

1 **SENATE FLOOR VERSION**

2 February 11, 2021

3 COMMITTEE SUBSTITUTE  
4 FOR

5 SENATE BILL NO. 1034

By: Taylor of the Senate

and

McEntire of the House

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9 [ oil and gas - the Legacy Oil and Gas Well  
10 Innovation Committee - membership requirements -  
11 effective date ]

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

14 SECTION 1. AMENDATORY 52 O.S. 2011, Section 288.5A, as  
15 amended by Section 2, Chapter 199, O.S.L. 2013 (52 O.S. Supp. 2020,  
16 Section 288.5A), is amended to read as follows:

17 Section 288.5A. A. There is hereby created the Committee for  
18 Sustaining Oklahoma's Energy Resources, after the effective date of  
19 this act to be known as the Legacy Oil and Gas Well Innovation  
20 Committee, which shall ~~be under the direction and supervision of the~~  
21 ~~Oklahoma Energy Resources Board and shall be operate~~ operate for the purpose  
22 of encouraging new processes or technological advancements to  
23 sustain the oil and natural gas industry in the future for the  
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1 benefit of the citizens of this state and for advancing activities  
2 to support marginally producing oil and gas wells.

3 B. 1. The Committee ~~for Sustaining Oklahoma's Energy Resources~~  
4 shall be made up of not less than twelve but not more than eighteen  
5 members. The Oklahoma Energy Resources Board shall select one  
6 member of the Board to serve as the chair of the Committee. Except  
7 as otherwise provided, members of the Committee shall be appointed  
8 by the chair of the Committee and approved by a majority of the  
9 Board.

10 2. The Secretary of Energy or a designee shall serve as a  
11 member of the Committee ~~for Sustaining Oklahoma's Energy Resources~~.  
12 The Secretary of Energy shall select one member of the Committee who  
13 shall currently be serving on the Oklahoma Energy Initiative Board  
14 on behalf of the University of Oklahoma, Oklahoma State University,  
15 the University of Tulsa or Oklahoma City University.

16 3. Of the remaining members of the Committee for Sustaining  
17 Oklahoma's Energy Resources at least:

18 a. four members shall be independent oil and gas  
19 operators, of which at least one shall be from each of  
20 the four Corporation Commission regulatory districts  
21 as they existed on January 1, 2013, and each shall  
22 have operations in the district they represent,  
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- 1           b. one member shall be an independent oil and gas  
2 operator from Osage County and shall have operations  
3 in Osage County,
- 4           c. one member shall be an independent oil and gas  
5 operator selected from a list of operators submitted  
6 by the Oklahoma Independent Petroleum Association,
- 7           d. one member shall be an oil and gas operator selected  
8 from a list of operators submitted by the Mid-  
9 Continent Oil and Gas Association,
- 10          e. one member shall be an Oklahoma oil and gas royalty  
11 owner selected from a list of names submitted by the  
12 Oklahoma Mineral Owners Association, and
- 13          f. one member shall be an Oklahoma oil and gas royalty  
14 owner selected from a list of names submitted by the  
15 Oklahoma affiliate of the National Association of  
16 Royalty Owners.

17       ~~4.~~ C. 1. Beginning on the effective date of this act, the  
18 Committee shall be composed of not less than twelve but not more  
19 than eighteen members. The Committee shall select one member to  
20 serve as the chair of the Committee. Except as otherwise provided,  
21 members of the Committee shall be appointed by the chair of the  
22 Committee.

23       The Secretary of Energy or a designee shall serve as a member of  
24 the Legacy Oil and Gas Well Innovation Committee. The Secretary of

1 Energy shall select one member of the Committee who shall currently  
2 be serving on the Oklahoma Energy Initiative Board on behalf of the  
3 University of Oklahoma, Oklahoma State University, the University of  
4 Tulsa or Oklahoma City University.

