

OKLAHOMA STATUTES  
TITLE 52. OIL AND GAS

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§52-1. Corporation Commission or Commission defined.

As used in Title 52, the term "Corporation Commission" or "Commission" shall mean the Corporation Commission of Oklahoma, or any employee, agent, deputy or representative of the Commission as shall be authorized by law or the Commission to perform any duty, responsibility or function, or exercise any power, unless the intent of the statute clearly prohibits such an authorization.

Added by Laws 1980, c. 86, § 5, eff. July 1, 1980.

§52-1.1. Corporations for producing, transmitting or transporting natural gas.

Any firm, co-partnership, association, or combination of individuals may become a body corporate under the laws of this state for the purpose of producing, transmitting, or transporting natural gas to points within or without this state by complying with the general corporation laws of the State of Oklahoma.

R.L.1910, § 4290. Amended by Laws 1929, c. 44, p. 56, § 1; Laws 1907-08, p. 586; C.S. 1921, § 7889; St. 1931, § 11507. Renumbered from § 1 by Laws 1980, c. 86, § 6.

§52-2. Foreign gas pipeline corporations - License.

Foreign corporations formed for the purpose of, or engaged in the business of transporting or transmitting natural gas by means of pipe lines, shall be licensed and permitted to conduct such business within this state by complying with the general corporation laws of the State of Oklahoma, and with the provisions of this article.

R.L.1910, § 4292. Amended by Laws 1929, c. 44, p. 56, § 2.

§52-3. Eminent domain.

No association, combination, co-partnership or corporation shall have or exercise the right of eminent domain within this state for the purpose of constructing or maintaining a gas pipeline within this state, or shall be permitted to take private or public property for their use within this state, unless expressly granted such power in accordance with this article.

R.L.1910, § 4293.

§52-4. Right-of-way must be granted by charter and damages paid - Damages.

The laying, constructing, building and maintaining a gas pipeline for the transportation or transmission of natural gas along, over,

under, across or through the highways, roads, bridges, streets, or alleys in this state, or of any county, city, municipal corporation or any other private or public premises within this state is hereby declared an additional burden upon said highway, bridge, road, street or alley, and any other private, or public premises and may only be done when the right is granted by express charter from the state; and such gas pipeline shall not be constructed, maintained, or operated until all damages to adjacent owners are ascertained and paid as provided by law.  
R.L.1910, § 4294.

§52-5. Construction and operation of pipelines - Safety regulations - Markers - Promulgation of rules - Personnel - Expenses.

A. The Corporation Commission is hereby authorized, directed and empowered to promulgate, adopt and enforce reasonable rules establishing minimum state safety standards for the design, construction, maintenance and operation of all pipelines used for the transmission and distribution of natural gas in this state. However, except as otherwise provided in subsection B of this section, the Commission shall not promulgate, enforce or interpret any rule or regulation unless such rule, regulation or interpretation shall be consistent with and no more restrictive than the rules, regulations and interpretations of the United States Secretary of Transportation for pipeline transportation and pipeline facilities. When any such transmission pipeline shall be constructed, operated or maintained under, through and across a highway, section-line road or improved public road or street, there shall be erected directly above where such pipeline enters or leaves said highway, section-line road or improved public road or street, a suitable sign or marker stating thereon the name of the owner of such pipeline and such other information as the Corporation Commission may by rule direct.

B. The Commission is authorized and directed to promulgate and enforce reasonable rules relating to an incident on a gathering pipeline unit not subject to the U.S. Department of Transportation Pipeline Safety Regulations, codified at 49 CFR Parts 191 and 192, provided that such rules of the Commission are limited to the following specified areas: telephonic notification of and a written report about the incident which shall be consistent with and require no more information than the rules, regulations and interpretations issued by the U.S. Department of Transportation Pipeline Safety Regulations relating to the reporting of incidents, maps depicting the location of the incident, and reasonable corrective measures to the gathering pipeline unit involved in the incident.

C. For the purposes of this section:

1. "Incident" shall have the same meaning as it is defined in the U.S. Department of Transportation, Pipeline Safety Regulations; and

2. "Gathering pipeline unit" means the portion of the nonregulated gathering pipeline involved in the incident not to exceed one mile of pipeline.

D. If contacted by any other entity or person regarding an incident, as defined in paragraph 1 of subsection C of this section, the Commission may disclose to such entity or person the time, date and location of the incident, the identity of the operator involved in the incident, the size of the gathering pipeline involved and the number of fatalities or injuries, if any, resulting from the incident.

E. With the exception of the information outlined in subsection D of this section, all reports, data, maps or other information which the Commission may be authorized to obtain under the provisions of this section may be filed as confidential and the Commission shall maintain them as confidential and such records shall not be subject to the provisions of the Oklahoma Open Records Act. Only authorized Commission employees may obtain or access such confidential records.

F. The Corporation Commission may appoint a registered professional engineer with actual experience in the design, construction, maintenance or operation of natural gas pipelines, and such other personnel as may be provided by law, to carry out the provisions of Section 1 et seq. of this title. Such engineer shall be furnished with personnel, supplies and equipment as may be necessary to carry out the provisions of Section 1 et seq. of this title. The expenses of any inspection shall be borne and paid for by the parties laying and constructing or operating such pipelines for the transportation or transmission of natural gas.

R.L.1910, § 4295. Amended by 1968, c. 73, § 1, emerg. eff. March 25, 1968; Laws 1987, c. 208, § 59, operative July 1, 1987; Laws 1987, c. 236, § 81, emerg. eff. July 20, 1987; Laws 2000, c. 315, § 2, emerg. eff. June 5, 2000; Laws 2010, c. 269, § 1, emerg. eff. May 14, 2010.

#### §52-5.1. Cooperation with other agencies.

The Corporation Commission is hereby authorized to cooperate with any agency of the Government of the United States or of any state in any cooperative programs designed to achieve greater uniformity or efficiency in the promulgation and enforcement of rules designed to regulate the safe design, construction, maintenance and operation of gas pipelines.

Added by Laws 1968, c. 73, § 2, emerg. eff. March 25, 1968.

#### §52-5.2. Deposit of monies collected in Corporation Commission Revolving Fund.

All monies collected by the Corporation Commission under the provisions of Section 1 et seq. of this title shall be deposited with the State Treasurer to the credit of the Corporation Commission Revolving Fund and shall be used to pay the compensation of the

personnel, expenses, supplies and equipment authorized by Section 5 of this title. Whenever any employee whose salary is payable from the General Revenue or other funds also performs services under the above act, his salary and expenses may be apportioned so that each fund shall bear its proportionate part thereof as determined by the Corporation Commission.

Added by Laws 1968, c. 358, § 6, emerg. eff. May 9, 1968. Amended by Laws 1984, c. 284, § 15, operative July 1, 1984.

§52-6. Repealed by Laws 1968, c. 73, § 3, eff. March 25, 1968.

§52-7. Necessity of incorporation.

No person, firm or association or corporation shall ever be permitted to transmit or transport natural gas by pipelines in this state or in this state construct or operate a pipeline for the transmission of natural gas, except such persons, firms, associations, or corporations be incorporated as in this article provided, except as provided in the preceding section.

R.L. 1910, § 4300.

§52-8. Plat and information showing trunk lines - Filing with Corporation Commission.

Before any gas pipeline corporation shall acquire any right-of-way, or exercise the right of eminent domain within this state, or construct any pipelines for the transportation of gas, it shall file in the office of the Corporation Commission a plat showing in detail the points in this state between which and the route along which its trunk line is proposed to be constructed, the intended size and capacity thereof, and the location and capacity of all pumping stations, gate valves, check valves and connections of all kinds on said trunk lines; and upon the demand of the Corporation Commission, it shall file a plat showing in detail all the lines owned or operated by it, with full information as to their capacity and size, location and capacity of its pumping station, gate valves, check valves and connections of all kinds in existence.

R.L. 1910, § 4301.

§52-9. Domestic pipeline companies - Erection of pumping stations.

All domestic gas pipeline corporations in this state are hereby authorized to build and operate, and for that purpose to acquire, whether by purchase or the exercise of eminent domain, sites for the erection of pumping stations in this state wherever the same may be necessary, due consideration being had for the size, capacity, pressure, facilities and powers of all other gas pipeline corporations and gas consumers and gas producers, in the same gas district which may be affected by the use of said pumps.

R.L. 1910, § 4302.

§52-10. Pipeline companies may cross highways, bridges, etc. - Supplying gas to landowner.

Every gas pipeline corporation or individual in this state is hereby given authority to build, construct and maintain gas pipelines, over, under, across or through all highways, bridges, streets, or alleys in this state, or any public place therein, under the supervision of the inspector of oil and gas as to where and how in said highways, bridges, streets, alleys and public places said pipe lines shall be laid, subject to the control of the local municipalities as to how the business of distribution in that municipality shall be conducted, and subject to responsibility as otherwise provided by law; provided, however, that whenever any gas pipeline crosses the land or premises of anyone outside of a municipality, said corporation shall, by request of the owner of said premises, connect said premises with a pipe line and furnish gas to said consumer at the same rate as charged in the nearest city or town.

R.L.1910, § 4303. Amended by Laws 1929, c. 44, p. 56, § 3.

§52-21. Businesses and persons subject to act - Vested rights excepted.

