 upon each person or governmental entity having the right to share in
20 production from each of the affected units covered by the
21 application, as well as other persons or governmental entities
22 required by the rules of the Commission. Upon approval of a
23 multiunit horizontal well, the Commission shall retain jurisdiction
24 over the well. The retained jurisdiction of the Commission set

1 forth herein shall neither preclude nor impair the right of any
2 affected party to obtain through the district courts of this state
3 any remedy or relief available at law or in equity for injuries
4 caused by any action or inaction of the applicant, operator or any
5 other affected party.

6 SECTION 4. AMENDATORY 52 O.S. 2011, Section 87.9, is
7 amended to read as follows:

8 Section 87.9 A. Horizontal Well Unitization for Shale
9 Reservoirs.

10 Under limited circumstances and conditions contained in this
11 section, the Corporation Commission is authorized to unitize a shale
12 reservoir for the drilling of horizontal wells to the end that a
13 greater ultimate recovery of oil and gas may be had therefrom, waste
14 is prevented, and the correlative rights of the owners are
15 protected. Unless and until a unit created pursuant to this section
16 is effective, nothing in this section shall prohibit the drilling of
17 a horizontal well within a drilling and spacing unit created
18 pursuant to Section 87.1 of ~~Title 52 of the Oklahoma Statutes~~ this
19 title.

20 B. Prerequisites for Unitization.

21 Upon the filing of an appropriate application, and after notice
22 and hearing, the Commission shall determine if:

23 1. The proposed unitization of the shale reservoir is
24 reasonably calculated to increase the ultimate recovery of oil and

1 gas from the shale reservoir through the use of horizontal well
2 technology to drill one or more horizontal wells in the unit;

3 2. The use of horizontal well technology to drill the
4 horizontal well or wells in the shale reservoir is feasible, will
5 prevent waste, will protect correlative rights and will with
6 reasonable probability result in the increased recovery of
7 substantially more oil and gas from the shale reservoir within the
8 unit than would otherwise be recovered;

9 3. The estimated additional cost, if any, of conducting the
10 horizontal well operations is not anticipated to exceed the value of
11 the additional oil and gas to be recovered; and

12 4. The unitization and the use of horizontal well technology to
13 drill one or more horizontal wells is for the common good and will
14 result in the general advantage of the owners of the oil and gas
15 rights within the unit.

16 Upon making these findings, the Commission may enter an order
17 creating the unit and providing for the unitized operation of the
18 shale reservoir described in the order, all upon terms and
19 conditions as may be shown by the evidence to be fair, reasonable,
20 equitable and which are necessary or proper to protect and safeguard
21 the respective rights and obligations of the several persons
22 affected, including royalty owners, owners of overriding royalties
23 and others, as well as the lessees. The application shall set forth
24 a description of the proposed unit with a map or plat thereof

1 attached, shall allege the existence of the facts required to be
2 found by the Commission as provided in this subsection and shall
3 have attached thereto a recommended plan of development which is
4 applicable to the proposed unit and which is fair, reasonable and
5 equitable.

6 C. Size of the Unit.

7 Each unit shall be two governmental sections. However, the
8 Commission may expand the size of the unit by including additional
9 governmental sections up to a maximum unit size of four governmental
10 sections, if for good cause shown the Commission finds the expansion
11 of the unit size beyond two governmental sections is necessary to
12 prevent waste, to protect correlative rights and will result in the
13 increased recovery of substantially more oil and gas from the shale
14 reservoir than would otherwise be recovered based upon, but not
15 necessarily limited to:

- 16 1. Geological features existing within the proposed unit;
- 17 2. The proposed location or orientation of the horizontal
18 wells;
- 19 3. The length of the laterals of the proposed horizontal wells;
- 20 4. The proposed use of multilateral wells; or
- 21 5. Any combination thereof.

