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March 1, 2018

COMMITTEE SUBSTITUTE
FOR

SENATE BILL NO. 1294

By: Pederson of the Senate

and

Pfeiffer of the House

An Act relating to water and water rights; amending 82 O.S. 2011, Sections 1020.4, 1020.6, 1020.17 and 1020.18, which relate to hydrologic surveys, hearings on annual yield, spacing rules, and location exceptions; requiring Water Resources Board to consult tribal entities in certain circumstances; requiring certain permit when allocating amounts of maximum annual yield; authorizing delayed or gradual implementation of maximum annual yield in certain circumstances; prohibiting certain effect on permits; requiring the issuance of regular and temporary permits in certain circumstances; establishing conditions for drilling location exceptions; and providing an effective date.

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

SECTION 1. AMENDATORY 82 O.S. 2011, Section 1020.4, is amended to read as follows:

Section 1020.4. A. Prior to making orders establishing the tentative maximum annual yield for major groundwater basins or subbasins therein, the Oklahoma Water Resources Board shall make hydrologic surveys and investigations.

1 B. Prior to making orders establishing the tentative maximum
2 annual yield for minor groundwater basins or subbasins therein, the
3 Board shall prepare reports using information from hydrologic
4 surveys and investigations of groundwater basins or subbasins having
5 substantially the same geological and hydrological characteristics
6 and data from wells in such basin or subbasins and other relevant
7 information.

8 C. The Board is authorized to cooperate with state ~~and~~, federal
9 and tribal agencies engaged in similar surveys and investigations
10 and may accept and use the findings of such agencies. At least
11 every twenty (20) years after issuance of the final order
12 determining the maximum annual yield, the Board shall review and
13 update if necessary the hydrologic surveys.

14 SECTION 2. AMENDATORY 82 O.S. 2011, Section 1020.6, is
15 amended to read as follows:

16 Section 1020.6. A. Once the Board has set a tentative maximum
17 annual yield for the groundwater basin or subbasin, the Board shall
18 call and hold hearings at centrally located places within the area
19 of the major groundwater basin or subbasin or in the county for
20 minor groundwater basins or subbasins. Prior to such hearings being
21 held, the Board shall make copies of such hydrologic survey
22 available for inspection and examination by all interested persons
23 and, at such hearings, shall present evidence of the geological
24 findings and determinations upon which the tentative maximum annual

1 yield has been based. Any interested party shall have the right to
2 present evidence in support or opposition thereto. The hearings
3 shall be conducted pursuant to Article II of the Administrative
4 Procedures Act.

5 B. Notice of such hearings shall be published in a newspaper of
6 general circulation in each county having lands that overlie the
7 basin or subbasin. The notice shall be published at least once per
8 week for two (2) consecutive weeks and the last publication shall be
9 at least thirty (30) days prior to the date of the hearing. Notice
10 and hearing on the tentative determination of the maximum annual
11 yield for minor groundwater basins or subbasins may be consolidated.

12 C. After such hearings are completed, the Board shall then
13 proceed to make its final determination as to the maximum annual
14 yield of groundwater which shall be allocated by regular permit to
15 each acre of land overlying such basin or subbasin by issuing a
16 final order containing findings of fact and conclusions of law,
17 which order shall be subject to judicial review pursuant to Article
18 II of the Administrative Procedures Act. As prescribed in a final
19 order setting forth the maximum annual yield, or any amendment
20 thereto, the Board may prescribe delayed or gradual implementation
21 of equal proportionate share allocations if current total allocated
22 amount of groundwater from the aquifer is twenty-five percent (25%)
23 or less of the maximum annual yield. Such delayed or gradual
24 implementation of equal proportionate share allocations may be

1 authorized only if such implementation would not cause interference
2 or violation of limits applicable to use of waters from a sensitive
3 sole source aquifer, or allow the use of groundwater in excess of
4 twenty-five percent (25%) of the maximum annual yield. Such delayed
5 or gradual implementation of equal proportionate share allocations
6 shall not affect any regular permit and shall be effectuated by
7 issuance of appropriate temporary permits, in accord with parameters
8 specified by the Board in accord with this act.

9 D. The Board may, in subsequent basin or subbasin hearings, and
10 after additional hydrologic surveys, increase the amount of water
11 allocated but shall not decrease the amount of water allocated by
12 regular permit issued prior to the completion of the additional
13 hydrologic surveys.

14 SECTION 3. AMENDATORY 82 O.S. 2011, Section 1020.17, is
15 amended to read as follows:

16 Section 1020.17. The Board may promulgate rules under Article I
17 of the Administrative Procedures Act which establish a proper
18 spacing of wells which, in its judgment, is necessary to an orderly
19 withdrawal of water in relation to the allocation, by regular
20 permits and temporary permits, of water to the land overlying the
21 basin or subbasin. The Board shall conduct at least one public
22 hearing at a location within or in close proximity to each major
23 basin or subbasin before adopting rules establishing well spacing
24 for such basin or subbasin.

1 SECTION 4. AMENDATORY 82 O.S. 2011, Section 1020.18, is
2 amended to read as follows:

3 Section 1020.18. When it is shown in an individual proceeding
4 that to require the drilling of a well at the prescribed location
5 should be inequitable or unreasonable and that criteria and
6 conditions established by the Board in rules are met, the Board
7 shall authorize a well location exception and permit the well to be
8 drilled and completed at a location which varies from that
9 previously established. Rules promulgated by the Board shall
10 establish the criteria and conditions under which location
11 exceptions may be authorized. Criteria and conditions for location
12 exceptions may include, but are not limited to, compliance with
13 terms to prevent unreasonable impact on other wells, which terms may
14 include the rate and timing of withdrawal, the level of perforating
15 and the level of sealing the well.

16 SECTION 5. This act shall become effective November 1, 2018.
17 COMMITTEE REPORT BY: COMMITTEE ON ENERGY
18 March 1, 2018 - DO PASS AS AMENDED
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