

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 COMMITTEE SUBSTITUTE

4 FOR

HOUSE BILL NO. 2111

By: O'Donnell

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7 COMMITTEE SUBSTITUTE

8 An Act relating to energy; creating the Oklahoma Oil
9 and Natural Gas Regulatory Modernization Commission;
10 providing for Commission membership; outlining
11 certain duties of the Commission; providing for
12 organizational meeting; allowing for certain outside
13 parties to provide input; providing certain quorum
14 requirements; providing for Commission staffing;
15 providing for cooperation of state entities;
16 requiring development and transmission of final
17 report; prohibiting compensation related to
18 Commission service; providing for termination of
19 Commission; providing for codification; and declaring
20 an emergency.

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

22 SECTION 1. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 318.11 of Title 52, unless there
24 is created a duplication in numbering, reads as follows:

A. There is hereby created the "Oklahoma Oil and Natural Gas
Regulatory Modernization Commission".

B. The Commission shall consist of eight (8) members as
follows:

- 1 1. The chairperson of the Energy and Natural Resources
2 Committee of the Oklahoma House of Representatives;
 - 3 2. The chairperson of the Energy Committee of the Oklahoma
4 State Senate;
 - 5 3. A member of the Oklahoma Corporation Commission appointed by
6 a vote of the three members of the Corporation Commission, or a
7 designee from the Oklahoma Corporation Commission;
 - 8 4. The Attorney General, or a designee from the Office of the
9 Attorney General;
 - 10 5. The Governor, or a designee from the Office of the Governor;
 - 11 6. The Lieutenant Governor, or a designee from the Office of
12 the Lieutenant Governor;
 - 13 7. The chairperson of the Oklahoma Energy Resources Board, or a
14 designee from the membership of the Oklahoma Energy Resources Board;
15 and
 - 16 8. The Secretary of Energy and Environment of the State of
17 Oklahoma who shall serve as chairperson of the Commission and shall
18 be a nonvoting member.
- 19 C. The Commission shall conduct an inquiry into the impact of
20 new drilling activity on existing wells, both vertical and
21 horizontal. The purpose of this inquiry is to determine and
22 recommend possible changes, if needed, to current regulations. This
23 shall include, but not be limited to:

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1 1. Reviewing existing procedures for resolving disputes as they
2 relate to well communication between two or more wells;

3 2. Identifying additional resource needs of the Oklahoma
4 Corporation Commission for timely enforcement of administrative or
5 judicial orders; and

6 3. Examining alternatives used by other states to resolve
7 disputes as they relate to well communication between two or more
8 wells and making recommendations for adoption of best practices.

9 D. The Commission shall hold an organizational meeting no later
10 than September 1, 2019. In furtherance of performing the duties
11 ascribed in subsection C of this section, the Commission may seek
12 input from stakeholders, including the various businesses regulated
13 by the Corporation Commission.

14 E. The Commission may conduct business without a quorum of its
15 membership being present, but a quorum shall be required to be
16 present for the purposes of adoption of the final report, as
17 detailed in subsection H of this section, of the Commission.

18 F. The Commission shall be staffed by the staff of the Office
19 of the Secretary of Energy and Environment of the State of Oklahoma.

20 G. The Commission may request the assistance of any state
21 agency, board, commission, department or other entity of state
22 government to acquire relevant information.

23 H. The Commission shall develop a final report with specific
24 recommendations and transmit the report not later than September 1,

1 2020, to the Governor, the Speaker of the Oklahoma House of
2 Representatives and the President Pro Tempore of the Oklahoma State
3 Senate.

4 I. Each member of the Commission shall serve without
5 compensation or reimbursement for travel related to Commission
6 duties, aside from the compensation they might otherwise receive as
7 authorized by law.

8 J. The Commission shall terminate effective the day following
9 the transmission of the report required by subsection H of this
10 section.

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

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16 57-1-8270 JBH 02/26/19

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