22 D. Ownership of Oil and Gas Rights within the Unit.

23 Where there are, or may thereafter be, two or more separately
24 owned tracts within the unit, each owner of oil and gas rights

1 within the unit shall own an interest in the unit of the same
2 character as the ownership of the owner in the separately owned
3 tract. From and after the effective date of the order of the
4 Commission creating the unit and subject to the provisions of any
5 pooling order covering the unit, the interest of each owner in the
6 unit shall be defined as the percentage of interest owned in each
7 separate tract by the owner, multiplied by the proportion that the
8 acreage in each separately owned tract bears to the entire acreage
9 of the unit. The costs incurred in connection with and the
10 production and proceeds from the wells in the unit shall be
11 allocated to each separate tract in the unit and shall be borne or
12 shared by the owners in each separate tract based upon and
13 determined by the interest of each owner in the tract. However, if
14 a well or wells already exist within the area of the proposed unit
15 which are producing or have produced or appear to be productive from
16 the shale reservoir being unitized, the Commission may adjust the
17 sharing of future costs incurred in connection with and future
18 production and proceeds from any existing well or any subsequent
19 well in the proposed unit in any manner deemed necessary by the
20 Commission in order to protect the correlative rights of the owners
21 within the proposed unit, including providing for the sharing of
22 future costs incurred in connection with and future production and
23 proceeds from any existing well or any subsequent well in a manner
24 different from any other well in the unit so long as the various

1 methods of sharing future costs, production and proceeds from the
2 existing and subsequent wells in the proposed unit prevents waste
3 and protects the correlative rights of all the affected owners. For
4 the purpose of this section, any owner or owners of oil and gas
5 rights in and under an unleased tract of land within the unit,
6 unless the owner has relinquished the drilling rights or working
7 interest of the owner in the applicable shale reservoir in the tract
8 of land under a pooling order entered by the Commission which order
9 remains in effect, shall be regarded as a lessee to the extent of a
10 seven-eighths (7/8) interest in and to the rights and a lessor to
11 the extent of the remaining one-eighth (1/8) interest therein.

12 E. The Plan of Development.

13 The application shall include a proposed plan of development.
14 Based upon the facts and conditions found to exist with respect to a
15 proposed unit, the Commission shall determine the necessary terms,
16 provisions, conditions and requirements to be included in the plan
17 of development for the unit. If a well or wells already exist
18 within the area of the proposed unit which are producing or have
19 produced or appear to be productive from the shale reservoir being
20 unitized, the plan of development shall also include:

21 1. Any adjustments to the sharing of future costs incurred in
22 connection with future development and production, and the sharing
23 of proceeds, from any existing well or any subsequent well which the
24 Commission determines to be necessary in order to be fair,

1 reasonable and equitable, and to protect the correlative rights of
2 the owners, considering the existing development in and the prior
3 and anticipated future production from the shale reservoir within
4 the proposed unit; and

5 2. The procedure and basis upon which existing wells, equipment
6 and other properties of the several lessees within the unit area are
7 to be taken over and used for unit operations, including the method
8 of arriving at the compensation therefor, or of otherwise
9 proportionately equalizing or adjusting the investment of the
10 several lessees in the project as of the effective date of unit
11 operation.

12 F. Order of the Commission.

13 The order of the Commission creating the unit shall:

14 1. Designate the size and shape of the unit;

15 2. Set forth the drilling pattern and setbacks for the unit,
16 including the permitted well location tolerances for the permitted
17 wells within the unit;

18 3. Approve and adopt the plan of development for the unit, with
19 a copy thereof attached to the order;

20 4. Designate the unit operator; and

21 5. Provide for the conditions upon which the unit, and the
22 order creating the unit, shall terminate.

23 G. Consent by Owners.

1 No order of the Commission creating a unit pursuant to this
2 section shall become effective unless and until the proposed
3 unitization has been consented to in writing, and the written
4 consent submitted to the Commission, by lessees of record of not
5 less than sixty-three percent (63%) of the working interest in the
6 shale reservoir in the area to be included in the unit and by owners
7 of record of not less than sixty-three percent (63%), exclusive of
8 any royalty interest owned by any lessee or by any subsidiary of any
9 lessee, of the one-eighth (1/8) royalty interest in the shale
10 reservoir in the area to be included in the unit in an express
11 writing separate from the oil and gas lease. The Commission shall
12 make a finding in the order creating the unit as to whether the
13 requisite consent has been obtained. Where the requisite consent
14 has not been obtained at the time the order creating the unit is
15 entered, the Commission shall, upon application and notice, hold any
16 additional and supplemental hearings as may be requested or required
17 to determine if and when the requisite consent has been obtained and
18 the date the unitization will become effective. In the event
19 lessees and royalty owners, or either, owning the required
20 percentage interest in and to the unit area have not so consented to
21 the unitization within a period of six (6) months from and after the
22 date on which the order creating the unit is entered, the order
23 creating the unit shall cease to be of further force and effect and
24 shall be revoked by the Commission.