Every corporation, joint-stock company, limited copartnership, partnership or other person, now, or hereafter exercising or claiming the right to carry or transport natural gas by or through pipeline or lines, for hire, compensation or otherwise, or now or hereafter exercising or claiming the right to engage in the business of producing, piping or transporting natural gas, or any other person or persons, now or hereafter engaging in the business of buying, selling in or transporting natural gas within the limits of this state, shall not have or possess the right to conduct or engage in said business or operations, in whole or in part, as above described, or have or possess the right to locate, maintain, or operate the necessary pipelines, fixtures and equipment thereto belonging, or use in connection therewith, concerning the said business of carrying or transporting natural gas as aforesaid, on, over, along, across, through, in or under any present or future highway, or part thereof, within the state, or to have or possess the right of eminent domain, or any other right or rights, concerning said business or operation, in whole or in part, except as authorized by and subject to the provisions of this act, except, further, and only such right or rights as may already exist which are valid, vested, and incapable of revocation by any law of this state or of the United States. Added by Laws 1913, c. 99, p. 166, § 1, emerg. eff. March 26, 1913.

§52-22. Pipeline right-of-way - Eminent domain - Highways.

For the purpose of acquiring necessary right-of-way, every such person is hereby granted the right of condemnation by eminent domain, and in the use of the highways in this state, for the purpose of transporting natural gas by pipelines, and the location, laying, constructing, maintaining and operations thereof.  
Added by Laws 1913, c. 99, p. 167, § 2, emerg. eff. March 26, 1913.

§52-23. Pipeline operators common purchasers - Requirements - Exemptions.

Every corporation, joint-stock company, limited copartnership, partnership or other person, now or hereafter claiming or exercising the right to carry or transport natural gas by pipeline or pipelines, for hire, compensation, or otherwise, within the limits of this state, is allowed by, and upon compliance with the requirements of this act, as owner, lessee, licensee, or by virtue of any other right or claim, which is now engaged or hereafter shall engage in the business of purchasing natural gas shall be a common purchaser thereof, and shall purchase all the natural gas in the vicinity of, or which may be reasonably reached by its pipelines, or gathering branches, without discrimination in favor of one producer or one person as against another, and shall fully perform all the duties of a common purchaser; but if it shall be unable to perform the same, or be legally excused from purchasing and transporting all the natural gas produced or offered, then it shall purchase and transport natural gas from each person or producer ratably, in proportion to the average production, and such common purchasers are hereby expressly prohibited from discriminating in price or amount for like grades of natural gas or facilities as between producers or persons; and in the event it is likewise a producer, it is hereby prohibited from discrimination in favor of its own production, or production in which it may be interested directly or indirectly in whole or in part, and its own production shall be treated as that of any other person or producer. All persons, firms, associations, and corporation are exempted from the provisions of this act, except from the provisions of Section (9) nine hereof, where the nature and extent of their business is such that the public needs no use in the same, and the conduct of the same is not a matter of public consequence, and for this purpose the district courts of the state and the Corporation Commission are hereby vested with jurisdiction to determine such exemptions in any action or proceeding properly before them, and provided by the laws now in force in this state regulating the purchase and transportation of oil.  
Added by Laws 1913, c. 99, p. 167, § 3, emerg. eff. March 26, 1913.

§52-24. Pipeline companies declared common carriers - Discrimination - Exemptions.

Every corporation, joint stock company, limited copartnership, partnership or other person, now or hereafter engaged in the business of carrying or transporting natural gas for hire, for compensation or otherwise, by pipeline, or pipelines within this state, and by virtue of and in conformity to, any valid law incapable of revocation by any law of this state or of the United States, or by virtue of and in conformity to the provisions of this act, shall be a common carrier thereof as at common law, and no such common carrier shall allow or be guilty of any unjust or any unlawful discrimination, directly or indirectly, in favor of the carriage, transportation or delivery of any natural gas, offered to it, in its possession or control, or in which it may be interested, directly or indirectly, and provided further, that any person, firm or corporation owning or operating a natural gas pipeline within the limits of any incorporated city or town in this state shall be exempted from the provisions of this section only as to its distributing lines located wholly within the corporate limits of said city or town; and provided further, that any person, firm or corporation engaged in gathering natural gas in this state shall be exempted from the provisions of this section as to such gathering activities and instead shall be subject to the provisions of Sections 2 and 3 of this act.

Added by Laws 1913, c. 99, p. 168, § 4, emerg. eff. March 26, 1913.

Amended by Laws 1919, c. 120, p. 174, § 1; Laws 1995, c. 293, § 1, emerg. eff. May 25, 1995; Laws 1999, c. 317, § 1, emerg. eff. June 4, 1999.

#### §52-24.1. Refusal to purchase or transport natural gas - Complaint - Hearing - Orders.

Any person, firm or municipality aggrieved by reason of the refusal by a common carrier of natural gas to purchase or transport natural gas produced by such person or firm or gas production owned by said municipality may file a complaint before the Corporation Commission. The Corporation Commission shall conduct a hearing and take evidence as is necessary to determine the complaint. Notice shall be given to the common carrier at least ten (10) days prior to such hearing. The Corporation Commission shall order the common carrier to purchase or transport the natural gas, and fix a fair rate for such transportation, unless the common carrier establishes and the Commission determines that:

1. Such natural gas cannot reasonably be carried by the named common carrier, because of the difficulty or expense involved;

2. Some other common carrier of natural gas can more conveniently purchase or transport such natural gas; or

3. The gas might dilute or pollute the gas being carried in their line.

Added by Laws 1978, c. 100, § 1, eff. Oct. 1, 1978.

§52-24.2. Definitions.

As used herein the term person, firm or municipality shall include all natural persons, corporations, business, municipal, and nonprofit, rural gas districts, municipal and industrial trusts. Added by Laws 1978, c. 100, § 2, eff. Oct. 1, 1978.

§52-24.3. Repealed by Laws 1999, c. 317, § 5, emerg. eff. June 4, 1999.

§52-24.4. Definitions.

For the purposes of this act:

1. "Gathering" is the transportation of natural gas through a pipeline for hire, compensation or otherwise, or transporting natural gas through a pipeline, in whole or in part, for such person's own account, whether in connection with the purchase and resale of natural gas, or in connection with the processing of natural gas or otherwise, performed by a person other than a local distribution company, intrastate transmission pipeline or interstate pipeline. Gathering includes those activities or processes performed between the delivery points and the redelivery points, which shall include and be limited to only transportation, measurement, conditioning, compressing, pressure regulation, recompressing, cleaning and treating of such gas and the fuel or gas loss associated with such foregoing activities. The terms "conditioning, cleaning and treating" as used herein shall include those processes of separation, dehydration, removal of all contaminants and inerts and filtering. Gathering specifically shall not include processing or the extraction of natural gas liquids and products;

2. "Gatherer" shall mean any person who performs the activities or processes defined as gathering;

3. "Person" shall mean any individual, corporation, firm, partnership, master limited partnership, limited liability company, association, venture, trust, institution, or federal, state, or local governmental instrumentality, or any legal entity however organized;

4. "Shipper" shall mean any person who owns or controls natural gas that seeks or receives gathering service from a gatherer;

5. "Terms and conditions of service" shall include all factors defining the obligations between the gatherer and shipper respecting any gathering activities or process, including, but not limited to, nominations, deductions for fuel, accounting for imbalances, imbalance penalties, assessments, charges or makeup provisions, costs, charges and fees for connection or maintaining connections, duration of gathering service, location of receipt and delivery points, quality specifications of natural gas, minimum and maximum pressures, and measurement;

6. "Delivery point(s)" shall mean the point where the possession or control of the gas stream transfers from a shipper to a gatherer;

7. "Redelivery point(s)" shall mean the point at which the gatherer relinquishes possession or control of the gas stream;

8. "Similarly situated shipper" shall mean any person so designated by the Commission, after application and hearing, wherein the Commission determines that such applicant should receive the benefits and obligations specified in a previously issued Commission order under this act. In determining whether a person is a similarly situated shipper, the Commission shall consider all relevant conditions and factors including those utilized in fixing the fee or terms and conditions of service in the previous order. Similarly situated shipper status shall be limited to applicant's interest in the well(s) covered by the previous order; and

9. "Spread fee" shall mean the monthly difference obtained by subtracting the value received by the gatherer for the natural gas liquids attributable to shipper from the value of the heating content of the natural gas converted to natural gas liquids attributable to the shipper, established by the cost of natural gas purchased by the gatherer to specifically replace such heating content or, if no actual purchases were made, by the value received by gatherer for natural gas sold at the plant tailgate; provided, however, in any month that the result of this calculation generates a value of zero or less, there shall be deemed to be no spread fee.

Added by Laws 1999, c. 317, § 2, emerg. eff. June 4, 1999. Amended by Laws 2004, c. 77, § 1, emerg. eff. April 12, 2004.

§52-24.5. Discriminatory fees - Open access - Commission authority.

A. No gatherer shall charge any fee or require any terms and conditions of service, or both, for gathering, which is unfair, unjust, unreasonable, or unduly discriminatory under the standard specified in and as provided by subsection D of this section. Upon complaint of an aggrieved party filed pursuant to this act, the Corporation Commission shall have the authority to remedy any such fee or terms and conditions of service, or both, for gathering, by:

1. Ordering an adjustment of the fee or terms and conditions of service, or both, as to the aggrieved party to the extent necessary to remove any unfair, unjust, unreasonable, or unduly discriminatory portion of such fee or terms and conditions of service, or both, under the standard specified in and as provided by subsection D of this section; and, if applicable,

2. Ordering the continuation of gathering service during the pendency of the complaint as provided in subsection F of this section; or

3. Ordering the application of fees and terms and conditions of service established by an order previously issued by the Commission under this act be applied to a similarly situated shipper as specified in subsection L of this section.

Nothing in this section shall operate to abrogate the terms of an existing contract while the contract is in force. Upon the expiration or cancellation of an existing contract, under the terms of the contract, the provisions of this section shall apply.

