

1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 SENATE BILL 1474

By: Boren

7 AS INTRODUCED

8 An Act relating to oil and gas production; defining
9 terms; requiring the Corporation Commission to levy
10 certain fees; authorizing collection of certain
11 credits; authorizing promulgation of rules; creating
the Water and Agricultural Protection Revolving Fund;
stating purpose; providing for codification; and
providing an effective date.

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

15 SECTION 1. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 155 of Title 52, unless there is
17 created a duplication in numbering, reads as follows:

18 A. For the purposes of this section:

19 1. "Agricultural land" means land currently used or recently
20 used for the purpose of farming, grazing, or ranching;

21 2. "Best environmental practices" means activities approved by
22 the Corporation Commission that include, but are not limited to:

23 a. reduced pad footprint and consolidated well pads,

24 b. produced water recycling or reuse,

- c. use of closed-loop drilling systems,
- d. topsoil preservation and rapid interim reclamation,
- e. livestock-compatible fencing and site design, and
- f. protection of riparian buffers;

3. "Operator" means any person authorized by the Corporation

Commission to drill, complete, and operate a well for the intended development and production of oil, gas, or other hydrocarbons, regardless of whether the well is completed or produces; and

4. "Produced water" means formation water, brine, flowback, or other wastewater produced in connection with oil and gas development.

B. The Corporation Commission shall levy an annual surface impact fee of Twenty-five Dollars (\$25.00) per acre for any surface disturbance associated with oil and gas operations on agricultural land. The fee shall be applied from the date of initial disturbance until the date the Corporation Commission certifies successful reclamation. No fee shall be assessed on acres restored to agriculture use within twelve (12) months or acres used for multi-use grazing under an approved surface-use conservation plan.

C. The Corporation Commission shall levy a produced water impact fee of one cent (\$0.01) per barrel on any produced water generated within this state. Operators may deduct volumes of produced water that is recycled and reused for drilling or completion, is treated and beneficially reused for agricultural or

1 industrial purposes, or is disposed of in disposal wells that
2 utilize advanced seismicity-reduction practices as determined by the
3 Corporation Commission. Recycled water volumes shall receive an
4 additional credit of fifty percent (50%) per barrel.

5 D. 1. An operator shall be eligible for a surface stewardship
6 credit of up to one hundred percent (100%) of the surface impact fee
7 if the operator implements best environmental practices that are
8 certified by the Corporation Commission to include, but not be
9 limited to:

- 10 a. interim reclamation completed within six (6) months of
11 well completion,
- 12 b. a reduced pad footprint, to be less than three (3)
13 acres for horizontally drilled wells,
- 14 c. pollinator-friendly reclamation seed mixes, and
- 15 d. consolidated production facilities to reduce surface
16 footprint by at least forty percent (40%).

17 2. An operator shall be eligible for a water stewardship credit
18 of up to seventy-five percent (75%) of produced water fees if the
19 operator:

- 20 a. recycles or reuses more than fifty percent (50%) of
21 produced water generated,
- 22 b. invests in regional water recycling hubs or
23 cooperative reuse networks, and
- 24 c. demonstrates an annual reduction in disposal volumes.

1 E. The Corporation Commission shall promulgate rules to
2 effectuate the provisions of this section.

3 SECTION 2. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 155.1 of Title 52, unless there
5 is created a duplication in numbering, reads as follows:

6 There is hereby created in the State Treasury a revolving fund
7 for the Corporation Commission to be designated the "Water and
8 Agricultural Protection Revolving Fund". The fund shall be a
9 continuing fund, not subject to fiscal year limitations, and shall
10 consist of all monies received by the Corporation Commission from
11 fees collected pursuant to this act, federal grants, private
12 contributions, and legislative appropriations provided for the
13 purpose of testing groundwater and rural drinking water systems in
14 connection with a pollution concern that stems from a well,
15 restoring soil and land for farms and ranches affected by oil and
16 gas operations, plugging and reclaiming abandoned wells, providing
17 technical assistance programs, and creating water recycling research
18 programs. All monies accruing to the credit of the fund are hereby
19 appropriated and may be budgeted and expended by the Corporation
20 Commission for the purpose provided for in this section.
21 Expenditures from the fund shall be made upon warrants issued by the
22 State Treasurer against claims filed as prescribed by law with the
23 Director of the Office of Management and Enterprise Services for
24 approval and payment.

1 SECTION 3. This act shall become effective November 1, 2026.
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