

STATE OF OKLAHOMA

1st Session of the 58th Legislature (2021)

COMMITTEE SUBSTITUTE  
FOR

SENATE BILL NO. 1034

By: Taylor

COMMITTEE SUBSTITUTE

An Act relating to oil and gas; amending 52 O.S. 2011, Section 288.5A, as amended by Section 2, Chapter 199, O.S.L. 2013 (52 O.S. Supp. 2020, Section 288.5A), which relates to the Committee for Sustaining Oklahoma's Energy Resources; renaming the Sustaining Oklahoma's Energy Resources Committee as the Legacy Oil and Gas Well Innovation Committee; removing Committee from direction and supervision of Oklahoma Energy Resources Board; deleting certain references; modifying membership requirements for new members; specifying composition of committee membership; construing provisions; conforming language; updating references; amending Section 1, Chapter 199, O.S.L. 2013 (52 O.S. Supp. 2020, Section 288.5C), which relates to the elimination of the Commission on Marginally Producing Oil and Gas Wells; removing requirement for certain advice and consent; amending 52 O.S. 2011, Section 288.5B, as last amended by Section 3, Chapter 199, O.S.L. 2013 (52 O.S. Supp. 2020, Section 288.5B), which relates to the Oklahoma Energy Education and Marketing Act; updating certain committee name; renaming fund; and providing an effective date.

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

1       SECTION 1.       AMENDATORY       52 O.S. 2011, Section 288.5A, as  
2 amended by Section 2, Chapter 199, O.S.L. 2013 (52 O.S. Supp. 2020,  
3 Section 288.5A), is amended to read as follows:

4       Section 288.5A. A. There is hereby created the Committee for  
5 Sustaining Oklahoma's Energy Resources, after the effective date of  
6 this act to be known as the Legacy Oil and Gas Well Innovation  
7 Committee, which shall ~~be under the direction and supervision of the~~  
8 ~~Oklahoma Energy Resources Board and shall be~~ operate for the purpose  
9 of encouraging new processes or technological advancements to  
10 sustain the oil and natural gas industry in the future for the  
11 benefit of the citizens of this state and for advancing activities  
12 to support marginally producing oil and gas wells.

13       B. 1. The Committee ~~for Sustaining Oklahoma's Energy Resources~~  
14 shall be made up of not less than twelve but not more than eighteen  
15 members. The Oklahoma Energy Resources Board shall select one  
16 member of the Board to serve as the chair of the Committee. Except  
17 as otherwise provided, members of the Committee shall be appointed  
18 by the chair of the Committee and approved by a majority of the  
19 Board.

20       2. The Secretary of Energy or a designee shall serve as a  
21 member of the Committee ~~for Sustaining Oklahoma's Energy Resources~~.  
22 The Secretary of Energy shall select one member of the Committee who  
23 shall currently be serving on the Oklahoma Energy Initiative Board  
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1 on behalf of the University of Oklahoma, Oklahoma State University,  
2 the University of Tulsa or Oklahoma City University.

3 3. Of the remaining members of the Committee for Sustaining  
4 Oklahoma's Energy Resources at least:

- 5 a. four members shall be independent oil and gas  
6 operators, of which at least one shall be from each of  
7 the four Corporation Commission regulatory districts  
8 as they existed on January 1, 2013, and each shall  
9 have operations in the district they represent,
- 10 b. one member shall be an independent oil and gas  
11 operator from Osage County and shall have operations  
12 in Osage County,
- 13 c. one member shall be an independent oil and gas  
14 operator selected from a list of operators submitted  
15 by the Oklahoma Independent Petroleum Association,
- 16 d. one member shall be an oil and gas operator selected  
17 from a list of operators submitted by the Mid-  
18 Continent Oil and Gas Association,
- 19 e. one member shall be an Oklahoma oil and gas royalty  
20 owner selected from a list of names submitted by the  
21 Oklahoma Mineral Owners Association, and
- 22 f. one member shall be an Oklahoma oil and gas royalty  
23 owner selected from a list of names submitted by the  
24

Oklahoma affiliate of the National Association of  
Royalty Owners.

4. C. 1. Beginning on the effective date of this act, the  
Committee shall be composed of not less than twelve but not more  
than eighteen members. The Committee shall select one member to  
serve as the chair of the Committee. Except as otherwise provided,  
members of the Committee shall be appointed by the chair of the  
Committee.