B. No gatherer shall refuse to provide open access natural gas gathering, including the redelivery of such natural gas to existing redelivery points, for a fee for any person seeking such gathering for natural gas which is connected to the gatherer's pipeline unless the gatherer can demonstrate to the Commission that any of the following apply:

1. The continuation of gathering service on the basis requested by the complainant would require an additional capital investment, material to the well or wells at issue, by the gatherer and complainant is unable or unwilling to timely pay gatherer for all reasonable direct costs attributable to such capital investment together with that reasonable portion of a gatherer's overhead directly related to such capital investment;

2. The continued gathering of such natural gas could reasonably be expected to have a material adverse effect on safety or service to existing customers;

3. The natural gas does not satisfy minimum standards for quality, including energy content, consistently applied by the gatherer for such gathering system;

4. The gathering service requested is inconsistent with an existing contract which governs the gathering of the complainant's natural gas; or

5. For such other good cause as the Commission may determine in the particular case.

Upon complaint of an aggrieved party connected to the gatherer's pipeline, the Commission shall determine whether such gatherer is required by reason of this subsection to continue to provide open access natural gas gathering to such party, and if so, and the parties are unable to agree upon a fee or terms and conditions of service or both, for gathering, to fix a fee or terms and conditions of service, or both, for such gathering.

C. No gatherer shall refuse to provide open access natural gas gathering, including the redelivery of such natural gas to existing redelivery points, for a fee for any person seeking such gathering for natural gas which is not connected to gatherer's pipeline unless the gatherer can demonstrate that any of the following apply:

1. The natural gas cannot be reasonably carried by such gatherer due to existing capacity limitations on the gatherer's pipeline;

2. An extension or expansion of facilities would be required and the complainant is unable or unwilling to timely pay the gatherer for all reasonable direct costs attributable to such extension or expansion together with that reasonable portion of a gatherer's

overhead directly related to such extension or expansion of facilities;

3. The gathering of such natural gas could reasonably be expected to have a material adverse effect on safety or service to existing customers or on the operation of or recovery in any processing facility;

4. The natural gas does not satisfy minimum standards for quality or energy or recoverable hydrocarbon content consistently applied by the gatherer for such gathering system; or

5. For such other good cause as the Commission may determine in the particular case.

Upon complaint of an aggrieved party not connected to the gatherer's pipeline, the Commission shall determine whether a gatherer is required by reason of this subsection to provide open access natural gas gathering to such party, and if so, and the parties are unable to agree upon a fee or terms and conditions of service, or both, for gathering, to fix a fee or terms and conditions of service, or both, for such gathering.

D. Any action by the Commission under this act shall be initiated by the filing of a complaint with the Commission by the aggrieved party and the serving of a copy of such complaint upon the gatherer from whom gathering service is being requested. The Commission shall conduct a hearing and take such evidence as is necessary to determine the complaint. Notice of the hearing on such complaint shall be given by registered mail to such gatherer at least twenty (20) days prior to such hearing but in no event shall the hearing be less than thirty (30) days from the filing of the complaint. If the parties are unable to agree on an interim fee or terms and conditions of service, or both, for gathering to apply during the pendency of the complaint before the Commission, then the Commission may set such interim fee or terms and conditions of service, or both, under the provisions of subsection F of this section. In determining and setting a fee or terms and conditions of service, or both, under this act, other than an interim fee under the provisions of subsection F of this section, the Commission shall determine a fee or terms and conditions of service, or both, which would result from arm's-length bargaining in good faith in a competitive market between persons of equal bargaining power and shall consider all economically significant factors for gathering which it determines to be relevant which may include, but are not limited to:

1. The fees and terms and conditions of service which such gatherer receives from the complainant and other shippers for analogous levels of service for gathering within an area the Commission determines to be relevant;

2. The fees charged and the terms and conditions of service provided by other gatherers for gathering within an area the Commission determines to be relevant;

3. The reasonable financial risks of operating such a gathering system;

4. The reasonable capital, operating and maintenance costs of such a gathering system; and

5. Such other factors which the Commission determines to be relevant.

Provided, that neither such fee nor such terms and conditions of service shall be computed on a utility rate of return basis and that gatherers shall not be regulated like public utilities in the setting of fees and terms and conditions of service.

E. In establishing the gathering fee, if the Commission determines the natural gas is processed, the order entered by the Commission establishing such fee shall include the following:

1. Gatherer shall return to shipper at the redelivery point the MMBtu's attributable to such shipper at the plant inlet, less any volumetric deductions for fuel and loss associated with gathering; and

2. For any month in which there is a spread fee, the shipper shall pay to the gatherer such amount.

No further order shall be made regarding the calculation of the spread fee or gatherer's obligations for redelivery of natural gas or natural gas liquids.

F. Upon the filing of a complaint under this section which seeks to continue an existing gathering service, the Commission on motion of the complainant shall require continuation of gathering service under the fees and terms and conditions of service of the last expired contract, if any, during the pendency of the complaint, or set an interim fee and terms and conditions of service. However, the gatherer shall not be required to provide interim gathering if the gatherer can show that such continuance would require an otherwise unnecessary, material capital expenditure, or if the Commission determines interim gathering is excused for safety reasons. Interim relief shall be by order of the Commission after notice to the gatherer from whom gathering service is being requested and subsequent hearing. Any fees for gathering collected during the period a complaint which seeks to set a fee for such gathering is pending shall be subject to the fee finally set by the Commission. If the finally determined fee is less than the collected fee, the excess shall be refunded to the complainant within fifteen (15) days after the final determination of the fee, together with interest at a rate established by the Commission. If the finally determined fee is greater than the collected fee, the excess shall be paid by the complainant to the gatherer within fifteen (15) days after the fee is

finally determined, together with interest at a rate established by the Commission.

G. A gatherer providing natural gas gathering services shall not increase the fee for gathering, change the terms or conditions of service, discontinue gathering service, or not renew an expiring contract of the shipper, without first giving the shipper written notice prior to the effective date of the increase in fee, change in terms or conditions of service, discontinuance of gathering services, or nonrenewal. Such written notice shall be given at least ninety (90) days prior to the effective date of such increase, change, discontinuance or nonrenewal, unless otherwise provided by existing contract, but in no event less than thirty (30) days prior to the effective date of such increase, change, discontinuance or nonrenewal with respect to contracts having terms in excess of six (6) months. If the parties are unable to agree upon continuation of service or fees or terms and conditions of service, or both, the aggrieved party may file a complaint under this act to determine whether an open access obligation exists and, if so, seek the determination of fees or terms and conditions of service, or both, under this act.

H. All matters to be determined by the Commission under this act shall be heard on an expedited basis and a final, appealable order rendered thereon within one hundred twenty (120) days from the filing of the complaint, unless otherwise agreed by the parties. The Commission shall have the power and authority to promulgate rules and issue orders to implement, administer, and enforce the provisions of this act and may exercise all incidental powers which are necessary and proper to the performance of its duties under this act. The Commission shall promulgate rules establishing a voluntary, nonbinding, informal procedure to be available, either before or after the filing of a complaint, in order to encourage the resolution of disputes arising under this act. An informal procedure shall not extend the time limit of one hundred twenty (120) days established in this subsection, unless otherwise agreed by the parties.

I. Upon the filing of a complaint of an aggrieved party, the Commission shall have the right to require the production of relevant documents of the gatherer which is subject to the complaint. Gathering contracts covering the 25 wells most recently connected to the system of the gatherer which is subject to the complaint are deemed discoverable and production will not be denied upon a relevance objection. The Commission may issue process to enforce the attendance of any witness and to obtain any documents relevant to the complaint of an aggrieved party. The Commission may punish any person failing to obey or comply with any order or requirement under this act for contempt, and such person shall be subject to a civil penalty of not more than Five Thousand Dollars (\$5,000.00) for each day that such noncompliance continues. If, after notice and opportunity to be heard, the Commission finds that the documents of

any other gatherer are relevant, the Commission may issue process to enforce the attendance of any witness and to obtain any documents relevant to the complaint and may punish any person failing to obey or comply with any order or requirement under this act for contempt and such person shall be subject to a civil penalty of not more than Five Thousand Dollars (\$5,000.00) for each day that such noncompliance continues. If, in connection with any proceeding under this act, any person, whether or not a party to the proceeding, furnishes information it desires to be confidential, proprietary and/or privileged, the Commission, upon motion of such person and upon a finding by the Commission that the information is confidential, proprietary or privileged, shall enter such protective order as may be necessary to ensure that the information will be used only as may be required for the proper determination of the merits of a proceeding under this act and will not be used for purposes of competitive advantage. Any person, whether or not a party to the proceeding, furnishing a contract or contracts in response to a request under this section shall, prior to furnishing such contracts, delete or obfuscate the names of all persons who are parties to the contract, any unit or well names contained in the contracts, and any reference to the section designation contained in the legal description of the location of the well or unit, but such person shall not remove references to the applicable township and range designations. Additional nonrelevant, confidential information may be deleted or obfuscated from contracts furnished in response to a request under this section, subject to Commission review. Documents produced under this section shall be covered by a confidentiality privilege and thus exempt from the Oklahoma Open Records Act.

J. The Commission shall maintain an index of all orders entered by it under this act identifying the date and order number, indicating the type of relief granted, and identifying the gatherer and gathering system to which the order applies. All orders of the Commission determining a fair, just, reasonable and nondiscriminatory fee and terms and conditions of service under this act shall contain findings of fact and conclusions of law in sufficient detail so that the relevant and significant factors considered by the Commission in determining a fee and terms and conditions of service, the Commission's analysis of those factors and the reasons supporting such fee and terms and conditions of service can be reasonably determined from the face of the order; provided, such order shall not include any information not permitted to be disclosed by the terms of any protective order entered under subsection I of this section.

K. No gatherer shall charge any fee or require any terms and conditions of service, or both, which unduly discriminate in favor of the gatherer's affiliated entities and against other persons. Each gatherer shall maintain documents in such a manner that gathering services provided to an affiliate may be identified and segregated.

