

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

SENATE BILL 1202

By: Burns

AS INTRODUCED

An Act relating to the Corporation Commission;
amending 17 O.S. 2021, Section 53, which relates to
plugging wells; establishing maximum time period for
plugging exemption; requiring reporting of certain
data to Commission; defining term; deeming certain
wells abandoned after certain period of nonpayment;
construing provision; directing rule promulgation;
and providing an effective date.

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

SECTION 1. AMENDATORY 17 O.S. 2021, Section 53, is
amended to read as follows:

Section 53. A. The Corporation Commission is hereby authorized
to promulgate rules for the plugging of all abandoned oil and gas
wells. Abandoned wells shall be plugged under the direction and
supervision of Commission employees as may be prescribed by the
Commission. ~~Provided, however, the Commission shall not order any
oil or gas well to be plugged or closed if the well is located on an
otherwise producing oil or gas lease as defined by the Commission,
unless such well poses an imminent threat to the public health and~~

1 ~~safety which shall be determined by the Commission after conducting~~
2 ~~a public hearing on the matter.~~

3 B. 1. A shut-in gas well exempt from plugging by the
4 Commission pursuant to this title or to Commission rule shall only
5 be exempt for a maximum of five (5) years from the date that such
6 well is shut in. An operator of a shut-in gas well shall report the
7 date of shut-in to the Commission within five (5) business days in
8 the form and manner prescribed by the Commission.

9 2. As used in this section, "shut-in gas well" means a well
10 which is capable of production or injection by opening valves,
11 activating existing equipment, or supplying a power source but is
12 not currently producing.

13 C. 1. In the event that royalties for a shut-in gas well are
14 not paid to a surface owner for no less than one (1) year beginning
15 on or after the effective date of this act, such well shall be
16 deemed abandoned and no longer exempt from Commission plugging,
17 notwithstanding the length of time that the well is shut in.

18 2. The Commission shall prescribe the manner and form by which
19 a surface owner may report nonpayment pursuant to paragraph 1 of
20 this subsection.

21 3. Nothing in this subsection shall be construed to prevent a
22 surface owner from pursuing legal action against an operator for
23 unpaid royalties from a shut-in gas well.

1 D. The Commission shall promulgate rules to effectuate the
2 provisions of this section and establish any necessary enforcement
3 measures.

4 SECTION 2. This act shall become effective November 1, 2024.

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