5 2. Of the remaining members of the Legacy Oil and Gas Well  
6 Innovation Committee at least:

7 a. eight members shall be marginal oil and gas operators,  
8 of which at least one shall be from each of the four  
9 Corporation Commission regulatory districts as they  
10 existed on January 1, 2013, and each shall have  
11 operations in the district they represent,

12 b. one member shall be a marginal oil and gas operator  
13 from Osage County and shall have operations in Osage  
14 County,

15 c. one member shall be a marginal oil and gas operator  
16 selected from a list of operators submitted by the  
17 Oklahoma Energy Producers Alliance,

18 d. one member shall be a marginal oil and gas well  
19 operator selected from a list of operators submitted  
20 by the Petroleum Alliance of Oklahoma,

21 e. one member shall be an Oklahoma oil and gas royalty  
22 owner selected from a list of names submitted by the  
23 Oklahoma Mineral Owners Association, and

1           f. one member shall be an Oklahoma oil and gas royalty  
2           owner selected from a list of names submitted by the  
3           Oklahoma affiliate of the National Association of  
4           Royalty Owners.

5           Nothing in this section shall be construed to prevent a member  
6           of the Board serving under the provisions of subsection B of this  
7           section from completing his or her term, or from serving on the  
8           committee again following the expiration of his or her term under  
9           subsection B of this section.

10          D. With the exception of the Secretary of Energy or the  
11          designee of the Secretary, Committee members shall serve for three-  
12          year terms and may be removed from the Committee by a majority vote  
13          of the Committee with or without cause. The ~~Oklahoma Energy~~  
14          ~~Resources Board~~ Committee may establish any additional  
15          qualifications, requirements or conditions it deems appropriate for  
16          members of the Committee which are consistent with the provisions of  
17          this section. The chair of the Committee, ~~with the approval of the~~  
18          ~~Board,~~ shall strive to select representatives of all facets of the  
19          oil and natural gas industry, and the University of Oklahoma,  
20          Oklahoma State University, the University of Tulsa, and Oklahoma  
21          City University, in addition to any other interested higher  
22          education institutions and governmental entities charged with duties  
23          and authority over relevant areas.

1       ~~5.~~ E. No member of the Committee shall receive a salary for  
2 duties performed as a member of the Committee; however, members may  
3 be eligible to receive reimbursement for necessary and actual travel  
4 expenses as provided for in the State Travel Reimbursement Act ~~if~~  
5 ~~approved by the Oklahoma Energy Resources Board.~~

6       ~~6.~~ F. Members appointed to serve on the Committee shall be  
7 eligible to serve on any other state board or commission if the  
8 member is otherwise qualified to hold such appointed office,  
9 notwithstanding the provisions of Section 6 of Title 51 of the  
10 Oklahoma Statutes.

11       ~~C.~~ G. The Committee ~~for Sustaining Oklahoma's Energy Resources~~  
12 is authorized to accept appropriations, donations, grants,  
13 assessments, contributions and gifts from any public or private  
14 source for the purpose of implementing the provisions of ~~this act~~  
15 Section 288.1 et seq. of this title. The Committee shall deposit  
16 such funds in the revolving fund created in Section 288.5B of this  
17 title.

18       ~~D.~~ H. The Committee ~~for Sustaining Oklahoma's Energy Resources,~~  
19 ~~with the advice and consent of the Oklahoma Energy Resources Board,~~  
20 is authorized to promulgate rules as necessary to implement the  
21 provisions of ~~this act~~ the Oklahoma Energy Education and Marketing  
22 Act.

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1 SECTION 2. AMENDATORY Section 1, Chapter 199, O.S.L.  
2 2013 (52 O.S. Supp. 2020, Section 288.5C), is amended to read as  
3 follows:

4 Section 288.5C. A. Effective July 1, 2013, all duties, assets  
5 and obligations of the Commission on Marginally Producing Oil and  
6 Gas Wells created pursuant to Section 700 of ~~Title 52 of the~~  
7 ~~Oklahoma Statutes~~ this title shall be transferred to the authority  
8 of the ~~Committee for Sustaining Oklahoma's Energy Resources~~ Legacy  
9 Oil and Gas Well Innovation Committee created pursuant to Section  
10 288.5A of ~~Title 52 of the Oklahoma Statutes~~ this title.

11 B. Effective July 1, 2013, the terms of the members of the  
12 Commission on Marginally Producing Oil and Gas Wells appointed  
13 pursuant to the provisions of Section 700 of ~~Title 52 of the~~  
14 ~~Oklahoma Statutes~~ this title shall be terminated.