L. Any person seeking gathering service for a well or wells covered by a previous order of the Commission may file an application with the Commission seeking the same fee or terms and conditions of service as provided in the previous order, which shall be granted to the applicant by the Commission, unless the gatherer can demonstrate that the applicant is not a similarly situated shipper or that there has been a material change in conditions or circumstances since the prior fee or terms and conditions of service were determined.

M. Nothing in this act shall create or be interpreted to create service or abandonment obligations upon a gatherer or give the Commission jurisdiction to regulate abandonment of gathering facilities. Nothing in this act shall give the Commission jurisdiction to regulate the purchase, processing or resale of natural gas or the price or other compensation for, or any of the other terms or conditions of any such purchase, processing or resale. Added by Laws 1999, c. 317, § 3, emerg. eff. June 4, 1999. Amended by Laws 2004, c. 77, § 2, emerg. eff. April 12, 2004; Laws 2005, c. 229, § 1, emerg. eff. May 26, 2005.

§52-25. Parties not complying with act not to own gas wells, etc.

It shall be unlawful for any corporation, joint stock company, limited copartnership, partnership or other person, now or hereafter engaged in the business of carrying or transporting natural gas for hire or compensation or otherwise, within the limits of this act and not becoming a common purchaser as defined by, and accepting the provisions of this act, to own or operate, directly or indirectly any gas well or wells, gas leases, or gas holdings or interests in this state, after six (6) months next after the approval of this act, and each and every of said corporations, joint stock company, limited copartnership, partnership or other persons shall divest themselves of all legal or equitable ownership, interest or control, directly or indirectly, in gas well or wells, gas leases or gas holdings or interest in this state.

Added by Laws 1913, c. 99, p. 169, § 5, emerg. eff. March 26, 1913.

§52-26. Prerequisite to carrying gas - Filing acceptance and plats - Records for Corporation Commission.

Before any corporation, joint stock company, limited copartnership, partnership or other persons shall have, possess, enjoy or exercise the right of eminent domain, right-of-way, right to locate, maintain or operate pipelines, fixtures or equipment thereunto belonging, or used in connection therewith, as authorized by the provisions of this act, or shall have, possess, enjoy or exercise any right (the word "right" in this connection being used in its most comprehensive legal sense) conferred by this act, every such corporation, joint stock company, limited copartnership, partnership or other person, shall file in the office of said Corporation

Commission proper and explicit authorized acceptance of the provisions of this act and the Constitution of this state, in cases of pipelines a plat showing in detail the points within this state between which, and the route along which the trunk lines are proposed to be constructed, the intended size and capacity thereof, and the location and capacity of all pumping stations, gate valves, check valves and connections and appliances of all kinds used, or to be used, on said trunk or lines; and upon demand of the Corporation Commission the proper party or parties, as required by said commission, shall properly file a plat showing in detail all the lines owned and operated by them respectively, with full and explicit information as to their capacity, size and location, and the capacity of their pumping stations, gate valves, check valves and connections of all kinds, respectively, required or used in the operation thereof.

Added by Laws 1913, c. 99, p. 169, § 6, emerg. eff. March 26, 1913.

§52-27. Right-of-way - Highways - Eminent domain - Foreign corporations - Negligent injuries.

Every domestic pipeline company in this state is hereby given authority to build, construct, lay and maintain gas pipelines, over, under, across, or through all highways, bridges, streets or alleys in this state or any public place under the supervision of the Corporation Commission as to where and how in said highways, bridges, streets, alleys and public places said pipelines shall be laid. Provided the right to lay gas pipelines in cities shall be acquired as now provided by law, and subject to the responsibility as otherwise provided by law for any negligent injury thereby caused. All persons, natural or artificial, except foreign corporations, shall have the right of eminent domain, and any right or privilege hereby conferred, when necessary to make effective the purposes of this act and the rights thereby conferred. Foreign corporations organized under the laws of any other state or territory, or the United States, and doing or proposing to do business in this state, and which shall have become a body corporate pursuant to or in accordance with the laws of this state, and which, as hereby provided, shall have registered its acceptance of the terms hereof, shall receive all the benefits by this act provided.

Added by Laws 1913, c. 99, p. 170, § 7, emerg. eff. March 26, 1913.

§52-28. Filing records or plats with Corporation Commission - Extension of time.

Upon a sworn statement of the necessities which would justify a judicial continuance, the Corporation Commission is authorized to extend the time for the filing of the said plats, not, however, to exceed sixty (60) days.

Added by Laws 1913, c. 99, p. 171, § 8, emerg. eff. March 26, 1913.

§52-29. Production levels of gas wells - Rulemaking - Hardship wells - Field rules.

A. Every corporation, joint stock company, limited copartnership, partnership or other person now or hereafter claiming or exercising the right to produce natural gas within the limits of this state, as owner, lessee, licensee, or by virtue of any other right or claim is hereby prohibited from producing from any gas well an amount in excess of that prescribed by the Oklahoma Corporation Commission.

B. Except as otherwise provided in this section, the Corporation Commission shall have the power and authority to promulgate production rules from time to time for all natural gas wells producing within this state, or for such categories of natural gas wells producing within this state as the Commission may deem appropriate, establishing levels of production upon a finding that the levels of production so established will be sufficient to prevent waste as the same is defined in Section 86.3 of this title and will protect the interests of the public against production of the natural gas reserves underlying this state in amounts in excess of the reasonable market demand therefor.

C. For thirty (30) months from the date of first production, a discovery gas well, as defined in this subsection, subject to the provisions of this section, shall have a production allowable which shall be the greater of one thousand three hundred (1,300) MCFD or sixty-five percent (65%) of the absolute open flow (AOF) as specified by the Corporation Commission. Such discovery well allowable shall not be available for any discovery gas well wherein two (2) or more separate common sources of supply are commingled and one (1) common source of supply would not qualify a new gas well as a discovery gas well, as defined in this section.

Drilling and spacing units which are downspaced after June 1, 1997, shall not qualify for the discovery gas well allowable.

For purposes of this subsection, "discovery gas well" shall mean a new gas well, which is not an off-pattern well, which is the first well completed in a common source of supply within a drilling and spacing unit and is at least one (1) mile from all existing gas wells which are completed in the same common source of supply. In the absence of spacing, a discovery well shall be the first well in the governmental section completed in a common source of supply, provided that the discovery gas well shall not be drilled closer than one thousand three hundred twenty (1,320) feet from the boundaries of the governmental section and is at least one (1) mile from all existing gas wells which are completed in the same common source of supply.

Allowables shall not apply, regardless of unit size, in the instance of production of gas by reservoir dewatering to extract said

gas from reservoirs having initial water saturations at or above fifty percent (50%).

D. The authority granted to the Corporation Commission by this section is in addition to that provided for in Section 239 of this title.

E. The Corporation Commission may, for good cause shown under the exigencies of a particular case and after appropriate notice and hearing, establish a production level different from the levels provided by this section or established by rule promulgated by the Corporation Commission.

F. Production rules promulgated by the Corporation Commission pursuant to the authority granted in subsection B of this section shall be promulgated pursuant to Article I of the Administrative Procedures Act, Sections 250.3 through 308.2 of Title 75 of the Oklahoma Statutes, including the provisions contained therein prescribing the required notice and hearing for rulemaking.

G. The provisions of subsection A of this section and production rules promulgated by the Corporation Commission pursuant to subsection B of this section shall not supersede or invalidate the provisions of any rule or order of the Corporation Commission establishing production levels for natural gas from a well which has been expressly authorized by Corporation Commission order to produce at a specified rate applicable only to that well where the basis for the rate established is based upon a determination by the Corporation Commission that reasonable cause exists to expect that production below the rate would damage the well and cause waste, a so-called "hardship well", or establishing field rules under Section 239 of this title governing the taking of gas from a specified common source of supply or field.

Added by Laws 1913, c. 99, p. 171, § 9, emerg. eff. March 26, 1913.  
Amended by Laws 1981, c. 22, § 1, eff. Oct. 1, 1981; Laws 1992, c. 14, § 2, eff. April 1, 1992; Laws 1997, c. 390, § 1, eff. July 1, 1997; Laws 2007, c. 331, § 1, emerg. eff. June 4, 2007.

#### §52-30. Meters - Reports.

No corporation, joint stock company, limited copartnership, partnership or person doing business under the provisions of this act shall purchase, collect, transport, convey or sell any gas from any wells in this state except such gas as is run through properly constructed meters, the daily readings of which shall be carefully and accurately taken every twenty-four (24) hours, and of which a true and correct report under oath shall be made every month and which report of all such business transacted during the next preceding month shall be filed not later than the fifteenth day of each and every month with the Corporation Commission and which report shall at all times be open to the inspection of the public. Such report shall be based upon such daily meter readings; shall show the

amount of gas run or purchased from each tract of lands; lease or leasehold estate, the names of the seller or sellers of such gas and of the purchaser or purchasers thereof; and any person or persons making or directing, counseling, advising, aiding or abetting in the making or filing of any false report in the premises shall be deemed guilty of perjury, and on conviction thereof be punished as provided by law; and to the end that such meters shall be properly constructed, maintained, repaired and operated, their installation, use and operation shall at all times be subject to such rules and regulations as the Corporation Commission may prescribe.  
Added by Laws 1913, c. 99, p. 172, § 10, emerg. eff. March 26, 1913.

§52-30.1. Electronic natural gas measuring systems - Audit of certain leases and collection of royalties.

