1 STATE OF OKLAHOMA 2 2nd Session of the 55th Legislature (2016) 3 SENATE BILL 1485 By: Marlatt 4

5

6 7

8

9

10

11

12

13

14

15

16

17

18

19

21

20

22

23

24

AS INTRODUCED

An Act relating to nuisances; defining terms; providing oil and gas exploration and production activities shall not constitute a nuisance; stating exception; prohibiting certain nuisance actions against certain oil and gas exploration and production activities within certain time period; providing for defendant expenses in certain frivolous actions; providing for codification; and declaring an emergency.

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

A new section of law to be codified SECTION 1. NEW LAW in the Oklahoma Statutes as Section 1.2 of Title 50, unless there is created a duplication in numbering, reads as follows:

Α. As used in this section:

"Oil and gas exploration and production activities" means, but is not limited to, surveying, geophysical assessment, clearing, pad development, drilling, hydraulic fracturing, operating well-site facilities, completion activities, production and operation of wells, transportation of product and equipment to and from wellsites and gathering system development. "Oil and gas exploration and production activities" includes improvements or expansion to the

Req. No. 2656 Page 1 activities provided for in this subsection including, but not limited to, activities or equipment resulting from technological advancements. If the expansion is part of the same operating facility, the expansion need not be contiguous.

- B. Oil and gas exploration and production activities conducted on a mineral interest leasehold or the purpose of supporting oil and gas exploration and production activities, if consistent with good exploration and production practices, are presumed reasonable and do not constitute a nuisance unless the activity has a substantial adverse effect on the public health and safety. Further, if such oil and gas exploration and production activities are undertaken in conformity with federal, state and local laws and regulations, they are presumed to be good oil and gas exploration and production practices and not adversely affecting the public health and safety.
- C. No action for nuisance shall be brought against owners or operators of oil and gas exploration and production activities on a mineral leasehold or land used for the purpose of supporting oil and gas exploration and production activities which has been in operation for two (2) years or more prior to the date of bringing the action. The established date of operation is the date on which an oil and gas exploration and production activity on a mineral interest leasehold or land used for the purpose of supporting oil and gas exploration and production activities commenced activity. If the physical facilities of the oil and gas exploration and

Req. No. 2656 Page 2

production activity of the mineral interest leasehold or land used for the purpose of supporting oil and gas exploration and production activities are subsequently expanded or new technology adopted, the established date of operation each change is not a separately and independently established date of operation and commencement of the expanded activity does not divest the mineral interested leasehold or land used for the purpose of supporting oil and gas exploration and production activities of a previously established date of operation.

D. In any action for nuisance in which oil and gas exploration and production activities are alleged to be a nuisance, and which action is found to be frivolous by the court pursuant to Section 2011.1 of Title 12 of the Oklahoma Statutes, the defendant shall recover the aggregate amount of costs and expenses determined by the court to have been reasonably incurred in connection with defending the action, together with a reasonable amount for attorney fees.

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

22 55-2-2656 MJM 1/21/2016 7:54:00 PM

Req. No. 2656 Page 3