15 C. Effective July 1, 2013, all unclassified full-time-  
16 equivalent, part-time, and temporary employees of the Commission on  
17 Marginally Producing Oil and Gas Wells shall be terminated.  
18 Employees shall be paid for any accrued annual leave and may be  
19 eligible for other benefits as provided by law.

20 D. Activities and functions previously performed by the  
21 Commission on Marginally Producing Oil and Gas Wells shall be under  
22 the responsibility of the ~~Committee for Sustaining Oklahoma's Energy~~  
23 ~~Resources~~ Legacy Oil and Gas Well Innovation Committee or a  
24 successor committee as provided by law. The Committee may organize

1 itself, create subcommittees or adopt procedures as deemed necessary  
2 and appropriate and consistent with the provisions of ~~this act~~ the  
3 Oklahoma Energy Education and Marketing Act to implement the  
4 provisions of this act and carry out the functions and duties of the  
5 Commission on Marginally Producing Oil and Gas Wells with the  
6 exception of making annual reports as required by paragraph 7 of  
7 subsection A of Section 701 of ~~Title 52 of the Oklahoma Statutes~~  
8 this title.

9 E. Monies remaining in the Commission on Marginally Producing  
10 Oil and Gas Wells Revolving Fund created in Section 705 of ~~Title 52~~  
11 ~~of the Oklahoma Statutes~~ this title shall be transferred to the  
12 credit of the Sustaining Oklahoma's Energy Resources Revolving Fund  
13 created in Section 288.5B of ~~Title 52 of the Oklahoma Statutes~~ this  
14 title for use as provided in ~~this act~~ the Oklahoma Energy Education  
15 and Marketing Act.

16 F. ~~The Committee for Sustaining Oklahoma's Energy Resources~~  
17 ~~with the advice and consent of the Oklahoma Energy Resources Board~~  
18 Legacy Oil and Gas Well Innovation Committee is authorized to  
19 promulgate any rules necessary to implement the provisions of ~~this~~  
20 ~~act~~ the Oklahoma Energy Education and Marketing Act. The Secretary  
21 of Energy may provide assistance as necessary to oversee the  
22 transfer of duties, assets and obligations pursuant to ~~this act~~ the  
23 Oklahoma Energy Education and Marketing Act.

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1 SECTION 3. AMENDATORY 52 O.S. 2011, Section 288.5B, as  
2 last amended by Section 3, Chapter 199, O.S.L. 2013 (52 O.S. Supp.  
3 2020, Section 288.5B), is amended to read as follows:

4 Section 288.5B. There is hereby created in the State Treasury a  
5 revolving fund for the ~~Committee for Sustaining Oklahoma's Energy~~  
6 ~~Resources~~ Legacy Oil and Gas Well Innovation Committee to be  
7 designated the "~~Sustaining Oklahoma's Energy Resources~~ Legacy Oil  
8 and Gas Well Innovation Committee Revolving Fund". The fund shall  
9 be a continuing fund, not subject to fiscal year limitations, and  
10 shall consist of all monies transferred to the ~~Committee for~~  
11 ~~Sustaining Oklahoma's Energy Resources~~ Legacy Oil and Gas Well  
12 Innovation Committee to further the purposes of ~~this act~~ the  
13 Oklahoma Energy and Marketing Act from any public appropriations and  
14 donations, grants, contributions or gifts from any public or private  
15 source. All monies including the existing balance of funds on the  
16 effective date of this act accruing to the credit of the fund are  
17 hereby appropriated and may be budgeted and expended by the  
18 ~~Committee for Sustaining Oklahoma's Energy Resources~~ Legacy Oil and  
19 Gas Well Innovation Committee for the purpose of encouraging and  
20 funding research and development of new technologies in the oil and  
21 natural gas industry and funding activities to support marginally  
22 producing oil and gas wells. Expenditures from the fund shall be  
23 made upon warrants issued by the State Treasurer against claims

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1 filed as prescribed by law with the Director of the Office of  
2 Management and Enterprise Services for approval and payment.

3 SECTION 4. This act shall become effective November 1, 2021.

4 COMMITTEE REPORT BY: COMMITTEE ON ENERGY  
5 February 11, 2021 - DO PASS AS AMENDED  
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