A. The Commissioners of the Land Office and the Gross Production Tax Division of the Oklahoma Tax Commission are hereby authorized to enter into such contracts and agreements as are necessary to purchase electronic measuring systems for natural gas produced from wells located within the State of Oklahoma as follows:

1. Such electronic measuring systems should make use of the best technology available and conform to all standards set forth by the American Gas Association, the American Petroleum Institute, the American National Standards Institute, or the American Society of Metalogical Engineers, or any other industry-wide standards which may hereafter be adopted;

2. The systems must have fail-safe security that will detect if the system has been tampered with; and

3. Any purchase made under the authority granted by this act shall comply with the requirements of Sections 85.1 et seq. of Title 74 of the Oklahoma Statutes.

B. The Commissioners of the Land Office and the Gross Production Tax Division of the Oklahoma Tax Commission are hereby granted the authority to employ the professionals necessary to install, maintain and monitor the measuring systems as provided for in subsection A of this section.

C. The Commissioners shall audit all oil and gas leases covering royalties for the past five (5) years, to determine if the state is receiving royalties in the percentage called for in such leases, and if not, the Commissioners shall initiate appropriate legal proceedings to collect the same, plus interest.

Added by Laws 1985, c. 163, § 1, emerg. eff. June 13, 1985.

§52-31. Violation of act - Punishment.

Any person, copartnership, or corporation, its agent or employees, violating any of the provisions of this act, or any order of a court of competent jurisdiction of this state, or the Corporation Commission, pursuant to the jurisdiction conferred by

this act, shall, upon conviction thereof, be fined a sum of not less than One Thousand Dollars (\$1,000.00), nor more than Five Thousand Dollars (\$5,000.00), or imprisonment not less than six (6) months, nor more than one (1) year, or by both such fine and imprisonment for each and every violation of this act; but in case the monthly runs or takings or transportation of gas shall average so as to be without discrimination, as herein provided, a transaction or transactions of any particular day or week or portion of a month shall be disregarded; and the court of competent jurisdiction of the county in which the omission or commission, which is in violation of this act, has occurred, shall have jurisdiction of an action under the Penal Code for the punishment thereof; and that said penalties shall not be exclusive of civil liability.

Added by Laws 1913, c. 99, p. 172, § 11, emerg. eff. March 26, 1913.

§52-32. Violations - Receivership - procedure.

The Corporation Commission shall, upon being reasonably satisfied that any corporation has violated the provisions of this act, recommend to the Attorney General that a receiver be appointed for such corporation. Upon receipt of the recommendation by the Attorney General, he shall within ten (10) days file a petition on behalf of the state in any court of competent jurisdiction, praying that a receiver be appointed, and such court shall immediately consider the application and appoint a receiver, if in the judgment of the court the provisions of this act have been willfully violated. The receiver, when appointed, shall immediately take charge of all the business, property and assets of such corporation in the state and shall retain possession thereof until it shall be determined upon the trial whether or not such corporation has violated the provisions of this act, then, in addition to the other penalties herein provided, all the property of said corporation shall be retained under such receivership until the penalties incurred hereunder are paid, after which the receivership may be discharged upon such terms and conditions as the court may impose as an assurance for the further compliance with this act.

Added by Laws 1913, c. 99, p. 173, § 12, emerg. eff. March 26, 1913.

§52-33. Evidence - Certified transcripts of reports of gas companies.

A properly certified transcript of the report of any such corporation, association, or person, shall, as against the makers thereof, be prima facie evidence of the truth of any matter therein contained.

Added by Laws 1913, c. 99, p. 174, § 13, emerg. eff. March 26, 1913.

§52-34. Enforcement by Corporation Commission - Appeals.

The Corporation Commission is hereby authorized and empowered to enforce all the provisions of this act, including the employment of requisite help and gas experts to carry out the same, except where jurisdiction is conferred on some other branch of the state government by the Constitution of this state; appeals may be allowed from the decision of the Commission to the Supreme Court as now provided by law for appeals in other cases.  
Added by Laws 1913, c. 99, p. 174, § 14, emerg. eff. March 26, 1913.

§52-35. Repealed by Laws 1980, c. 68, § 1, emerg. eff. April 10, 1980.

§52-36.1. Definitions.

As used in this act, Section 36.1 et seq. of this title, (a) "underground storage" shall mean storage in a subsurface stratum or formation of the earth; (b) "natural gas" shall mean gas either while in its original state or after the same has been processed by removal therefrom of component parts not essential to its use for light and fuel; (c) "native gas" shall mean gas which has not been previously withdrawn from the earth; (d) "public utility" shall mean any person, firm or corporation authorized to do business in this state and engaged in the business of transporting or distributing natural gas by means of pipelines into, within or through this state for ultimate public use, or that uses natural gas as a fuel to produce electricity for ultimate public use; and (e) "Commission" shall mean the State Corporation Commission.

Added by Laws 1951, p. 134, § 1, emerg. eff. May 26, 1951. Amended by Laws 1992, c. 352, § 2, emerg. eff. June 4, 1992.

§52-36.2. Public interest and welfare.

The underground storage of natural gas which promotes conservation thereof, which permits the building of reserves for orderly withdrawal in periods of peak demand, which makes more readily available our natural gas resources to the domestic, commercial and industrial consumers of this state, and which provides a better year-round market to the various gas fields, promotes the public interest and welfare of this state.

Therefore in the manner hereinafter provided the Commission may find and determine that the underground storage of natural gas as hereinbefore defined is in the public interest.

Added by Laws 1951, p. 134, § 2, emerg. eff. May 26, 1951.

§52-36.3. Condemnation of subsurface stratum or formation - Operation of storage facilities - Limitations.

Any public utility may condemn for its use for the underground storage of natural gas any subsurface stratum or formation in any land which the Commission shall have found to be suitable and in the

public interest for the underground storage of natural gas, and in connection therewith may condemn such other interests in property as may be required adequately to examine, prepare, maintain and operate such underground natural gas storage facilities; provided, however, that the right of condemnation of underground sands, formations and strata, granted hereby, shall be limited as follows:

(a) No sand, formation, or stratum which is producing or which is capable of producing oil in paying quantities, through any known recovery method, shall be subject to appropriation hereunder;

(b) No gas bearing sand, formation, or stratum shall be subject to appropriation hereunder, unless the volumes of native gas originally in place therein shall be shown to be substantially depleted, and that such sand, formation or stratum has a greater value or utility as a gas storage reservoir for the purpose of insuring an adequate supply of natural gas for any particular class or group of consumers of natural gas, or for the conservation of natural gas, than for the production of the relatively small volumes of native gas which remain therein, provided that no gas sand, formation or stratum shall be condemned under the terms of this act when the gas therein is being used for the secondary recovery of oil, unless gas in necessary and required amounts is furnished to the operator or operators of the secondary recovery operations for as long as oil is produced in paying quantities in the secondary operations for the recovery of oil at the same cost as that at which the gas was being produced at the time of condemnation by the operator of the secondary recovery project or projects.

(c) Only such area of such underground sand, formation or stratum as may reasonably be expected to be penetrated by gas displaced or injected into such underground gas storage reservoir may be appropriated hereunder.

(d) No rights or interest in existing underground gas reservoirs, being used for the injection, storage and withdrawal of natural gas, owned or operated by others than the condemner, shall be subject to appropriation hereunder.

The right of condemnation hereby granted shall be without prejudice to the rights of the owner of said lands or of other rights or interests therein to drill or bore through the underground stratum or formation so appropriated in such manner as shall comply with orders, rules and regulations of the commission issued for the purpose of protecting underground storage strata or formations against pollution and against the escape of natural gas therefrom and shall be without prejudice to the rights of the owner of said lands or other rights or interests therein as to all other uses thereof. The additional cost of complying with such regulations or orders in order to protect the storage shall be paid by the public utility. Added by Laws 1951, p. 135, § 3, emerg. eff. May 26, 1951. Amended by Laws 1992, c. 352, § 3, emerg. eff. June 4, 1992.

§52-36.4. Certificate of Commission.

Any public utility desiring to exercise the right of eminent domain as to any property for use for underground storage of natural gas shall, as a condition precedent to the filing of its petition in the district court, obtain from the Commission a certificate setting out findings of said Commission (a) that the underground stratum or formation sought to be acquired is suitable for the underground storage of natural gas and that its use for such purposes is in the public interest; (b) the amount of recoverable oil and native gas, if any, remaining therein; provided, that the Commission shall issue no such certificate until after public hearing is had on application, pursuant to notice served in compliance with notice in civil actions in the district court, together with notice published at least once each week for two (2) successive weeks in some newspaper of general circulation in the county or counties where the gas is proposed to be stored, the first publication to be at least ten (10) days prior to the date of the hearing.

Added by Laws 1951, p. 135, § 4, emerg. eff. May 26, 1951. Amended by Laws 1992, c. 352, § 4, emerg. eff. June 4, 1992.

§52-36.5. Petition to district court - Examination and determination - Subsequent proceedings.

Any public utility having first obtained a certificate from the Commission as hereinbefore provided, desiring to exercise the right of eminent domain for the purpose of acquiring property for the underground storage of natural gas shall do so in the manner hereinafter provided. Such public utility shall present to the district court of the county wherein the land is situated, or to the judge thereof, a petition setting forth the purpose for which the said property is sought to be acquired, a description of the property sought to be appropriated and the names of the owners thereof as shown by the records of such county. The petitioner shall file the certificate of the Commission as a part of its petition and no order by the court granting said petition shall be entered without such certificate being filed therewith. The court or the judge thereof shall examine said petition and determine whether the petitioner has the power of eminent domain and whether said property is necessary to its lawful purposes, and if found in the affirmative, such finding shall be entered in the record and subsequent proceedings shall follow the procedure now provided by law in the exercise of the rights of eminent domain by railroads.

Added by Laws 1951, p. 136, § 5, emerg. eff. May 26, 1951. Amended by Laws 1992, c. 352, § 5, emerg. eff. June 4, 1992.

§52-36.6. Ownership of gas.

