

1 ENGROSSED HOUSE
2 BILL NO. 1720

By: Peterson of the House

and

Crain of the Senate

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7 An Act relating to oil and gas; amending 52 O.S.
8 2011, Section 317.1, as amended by Section 217,
9 Chapter 304, O.S.L. 2012 (52 O.S. Supp. 2014, Section
10 317.1), which relates to seeping natural gas;
11 modifying definition of seeping natural gas; deleting
12 authorization for certain expenditure; deleting
13 authorization for certain reimbursements; providing
14 an effective date; and declaring an emergency.

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

16 SECTION 1. AMENDATORY 52 O.S. 2011, Section 317.1, as
17 amended by Section 217, Chapter 304, O.S.L. 2012 (52 O.S. Supp.
18 2014, Section 317.1), is amended to read as follows:

19 Section 317.1 A. The Corporation Commission is vested with
20 jurisdiction, power, and authority, and it shall be its duty, to
21 promulgate and enforce rules, and issue and enforce orders relating
22 to seeping natural gas.

23 B. For purposes of this section, "seeping natural gas" shall
24 mean natural gas which has migrated into, under, or around a
structure at hazardous concentrations ~~or is leaking from a~~

1 ~~distribution pipeline operated by a private natural gas utility~~
2 ~~regulated by the Commission that serves no more than three hundred~~
3 ~~(300) customers.~~

4 C. The jurisdiction, power, and authority of the Commission
5 shall extend to responding to any occurrences of seeping gas and
6 coordinating response efforts of private industry, state, county,
7 municipal, and local government entities. The Commission is
8 authorized to investigate seeping natural gas occurrences as
9 provided for in this section and to order any person responsible for
10 a facility which is found to be causing a seeping natural gas
11 occurrence to abate the hazard.

12 D. The Commission is authorized to form emergency response
13 teams to immediately respond to seeping natural gas occurrences as
14 provided for in this section.

15 E. There is hereby created in the State Treasury a fund for the
16 Commission to be designated the "Corporation Commission Gas Seep
17 Fund". The fund shall consist of monies appropriated by the
18 Legislature or monies designated by law to be deposited in the fund.
19 The fund shall be subject to legislative appropriations. The
20 Commission is authorized to make expenditures from the fund as
21 necessary and appropriate for coordinating the response to and
22 investigating seeping natural gas occurrences as specified in this
23 section. Expenditures from the fund shall be made pursuant to The
24 Oklahoma Central Purchasing Act. For purposes of responding to

1 serious environmental emergencies, expenditures from the fund may be
2 made without requisition pursuant to paragraph 5 of subsection A of
3 Section 85.7 of Title 74 of the Oklahoma Statutes. Warrants for
4 expenditures from the fund shall be drawn by the State Treasurer,
5 based on claims signed by an authorized employee or employee of the
6 Commission and approved for payment by the Director of the Office of
7 Management and Enterprise Services. Expenditures made pursuant to
8 this act shall be limited to the available balance in the fund and
9 no other fund shall be accessible for any remediation or repair
10 arising under the provisions of this act.

11 F. 1. When there is an occurrence of seeping natural gas, the
12 Commission shall seek to abate the hazard by:

- 13 a. issuing an order to a responsible person pursuant to
14 subsection C of this section, or
15 b. plugging a well if the source of the seeping natural
16 gas is a well drilled for the exploration or
17 production of oil or gas, including an injection or
18 disposal well.

19 2. If the Commission is unable to abate the hazard of a seeping
20 natural gas occurrence as provided for in paragraph 1 of this
21 subsection, the Commission may: ~~(1)~~ expend up to Twenty Thousand
22 Dollars (\$20,000.00) from the Corporation Commission Gas Seep Fund
23 for the cost of installing a system to divert natural gas away from
24 a structure or otherwise abate the hazards; ~~or (2) expend up to One~~

1 ~~Hundred Twenty five Thousand Dollars (\$125,000.00) to repair or~~
2 ~~replace a distribution pipeline identified in subsection B of this~~
3 ~~section.~~

4 3. The Commission may seek reimbursement of expenditures made
5 by the Commission pursuant to this subsection from a responsible
6 person who has not complied with an order issued pursuant to
7 subsection C of this section. Any monies received as reimbursement
8 shall be deposited to the credit of the Corporation Commission Gas
9 Seep Fund.

10 4. The Commission shall promulgate rules defining the criteria
11 for determining the eligibility of the owner of a structure for
12 assistance pursuant to this subsection. Eligibility shall be
13 determined based on the nature and extent of the hazard, the
14 financial need of the owner of the structure, and other relevant
15 factors.

16 G. The Commission shall not be responsible for damages to land
17 or improvements resulting from the investigation of seeping natural
18 gas occurrences as provided for in this section. Any person
19 entering upon the land pursuant to the authority of the Commission
20 under this section shall not be liable or held responsible for any
21 damages resulting from operations reasonably necessary or proper for
22 the investigation of the seeping natural gas occurrence or the
23 abatement of associated hazards.

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1 H. Any person entering upon the land to investigate or abate
2 the associated hazards of a seeping natural gas occurrence, pursuant
3 to the authority of the Commission under this section, shall not be
4 held to have assumed responsibility for future abatement work on the
5 land or be liable for damages or otherwise for conditions
6 subsequently arising from or in connection with the land.

7 I. Nothing in this section shall relieve any person or persons
8 otherwise legally responsible from any obligation to properly abate
9 hazards associated with seeping natural gas.

10 J. The term "person" as used in this section means any
11 individual, business association or corporation, partnership,
12 governmental or political subdivision, public corporation, body
13 politic and corporate public authority, trust or any other legal
14 entity.

15 ~~K. Upon application, the Commission may reimburse: (1) up to~~
16 ~~Twenty Thousand Dollars (\$20,000.00) of the costs incurred by the~~
17 ~~applicant in installing a system to divert natural gas away from a~~
18 ~~structure or otherwise abate the hazards; or (2) up to One Hundred~~
19 ~~Twenty Five Thousand Dollars (\$125,000.00) of the costs incurred by~~
20 ~~the applicant to repair or replace a distribution pipeline~~
21 ~~identified in subsection B of this section. Costs associated with~~
22 ~~occurrences of seeping natural gas reported after January 1, 2003,~~
23 ~~are eligible for reimbursement under this subsection.~~

24 SECTION 2. This act shall become effective July 1, 2015.

