

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 58th Legislature (2021)

4 ENGROSSED SENATE
5 BILL NO. 1034

By: Taylor of the Senate

6 and

7 McEntire of the House

8
9 [oil and gas - the Legacy Oil and Gas Well
10 Innovation Committee - membership requirements -
11 effective date]

12
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 within the
22 Oklahoma Energy Resources Board subject to the provisions of this
23 act for the purpose of encouraging new processes or technological
24 advancements to sustain the oil and natural gas industry in the

1 future for the benefit of the citizens of this state and for
2 advancing activities to support marginally producing oil and gas
3 wells.

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

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

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

19 a. four members shall be independent oil and gas
20 operators, of which at least one shall be from each of
21 the four Corporation Commission regulatory districts
22 as they existed on January 1, 2013, and each shall
23 have operations in the district they represent,
24

- 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 Legacy Oil and Gas Well Innovation Committee Revolving Fund created
14 in Section 288.5B of ~~Title 52 of the Oklahoma Statutes~~ this title
15 for use as provided in ~~this act~~ the Oklahoma Energy Education and
16 Marketing Act.

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

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.
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5 COMMITTEE REPORT BY: COMMITTEE ON ENERGY AND NATURAL RESOURCES,
6 dated 04/01/2021 - DO PASS, As Amended.
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