All natural gas which has previously been reduced to possession, and which is subsequently injected into underground storage fields, sands, reservoirs and facilities, shall at all times be deemed the property of the injector, his heirs, successors or assigns. In no event shall such gas be subject to the right of the owner of the surface of said lands or of any mineral interest therein, under which said gas storage fields, sands, reservoirs, and facilities lie, or of any person other than the injector, his heirs, successors and assigns, to produce, take, reduce to possession, waste, or otherwise interfere with or exercise any control thereover. With regard to natural gas in a stratum, or portion thereof, which has not been condemned or otherwise purchased under the provisions of this act:

1. The injector, his heirs, successors and assigns shall not lose title to such gas if such injector, his heirs, successors or assigns can prove by a preponderance of the evidence that such gas was originally injected into the underground storage;

2. The injector, his heirs, successors and assigns, shall have the right to conduct such tests, at his sole risk and expense including, but not limited to, the value of any lost production of other than the injector's gas, as may be reasonable to determine ownership of such gas; and

3. The owner of the stratum shall be entitled to such compensation as is provided by law.

Added by Laws 1951, p. 136, § 6, emerg. eff. May 26, 1951. Amended by Laws 1991, c. 140, § 1, eff. Sept. 1, 1991.

#### §52-36.7. Partial invalidity.

If any section, paragraph, sentence or phrase of this act shall be declared unconstitutional or void for any reason by any court of final jurisdiction, such decision shall not, in any way, invalidate or affect any other section, paragraph, sentence or phrase of this act, but the same shall continue in full force and effect.

Added by Laws 1951, p. 136, § 7, emerg. eff. May 26, 1951.

#### §52-41. Gas from interstate pipelines - License from Corporation Commission.

All domestic gas pipeline corporations in this state, which are now, or shall hereafter fully comply with the laws of this state, and all municipal corporations, owning or operating a gas plant, or which may hereafter own or operate a gas plant, may contract with and secure from foreign corporations, operating interstate gas pipelines, the supply of gas for said domestic gas companies. And said interstate gas pipeline companies or foreign corporations may enter into said contract and deliver said gas, upon obtaining a license from the Corporation Commission, which is hereby authorized to grant a license to do and transact that particular business of supplying domestic corporations with natural gas, and the taking out of said

license and the conduct of said business with domestic pipeline companies, shall not prejudice the said interstate pipeline companies, or foreign corporations in the transaction and conducting of their interstate business; provided, the Corporation Commission may revoke said license when, in its discretion, the public interest may be best subserved thereby.

Added by Laws 1913, c. 98, p. 165, § 1, emerg. eff. March 26, 1913.

§52-42. Repealed by Laws 1993, c. 340, § 3, emerg. eff. June 9, 1993.

§52-43. Repealed by Laws 1993, c. 340, § 3, emerg. eff. June 9, 1993.

§52-44. Gas to be furnished through meters at meter rates -  
Exceptions.

All persons, firms, corporations or other business organizations engaged in the business of furnishing natural gas in municipalities in this state, to the inhabitants thereof, shall do so through standard meters at meter rates; provided, that this act shall only apply to towns where the population exceeds five hundred (500), and shall not prohibit the sale of gas at a flat rate to federal, state or municipally-owned buildings, institutions or plants; Provided further, that this act shall not abrogate any existing contract, or effect or change the terms or conditions of any franchise granted by any municipal corporation prior to, and in effect April 28th, 1913.

Added by Laws 1913, c. 152, p. 309, § 1, emerg. eff. April 28, 1913.

Amended by Laws 1915, c. 200, p. 407, § 1.

§52-45. Violations of act misdemeanor - Punishment.

Any person, firm, corporation or other business organization who shall violate any of the provisions of this act shall be guilty of a misdemeanor and, upon conviction, shall be fined not less than Five Dollars (\$5.00) nor more than Twenty-five Dollars (\$25.00), and each day of such violation shall be deemed a separate offense.

Added by Laws 1913, c. 152, p. 309, § 2, emerg. eff. April 28, 1913.

§52-46.1. Ammonia - Commercial fertilizers - Transportation by pipeline.

Pipeline companies operating in this state as common carriers and companies operating pipelines in this state for conveying natural or artificial gas for public utility service may transport by pipeline ammonia and other substances and materials comprising commercial fertilizer or used in manufacturing commercial fertilizer when specifically authorized to so do by the Oklahoma Corporation Commission.

Added by Laws 1967, c. 48, § 1, emerg. eff. April 10, 1967.

§52-46.2. Hearing and determination of applications - Appeals.

Applications for authority to operate under Section 1 of this act shall be heard and determined by the Oklahoma Corporation Commission and appeals from the Oklahoma Corporation Commission's orders in such matters shall be granted pursuant to the Oklahoma Constitution, Article 9, Sections 20, 21 and 22.

Added by Laws 1967, c. 48, § 2, emerg. eff. April 10, 1967.

§52-46.3. Eminent domain.

All companies authorized by the Oklahoma Corporation Commission to operate under Section 1 of this act shall have and exercise the right of eminent domain in the same manner and by like proceedings as provided for railroad corporations by the laws of this state.

Added by Laws 1967, c. 48, § 3, emerg. eff. April 10, 1967.

§52-46.4. Rules and regulations.

The Oklahoma Corporation Commission shall make such reasonable rules and regulations as may be necessary to administer this act.

Added by Laws 1967, c. 48, § 4, emerg. eff. April 10, 1967.

§52-47.1. Short title.

Sections 1 through 8 of this act shall be known and may be cited as the "Hazardous Liquid Transportation System Safety Act".

Added by Laws 1984, c. 80, § 1, eff. Nov. 1, 1984.

§52-47.2. Definitions.

As used in the Hazardous Liquid Transportation System Safety Act:

1. "Commission" means the Corporation Commission;

2. "Hazardous liquid" means petroleum or petroleum products and anhydrous ammonia;

3. "Person" means any individual, corporation, industry, firm, partnership, association, venture, trust, institution, or federal, state, or local governmental instrumentality, or any legal entity however organized; and

4. "Transportation system" means a system of pipelines, conduits, pumping stations and force mains, temporary storage facilities, and all other constructions, devices, appurtenances, and facilities used in the movement of hazardous liquids. Said term does not include gathering pipelines in rural areas, onshore oil or gas production, refining, or manufacturing facilities, oil or gas storage facilities, or in-plant piping systems associated with said oil or gas facilities.

Added by Laws 1984, c. 80, § 2, eff. Nov. 1, 1984. Amended by Laws 2000, c. 315, § 3, emerg. eff. June 5, 2000; Laws 2010, c. 269, § 2, emerg. eff. May 14, 2010.

§52-47.3. Powers and duties of Commission.

The Corporation Commission shall have the power and duty to:

1. Establish, administer, and enforce safety standards for the design, construction, maintenance, and operation of all transportation systems for hazardous liquid;

2. Advise, consult, and cooperate with other agencies of this state, the federal government, other states, interstate agencies, political subdivisions, and industries, as may be necessary for the discharge of the duties of the Commission pursuant to the provisions of the Hazardous Liquid Transportation System Safety Act;

3. Accept and administer loans and grants from the federal government and from other sources, public or private, for implementing the provisions of the Hazardous Liquid Transportation System Safety Act;

4. Adopt, modify, repeal, promulgate, and enforce rules implementing or effectuating the powers and duties of the Commission pursuant to the provisions of the Hazardous Liquid Transportation System Safety Act, provided such rules and regulations shall not exceed those found in 49 CFR, Part 195, as provided for by P.L. 96-129; provided that, the Commission shall not promulgate, enforce or interpret any rule or regulation unless such rule, regulation or interpretation shall be consistent with and no more restrictive than the applicable rules, regulations and interpretations of the United States Secretary of Transportation; provided further that, the Commission shall not apply or enforce any interpretation of its rules against any operator for any practice, policy or conduct that complies with a written procedure to minimize the hazard resulting from a hazardous liquid or carbon dioxide pipeline emergency when that procedure has been annually updated and approved by the United States Secretary of Transportation;

5. Make periodic investigations and inspections of hazardous liquid transportation systems to ensure compliance with the provisions of the Hazardous Liquid Transportation System Safety Act and rules promulgated by the Commission pursuant to the provisions of the Hazardous Liquid Transportation System Safety Act;

6. Require the submission of plans, specifications, and other data relative to hazardous liquid transportation systems, and review said plans, specifications, and other data. All data filed as confidential shall be maintained as confidential and shall not be subject to the provisions of the Oklahoma Open Records Act. Only authorized Commission employees may access such confidential data;

7. Approve or disapprove written safety plans for the inspection and maintenance of said transportation systems;

8. Require reports from all persons operating or owning a hazardous liquid transportation system;

9. Require the maintenance of records relating to the operation of hazardous liquid transportation systems;

10. Institute or cause to be instituted any necessary legal proceedings in any court of competent jurisdiction for an injunction or other appropriate relief to enforce the provisions of the Hazardous Liquid Transportation System Safety Act; and

11. Exercise all incidental powers which are necessary and proper to perform the duties of the Commission pursuant to the provisions of the Hazardous Liquid Transportation System Safety Act. Added by Laws 1984, c. 80, § 3, eff. Nov. 1, 1984. Amended by Laws 2000, c. 315, § 4, emerg. eff. June 5, 2000; Laws 2010, c. 269, § 3, emerg. eff. May 14, 2010.

§52-47.4. Inspection, operation and maintenance plan.

A. Any person who operates or owns a hazardous liquid transportation system shall prepare and implement a written plan for the inspection, operation, and maintenance of each transportation system owned or operated by said person to ensure the safety of said system. Said plan shall be submitted to the Commission for approval.