1 H. Notice.

2 The application for the creation of a horizontal well
3 unitization for a shale reservoir under this section, and the notice
4 of hearing on the application, shall be served no less than fifteen
5 (15) days prior to the date of the hearing, by regular mail, upon
6 each person or governmental entity having the right to share in
7 production from the proposed unit covered by the application, as
8 well as other persons or governmental entities required by
9 Commission rules. Any person aggrieved by any order of the
10 Commission made pursuant to this section may appeal therefrom to the
11 Supreme Court of the State of Oklahoma upon the same conditions,
12 within the same time and in the same manner as is provided for in
13 ~~Title 52 of the Oklahoma Statutes~~ this title, for the taking of
14 appeals from the orders of the Commission made thereunder.

15 I. Pooling of the Unit.

16 From and after the effective date of an order creating a unit
17 pursuant to this section and subject to the provisions of the order
18 in regard to the matters to be found by the Commission in the
19 creation of the unit and the provisions of the applicable plan of
20 development, an owner of the right to drill for and produce oil or
21 gas from the unit may request the Commission to pool the oil and gas
22 interests of the owners in the unit on a unitwide basis pursuant to
23 the provisions of subsection (e) of Section 87.1 of ~~Title 52 of the~~
24

1 ~~Oklahoma Statutes~~ this title in regard to the development of the
2 unit involving a horizontal well or wells.

3 J. Effect on Existing Spacing Units and Pooling Orders.

4 From and after the effective date of an order creating a unit
5 pursuant to this section, the operation of any well producing from
6 the shale reservoir within the unit defined in the order by persons
7 other than the unit operator, or except in the manner and to the
8 extent provided in the order shall be unlawful and is hereby
9 prohibited. Once the order of the Commission creating a unit
10 pursuant to this section becomes effective, the unit so created
11 shall supersede any drilling and spacing unit previously formed by
12 the Commission pursuant to Section 87.1 of ~~Title 52 of the Oklahoma~~
13 ~~Statutes~~ this title for the same shale reservoir within the area of
14 the new unit. Any pooling order which was entered by the Commission
15 pursuant to subsection (e) of Section 87.1 of ~~Title 52 of the~~
16 ~~Oklahoma Statutes~~ this title covering any drilling and spacing unit
17 superseded by a unit created pursuant to this section and which was
18 in effect at the time of the creation of the unit shall remain in
19 full force and effect as to any oil and gas interests in the shale
20 reservoir which were relinquished and transferred by operation of
21 law under the pooling order. However, further development of the
22 shale reservoir in the area of the unit created pursuant to this
23 section shall not be subject to any of the other provisions of any
24 prior pooling order, but shall be governed by and pursuant to the

1 order creating the unit, including the applicable plan of
2 development, and any subsequent pooling order covering the unit.

3 K. Payment of Proceeds.

4 Units created pursuant to this section shall be subject to the
5 terms and provision of the PRSA.

6 L. The Commissioners of the Land Office.

7 The Commissioners of the Land Office, or other proper board or
8 officer of the state having the control and management of state
9 land, and the proper board or officer of any political, municipal,
10 or other subdivision or agency of the state, are hereby authorized
11 and shall have the power on behalf of the state or of any political,
12 municipal, or other subdivision or agency thereof, with respect to
13 land or oil and gas rights subject to the control and management of
14 the respective body, board, or officer, to consent to or participate
15 in any unitization adopted pursuant to the ~~2011 Shale Reservoir~~
16 Extended Lateral Horizontal Well Development Act.

17 M. Retained Jurisdiction.

18 Upon the creation of a unit pursuant to this section, and
19 approval of the plan of development in connection therewith, the
20 Commission shall retain jurisdiction over the unit and the plan of
21 development. The retained jurisdiction of the Commission set forth
22 herein shall neither preclude nor impair the right of any affected
23 party to obtain through the district courts of this state any remedy
24 or relief available at law or in equity for injuries caused by any

1 action or inaction of the applicant, operator or any other affected
2 party.

3 SECTION 5. It being immediately necessary for the preservation
4 of the public peace, health and safety, an emergency is hereby
5 declared to exist, by reason whereof this act shall take effect and
6 be in full force from and after its passage and approval.

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