The Secretary of Energy or a designee shall serve as a member of  
the Legacy Oil and Gas Well Innovation Committee. The Secretary of  
Energy shall select one member of the Committee who shall currently  
be serving on the Oklahoma Energy Initiative Board on behalf of the  
University of Oklahoma, Oklahoma State University, the University of  
Tulsa or Oklahoma City University.

2. Of the remaining members of the Legacy Oil and Gas Well  
Innovation Committee at least:

- a. eight members shall be marginal oil and gas operators,  
of which at least one shall be from each of the four  
Corporation Commission regulatory districts as they  
existed on January 1, 2013, and each shall have  
operations in the district they represent,
- b. one member shall be a marginal oil and gas operator  
from Osage County and shall have operations in Osage  
County,

- 1        c. one member shall be a marginal oil and gas operator  
2        selected from a list of operators submitted by the  
3        Oklahoma Energy Producers Alliance,  
4        d. one member shall be a marginal oil and gas well  
5        operator selected from a list of operators submitted  
6        by the Petroleum Alliance of Oklahoma,  
7        e. one member shall be an Oklahoma oil and gas royalty  
8        owner selected from a list of names submitted by the  
9        Oklahoma Mineral Owners Association, and  
10       f. one member shall be an Oklahoma oil and gas royalty  
11       owner selected from a list of names submitted by the  
12       Oklahoma affiliate of the National Association of  
13       Royalty Owners.

14       Nothing in this section shall be construed to prevent a member  
15 of the Board serving under the provisions of subsection B of this  
16 section from completing his or her term, or from serving on the  
17 committee again following the expiration of his or her term under  
18 subsection B of this section.

19       D. With the exception of the Secretary of Energy or the  
20 designee of the Secretary, Committee members shall serve for three-  
21 year terms and may be removed from the Committee by a majority vote  
22 of the Committee with or without cause. The ~~Oklahoma Energy~~  
23 ~~Resources Board~~ Committee may establish any additional  
24 qualifications, requirements or conditions it deems appropriate for

1 members of the Committee which are consistent with the provisions of  
2 this section. The chair of the Committee, ~~with the approval of the~~  
3 ~~Board,~~ shall strive to select representatives of all facets of the  
4 oil and natural gas industry, and the University of Oklahoma,  
5 Oklahoma State University, the University of Tulsa, and Oklahoma  
6 City University, in addition to any other interested higher  
7 education institutions and governmental entities charged with duties  
8 and authority over relevant areas.

9 ~~5.~~ E. No member of the Committee shall receive a salary for  
10 duties performed as a member of the Committee; however, members may  
11 be eligible to receive reimbursement for necessary and actual travel  
12 expenses as provided for in the State Travel Reimbursement Act ~~if~~  
13 ~~approved by the Oklahoma Energy Resources Board.~~

14 ~~6.~~ F. Members appointed to serve on the Committee shall be  
15 eligible to serve on any other state board or commission if the  
16 member is otherwise qualified to hold such appointed office,  
17 notwithstanding the provisions of Section 6 of Title 51 of the  
18 Oklahoma Statutes.

19 ~~C.~~ G. The Committee ~~for Sustaining Oklahoma's Energy Resources~~  
20 is authorized to accept appropriations, donations, grants,  
21 assessments, contributions and gifts from any public or private  
22 source for the purpose of implementing the provisions of ~~this act~~  
23 Section 288.1 et seq. of this title. The Committee shall deposit  
24

1 such funds in the revolving fund created in Section 288.5B of this  
2 title.

3 ~~D. H. The Committee for Sustaining Oklahoma's Energy Resources,~~  
4 ~~with the advice and consent of the Oklahoma Energy Resources Board,~~  
5 is authorized to promulgate rules as necessary to implement the  
6 provisions of ~~this act~~ the Oklahoma Energy Education and Marketing  
7 Act.

8 SECTION 2. AMENDATORY Section 1, Chapter 199, O.S.L.  
9 2013 (52 O.S. Supp. 2020, Section 288.5C), is amended to read as  
10 follows:

11 Section 288.5C. A. Effective July 1, 2013, all duties, assets  
12 and obligations of the Commission on Marginally Producing Oil and  
13 Gas Wells created pursuant to Section 700 of ~~Title 52 of the~~  
14 ~~Oklahoma Statutes~~ this title shall be transferred to the authority  
15 of the ~~Committee for Sustaining Oklahoma's Energy Resources~~ Legacy  
16 Oil and Gas Well Innovation Committee created pursuant to Section  
17 288.5A of ~~Title 52 of the Oklahoma Statutes~~ this title.