B. The Commission, after reviewing the adequacy of said plan, shall either approve or disapprove the plan. In determining adequacy of a plan, the Commission shall consider:

1. all relevant transportation system safety data which is available; and

2. whether the plan is appropriate for the particular transportation system or facility; and

3. the feasibility of the plan; and

4. the extent to which said plan will contribute to public safety.

C. If the Commission determines that a plan required pursuant to the provisions of this section is inadequate to achieve safe operation of a transportation system, the Commission, after notice and opportunity for a hearing, shall require the plan to be revised. Added by Laws 1984, c. 80, § 4, eff. Nov. 1, 1984.

§52-47.5. Determination of hazardous transportation system - Corrective action - Emergencies.

A. The Commission may find a transportation system to be hazardous if:

1. the facts and circumstances indicate the particular system is hazardous to life or property; or

2. the transportation system or a component thereof has been constructed or operated with any equipment, material, or technique which the Commission determines is hazardous to life or property.

B. In determining a transportation system to be hazardous, the Commission shall consider the following, if relevant:

1. the characteristics of the pipe and other equipment used in the transportation system, including the age, manufacturer, physical properties, and its resistance to corrosion and deterioration of said

equipment, and the method of manufacture, construction, or assembly; and

2. the nature of the materials transported by said system, including their corrosive and deteriorative qualities, the sequence in which the materials are transported, and the pressure required for said transportation; and

3. the aspects of the areas in which the transportation system is located, including the climatic and geologic conditions, the soil characteristics, and the population, population density, and growth patterns of said areas; and

4. such other factors as the Commission may consider appropriate.

C. If the Commission finds, after reasonable notice and an opportunity for a hearing, that any transportation system is hazardous to life or property, the Commission, by order, shall require the person operating the facility to take necessary corrective action. Said corrective action may include suspended or restricted use of the facility, physical inspection, testing, repair, replacement, or other appropriate action.

D. Whenever the Commission finds that an emergency exists requiring immediate action in order to protect the public health and welfare, the Commission may issue an order, without notice or hearing, stating the existence of said emergency and requiring that action be taken as the Commission deems necessary to meet the emergency. The order shall be effective immediately upon issuance. Any person to whom the order is directed shall comply immediately with the provisions of the order, but, upon application to the Commission, shall be afforded a hearing within ten (10) days of the issuance of the order. On the basis of said hearing, the Commission shall continue the order in effect, revoke it, or modify it.

Added by Laws 1984, c. 80, § 5, eff. Nov. 1, 1984.

#### §52-47.6. Violations - Penalties.

A. Any person who has been determined by the Commission to have violated any provisions of the Hazardous Liquid Transportation System Safety Act or any rule, regulation, or order issued pursuant to the provisions of the Hazardous Liquid Transportation System Safety Act shall be liable for an administrative penalty of not more than One Hundred Thousand Dollars (\$100,000.00) for each day that said violation continues. The maximum administrative penalty shall not exceed One Million Dollars (\$1,000,000.00) for any related series of violations.

B. 1. The amount of the penalty shall be assessed by the Commission pursuant to the provisions of subsection A of this section, after notice and hearing. In determining the amount of the penalty, the Commission shall include but not be limited to consideration of the nature, circumstances, and gravity of the

violation and, with respect to the person found to have committed the violation, the degree of culpability, the effect on ability of the person to continue to do business, and any show of good faith in attempting to achieve compliance with the provisions of the Hazardous Liquid Transportation System Safety Act.

2. All penalties collected pursuant to the provisions of this subsection shall be deposited in the Pipeline Enforcement Fund.

C. Any person who willfully and knowingly injures or destroys, or attempts to injure or destroy, any hazardous liquid transportation system, upon conviction thereof, shall be guilty of a felony and shall be subject for each offense to a fine of not more than Twenty-five Thousand Dollars (\$25,000.00), imprisonment for a term not less than five (5) years and not to exceed fifteen (15) years, or by both such fine and imprisonment.

Added by Laws 1984, c. 80, § 6, eff. Nov. 1, 1984. Amended by Laws 1992, c. 271, § 1, emerg. eff. May 25, 1992; Laws 1997, c. 133, § 489, eff. July 1, 1999; Laws 1999, 1st Ex. Sess., c. 5, § 354, eff. July 1, 1999; Laws 2002, c. 61, § 2, eff. Nov. 1, 2002; Laws 2016, c. 185, § 2, eff. July 1, 2016.

NOTE: Laws 1998, 1st Ex. Sess., c. 2, § 23 amended the effective date of Laws 1997, c. 133, § 489 from July 1, 1998, to July 1, 1999.

§52-47.7. Action to redress or restrain violation.

The Commission may request the Attorney General to bring an action in a court of competent jurisdiction for equitable relief to redress or restrain a violation by any person of a provision of the Hazardous Liquid Transportation System Safety Act or a rule, regulation, or order issued pursuant to the provisions of the Hazardous Liquid Transportation System Safety Act. Said court has jurisdiction to determine said action, and to grant the necessary or appropriate relief, including but not limited to mandatory or prohibitive injunctive relief, interim equitable relief, and punitive damages.

Added by Laws 1984, c. 80, § 7, eff. Nov. 1, 1984.

§52-47.8. Appeals.

Any person aggrieved by any order of the Commission issued pursuant to the provisions of the Hazardous Liquid Transportation System Safety Act or rules and regulations promulgated pursuant to the provisions of the Hazardous Liquid Transportation System Safety Act may appeal said order as provided for by Section 318 of Title 75 of the Oklahoma Statutes.

Added by Laws 1984, c. 80, § 8, eff. Nov. 1, 1984.

§52-51. Oil companies must comply with statute - "Petroleum" defined.

Every corporation, joint stock company, partnership or other person, exercising or claiming the right to carry or transport crude oil or petroleum, or any of the products thereof, by or through pipelines, for hire or otherwise, or exercising or claiming the right to engage in the business of producing crude oil or petroleum, or of refining it, or manufacturing any of the products thereof, or of storing crude oil or petroleum produced by it, or any other person, or engaging in the business of buying, selling or dealing in crude oil or petroleum, within the limits of this state, shall not have or possess the right to conduct or engage in said business or operation, in whole or in part, as above described, or have or possess the right to locate, maintain, or operate the necessary pipelines, fixtures and equipment thereunto belonging, or used in connection therewith, concerning the said business of carrying or transporting crude oil or petroleum as aforesaid, on, over, along, across, through, in or under any present or future highway, or part thereof, within this state, or have or possess the right of eminent domain, or any other rights, concerning said business or operations, in whole or in part, except as authorized by and subject to the provisions of this article, and except such rights as may already exist which are valid, vested, and incapable of revocation by any law of this state or of the United States. The word "petroleum" as used herein means all crude oil and its manufactured products, not including natural gas.

R.L. 1910, § 4304.

§52-52. Right-of-way.

For the purpose of acquiring necessary right-of-way, every such person as defined in this act is hereby granted the right of condemnation by eminent domain, and the use of the highways in this dtate, for the purpose of transporting petroleum, liquid or liquifiable hydrocarbons and chemicals, except coal, which are transportable by pipeline, and for the location, laying, construction, maintaining and operation thereof.

R.L. 1910, § 4305. Amended by Laws 1967, c. 176, § 1, emerg. eff. May 1, 1967.

§52-53. Foreign corporations.

Corporations of other states or territories, or of the United States, otherwise admissible to do business in this state, may get the benefit of this article upon compliance with the laws and Constitution of this state, including the provisions of Section 31, of Article IX, of the Constitution, but until such compliance they shall have no right in, on or under the highways.

R.L. 1910, § 4306.

§52-54. Common purchasers of oil - Required to purchase - Discrimination prohibited.

Every corporation, joint stock company, partnership or other person, claiming or exercising the right to carry or transport crude oil or petroleum or any of the products thereof, by pipeline for hire or otherwise, within the limits of this state, as allowed by, and upon compliance with the requirements of this article, as owner, lessee, licensee, or by virtue of any other right or claim, which is engaged in the business of purchasing crude oil or petroleum therein, shall be deemed a common purchaser thereof, and shall purchase all of the petroleum in the vicinity of, or which may be reasonably reached by its pipelines, or gathering branches, without discrimination in favor of one producer or one person as against another, and shall fully perform all the duties of a common purchaser; but if it shall be unable to perform the same, or shall be legally excusable from purchasing and transporting all of the petroleum produced, then it shall purchase and transport petroleum from each person and producer ratably, in proportion to the average daily production; and such common purchasers are hereby expressly prohibited from discriminating in price or amount for like grades of oil, or facilities as between producers or persons; and in the event such purchaser is likewise a producer, it is hereby prohibited from discriminating in favor of its own production, or storage, or production or storage in which it may be interested, directly or indirectly in whole or in part, and its own production and storage shall be treated as that of any other person or producer.

R.L. 1910, § 4307.

§52-55. Chapter inapplicable to businesses not of public consequence.

All persons, firms, associations, and corporations are exempt from the provisions of this article where the nature and extent of their business are such that the public needs no use in the same and the conduct of the same is not a matter of public consequence; and for this purpose the district courts of the state and the Corporation Commission are vested with jurisdiction to determine such exemptions in any action or proceeding properly before them, as provided in this article.

R.L. 1910, § 4308.

§52-56. Oil carriers are common carriers - Discrimination prohibited.

Every corporation, joint-stock company, partnership or person, engaged in the business of carrying or transporting crude oil or petroleum or any of the products thereof for hire or otherwise, by pipeline, within this state, and by virtue of and in conformity to, any valid law incapable of revocation by any laws of this state or of the United States, or by virtue of and in conformity to the provisions of this article, shall be deemed a common carrier thereof

as at common law and no such common carrier shall allow or be guilty of any unjust or unlawful discrimination, directly or indirectly, in favor of the carriage, transportation, storage or delivery of any crude, stock or storage oil, or any products thereof, in its possession or control, or in which it may be interested, directly or indirectly.

