

<DateSubmitted>

HOUSE OF REPRESENTATIVES
CONFERENCE COMMITTEE REPORT

Mr. President:
Mr. Speaker:

The Conference Committee, to which was referred

HB2029

By: ODonnell of the House and Taylor of the Senate

Title: Oil and gas; definition of division order; effective date.

Together with Engrossed Senate Amendments thereto, beg leave to report that we have had the same under consideration and herewith return the same with the following recommendations:

1. That the Senate recede from its amendment, and
2. That the attached Conference Committee Substitute be adopted.

Respectfully submitted,

House Action _____ Date _____ Senate Action _____ Date _____

SENATE CONFEREES

Taylor	_____
Allen	_____
Bullard	_____
Murdock	_____
Boren	_____
Hicks	_____

1 CONFERENCE COMMITTEE
2 SUBSTITUTE
3 FOR ENGROSSED
4 HOUSE BILL NO. 2029

By: O'Donnell of the House

and

Taylor of the Senate

7 CONFERENCE COMMITTEE SUBSTITUTE

8 An Act relating to oil and gas; amending 52 O.S.
9 2011, Section 287.5, which relates to ratification or
10 approval of unitization plan by lessees and owners;
11 removing the exclusion of royalty interest owned by
12 lessees, or subsidiaries of the lessee, from counting
13 towards the requisite percentage of royalty ownership
14 needed to ratify or approve unitization plan; and
15 declaring an emergency.

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

17 SECTION 1. AMENDATORY 52 O.S. 2011, Section 287.5, is
18 amended to read as follows:

19 Section 287.5. No order of the Commission creating a unit and
20 prescribing the plan of unitization applicable thereto shall become
21 effective unless and until the plan of unitization has been signed,
22 or in writing ratified or approved by lessees of record of not less
23 than sixty-three percent (63%) of the unit area affected thereby and
24 by owners of record of not less than sixty-three percent (63%)
~~(exclusive of royalty interests owned by lessees or by subsidiaries~~

1 ~~of any lessee~~ of the normal one-eighth (1/8) royalty interest in
2 and to the unit area, and the Commission has made a finding either
3 in the order creating the unit or in a supplemental order that the
4 plan of unitization has been so signed, ratified or approved by
5 lessees and royalty owners owning the required percentage interest
6 in and to the unit area. Where the plan of unitization has not been
7 so signed, ratified or approved by lessees and royalty owners owning
8 the required percentage interest in and to the unit area at the time
9 the order creating the unit is made, the Commission shall, upon
10 petition and notice, hold such additional and supplemental hearings
11 as may be requested or required to determine if and when the plan of
12 unitization has been so signed, ratified or approved by lessees and
13 royalty owners owning the required percentage interest in and to the
14 unit area and shall, in respect to such hearings, make and enter a
15 finding of its determination in such regard. In the event lessees
16 and royalty owners, or either, owning the required percentage
17 interest in and to the unit area have not so signed, ratified or
18 approved the plan of unitization within a period of six (6) months
19 from and after the date on which the order creating the unit is
20 made, the order creating the unit shall cease to be of further force
21 and effect and shall be revoked by the Commission.

22 SECTION 2. It being immediately necessary for the preservation
23 of the public peace, health or safety, an emergency is hereby
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1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

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