18 B. Effective July 1, 2013, the terms of the members of the  
19 Commission on Marginally Producing Oil and Gas Wells appointed  
20 pursuant to the provisions of Section 700 of ~~Title 52 of the~~  
21 ~~Oklahoma Statutes~~ this title shall be terminated.

22 C. Effective July 1, 2013, all unclassified full-time-  
23 equivalent, part-time, and temporary employees of the Commission on  
24 Marginally Producing Oil and Gas Wells shall be terminated.

1 Employees shall be paid for any accrued annual leave and may be  
2 eligible for other benefits as provided by law.

3 D. Activities and functions previously performed by the  
4 Commission on Marginally Producing Oil and Gas Wells shall be under  
5 the responsibility of the ~~Committee for Sustaining Oklahoma's Energy~~  
6 ~~Resources~~ Legacy Oil and Gas Well Innovation Committee or a  
7 successor committee as provided by law. The Committee may organize  
8 itself, create subcommittees or adopt procedures as deemed necessary  
9 and appropriate and consistent with the provisions of ~~this act~~ the  
10 Oklahoma Energy Education and Marketing Act to implement the  
11 provisions of this act and carry out the functions and duties of the  
12 Commission on Marginally Producing Oil and Gas Wells with the  
13 exception of making annual reports as required by paragraph 7 of  
14 subsection A of Section 701 of ~~Title 52 of the Oklahoma Statutes~~  
15 this title.

16 E. Monies remaining in the Commission on Marginally Producing  
17 Oil and Gas Wells Revolving Fund created in Section 705 of ~~Title 52~~  
18 ~~of the Oklahoma Statutes~~ this title shall be transferred to the  
19 credit of the Sustaining Oklahoma's Energy Resources Revolving Fund  
20 created in Section 288.5B of ~~Title 52 of the Oklahoma Statutes~~ this  
21 title for use as provided in ~~this act~~ the Oklahoma Energy Education  
22 and Marketing Act.

23 F. The ~~Committee for Sustaining Oklahoma's Energy Resources~~  
24 ~~with the advice and consent of the Oklahoma Energy Resources Board~~

1 Legacy Oil and Gas Well Innovation Committee is authorized to  
2 promulgate any rules necessary to implement the provisions of ~~this~~  
3 ~~act~~ the Oklahoma Energy Education and Marketing Act. The Secretary  
4 of Energy may provide assistance as necessary to oversee the  
5 transfer of duties, assets and obligations pursuant to ~~this act~~ the  
6 Oklahoma Energy Education and Marketing Act.

7 SECTION 3. AMENDATORY 52 O.S. 2011, Section 288.5B, as  
8 last amended by Section 3, Chapter 199, O.S.L. 2013 (52 O.S. Supp.  
9 2020, Section 288.5B), is amended to read as follows:

10 Section 288.5B. There is hereby created in the State Treasury a  
11 revolving fund for the ~~Committee for Sustaining Oklahoma's Energy~~  
12 ~~Resources~~ Legacy Oil and Gas Well Innovation Committee to be  
13 designated the "~~Sustaining Oklahoma's Energy Resources~~ Legacy Oil  
14 and Gas Well Innovation Committee Revolving Fund". The fund shall  
15 be a continuing fund, not subject to fiscal year limitations, and  
16 shall consist of all monies transferred to the ~~Committee for~~  
17 ~~Sustaining Oklahoma's Energy Resources~~ Legacy Oil and Gas Well  
18 Innovation Committee to further the purposes of ~~this act~~ the  
19 Oklahoma Energy and Marketing Act from any public appropriations and  
20 donations, grants, contributions or gifts from any public or private  
21 source. All monies including the existing balance of funds on the  
22 effective date of this act accruing to the credit of the fund are  
23 hereby appropriated and may be budgeted and expended by the  
24 ~~Committee for Sustaining Oklahoma's Energy Resources~~ Legacy Oil and

1 Gas Well Innovation Committee for the purpose of encouraging and  
2 funding research and development of new technologies in the oil and  
3 natural gas industry and funding activities to support marginally  
4 producing oil and gas wells. Expenditures from the fund shall be  
5 made upon warrants issued by the State Treasurer against claims  
6 filed as prescribed by law with the Director of the Office of  
7 Management and Enterprise Services for approval and payment.

8 SECTION 4. This act shall become effective November 1, 2021.

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