R.L. 1910, § 4309.

§52-57. Oil carriers not to be interested in producing.

It shall be unlawful for any corporation, joint-stock company, partnership or person, engaged in the business of carrying or transporting crude oil or petroleum, or any of the products thereof, for hire or otherwise, within the limits of this article, and not becoming a common purchaser as defined by, and accepting the provisions of this article, to own or operate, directly or indirectly, any oil well, oil leases or oil holdings or interests in this state, and each of said corporations, joint stock companies, partnerships or persons, shall divest themselves of all legal or equitable ownership, interest or control, directly or indirectly, in oil wells, oil leases or oil holdings or interests in this state.

R.L. 1910, § 4310.

§52-58. Acceptance of laws and plats to be filed.

Before any corporation, joint stock company, partnership or person, shall have, possess, enjoy or exercise the right of eminent domain, right-of-way, right to locate, maintain or operate pipelines, fixtures or equipment thereunto belonging, or used in connection therewith, as authorized by the provisions of this article, or shall have, possess, enjoy or exercise any right (the word "right" in this connection being used in its most comprehensive legal sense) conferred by this article, every such corporation, joint stock company, partnership or other person shall file in the office of the Corporation Commission a proper and explicit authorized acceptance of the provisions of this article, and the Constitution of this state, and, in cases of pipe lines, a plat showing in detail the points within this state between which, and the route along which, the trunk lines are proposed to be constructed, the intended size and capacity thereof, and the location and capacity of all pumping stations, gate valves, check valves and connections and appliances of all kinds used, or to be used, on said trunk lines; and upon demand of the Corporation Commission, the proper parties, as required by said Commission, shall promptly file a plat showing in detail all the lines owned and operated by them respectively, with full and explicit information as to their capacity, size and location, and the capacity of their pumping stations, gate valves, check valves and connections, of all kinds, required or used in the operation thereof.

R.L. 1910, § 4311.

§52-59. Domestic pipeline companies have right-of-way.

Every domestic pipeline company in this state is hereby given authority to build, construct, lay and maintain oil pipelines over, under, across, or through all highways, bridges, streets or alleys in this state, or any public place therein, under the supervision of the inspector of oil and gas wells and pipelines as to where and how in said highways, bridges, streets, alleys and public places said pipelines shall be laid, and subject to the control of the local municipalities, as to how the business of distribution in that municipality shall be conducted, and subject to responsibility as provided by law for any negligent injury thereby caused.

R.L. 1910, § 4312.

§52-60. Eminent domain extended to oil pipelines same as railroads.

Any oil pipeline company, organized under the laws of this state shall have power to exercise the right of eminent domain in like manner as railroad companies for the purpose of securing rights-of-way and sites for pumping stations, storage tanks and depots.

R.L. 1910, § 3186.

§52-61. Eminent domain, who may have - Foreign corporations.

All persons, natural or artificial, except foreign corporations, shall have the right of eminent domain, and any right or privilege hereby conferred, when necessary to make effective the purposes of this article and the rights thereby conferred. Foreign corporations organized under the laws of any other state, or the United States, and doing or proposing to do business in this state, and which shall have become a body corporate pursuant to or in accordance with the laws of this state, and which, as hereby provided, shall have registered its acceptance of the terms hereof, shall receive all the benefits provided by this article.

R.L. 1910, § 4313.

§52-62. Commission may extend time for filing plats.

Upon a sworn statement of the necessities which would justify a judicial continuance, the Corporation Commission is authorized to extend the time for the filing of the said plats, not, however, to exceed sixty (60) days.

R.L. 1910, § 4314.

§52-63. Penalty for violations.

Any person, co-partnership, or corporation, its agent or employee, violating any of the provisions of this article, or any order of the competent courts of this state, or the Corporation Commission, pursuant to the jurisdiction conferred by this article, shall, upon conviction thereof, be fined a sum of not less than One

Thousand Dollars (\$1,000.00), nor more than Five Thousand Dollars (\$5,000.00), or imprisonment for not less than six (6) months, nor more than one year, or by both such fine and imprisonment for each and every violation of this article; but in case the monthly runs or takings or transportations of oil shall average so as to be without discrimination, as herein provided, the transactions of any particular day, week, or portion of a month shall be disregarded; and the competent court of the county in which the omission or commission which is a violation of this article, has occurred, shall have jurisdiction of an action under the penal code for the punishment thereof; and said penalties shall not be exclusive of civil liability.

R.L. 1910, § 4315.

§52-64. Suspension of penalty, when.

Whenever the operation of a valid order of a competent court or the Corporation Commission is duly suspended, according to law, the punitive provisions of this article shall likewise be suspended in their operation as to the transactions adjudicated in said court; and, further, any court having jurisdiction of an action brought by the state to punish for a violation under the terms of this article, shall not impose a punishment therefor greater than Five Hundred Dollars (\$500.00) against any person or corporation, if it finds from the evidence that the violation was made solely with the object of testing according to law the validity of any of the provisions of this article, or of the order of any competent court or of the Corporation Commission, in any proceeding to carry out the provisions hereof.

R.L. 1910, § 4316.

§52-65. Certified transcript shall be evidence.

A properly certified transcript of the report of any such corporation, association or person shall, as against the maker thereof, be prima facie evidence of the truth of any matter therein contained.

R.L. 1910, § 4317.

§52-66. Repealed by Laws 1980, c. 68, § 1, emerg. eff. April 10, 1980.

§52-67. Authorization for construction, siting, expansion or operation of crude oil or refined petroleum product pipeline facilities - Schedule of approval.

A. The Corporation Commission shall cooperate with and comply with deadlines established by the Federal Energy Regulatory Commission in regards to authorization for the construction, siting,

expansion, or operation of crude oil or refined petroleum product pipeline facilities.

B. The Corporation Commission shall have the authority to establish a schedule for all state pipeline authorizations with respect to crude oil or refined petroleum product pipeline facilities. In establishing the schedule, the Commission shall:

1. Ensure expeditious completion of all proceedings; and
2. Accommodate the applicable schedules established by state law for such proceedings.

C. Any judicial appeal of the actions of the Commission shall be to an Oklahoma court of competent jurisdiction as provided for by the Constitution of the State of Oklahoma.

D. Upon application by a qualified applicant, the Commission shall issue an order authorizing, in whole or in part, the siting, construction, expansion, or operation of a crude oil or refined petroleum product pipeline facility which is located in either interstate or intrastate commerce.

E. If the holder of a Commission order issued pursuant to this section cannot acquire by contract, or is unable to agree with the owner of the property on the amount of compensation to be paid for:

1. The necessary right-of-way to site, construct, operate, and maintain a pipeline or pipelines for the transportation of crude oil or refined petroleum products; and

2. The necessary land or other property for the location of compressor stations, pressure apparatus, or other stations or equipment necessary to the proper operation of such pipeline or pipelines,

the holder of the order may acquire the property through the exercise of the right of eminent domain in an Oklahoma court of competent jurisdiction as allowed under the Constitution of the State of Oklahoma.

Added by Laws 2006, c. 261, § 8, eff. July 1, 2006.

§52-81. Repealed by Laws 1997, c. 275, § 15, eff. July 1, 1997.

§52-82. Repealed by Laws 1982, c. 354, § 11, operative July 1, 1982.

§52-83. Repealed by Laws 1997, c. 275, § 15, eff. July 1, 1997.

§52-84. Repealed by Laws 1947, c. 327, § 6.

§52-85. Repealed by Laws 1947, c. 327, § 6.

§52-86. Repealed by Laws 1947, c. 327, § 6.

§52-86.1. Definitions.

For the purposes of this act:

1. "Commission" means the Corporation Commission;
2. "Person" includes any individual, copartnership, corporation, common law or statutory trust or association of whatever character;
3. "Common source of supply" comprises and includes that area which is underlaid or which, from geological or other scientific data, or from drilling operations, or other evidence, appears to be underlaid, by a common accumulation of oil or gas or both. If any such area is underlaid, or appears from geological or other scientific data, or from drilling operations, or other evidence, to be underlaid by more than one common accumulation of oil or gas or both, separated from each other by a strata of earth and not connected with each other, then such area, as to each said common accumulation of oil or gas or both, shall be deemed a separate common source of supply;
4. "Owner" means a person who has the right to drill into and to produce from any common source of supply and to appropriate the production, either for that person or for that person and others;
5. "Oil" means crude petroleum oil, and any other hydrocarbons, regardless of gravity, which are produced at the well in liquid form by ordinary production methods;
6. "Gas" means all natural gas, including casinghead gas, and all other hydrocarbons not defined as oil in paragraph 5 of this section;
7. "Producer" means any person who, along or in association with another person or persons, shall have the right to drill into and produce from, or who has any interest in production from, any common source of supply in this state;
8. "Operator" means any producer of oil or gas who has drilled a well or wells into a common source of supply and is engaged in operating the well or wells for the purpose of producing oil or gas therefrom;
9. "Taker" includes any person, who, acting alone, or jointly with any person or persons, is directly or indirectly purchasing or transporting by any means whatsoever or otherwise removing oil or gas from any common source of supply in this state; and
10. "Hearing" means any proceeding before an Administrative Law Judge, Appellate Referee or the Corporation Commission en banc, after notice and opportunity to be heard, by which the Commission may exercise its authority under Chapter 3 of this title and as set forth in the Rules of Practice of the Commission. Any evidence as defined, authorized, and permitted by the Oklahoma Constitution, the laws of the State of Oklahoma, and rules of the Commission in support of an application for Commission action or relief shall be received as evidence.

Added by Laws 1947, p. 326, § 1, emerg. eff. April 29, 1947. Amended by Laws 2006, c. 190, § 1, emerg. eff. May 26, 2006.

§52-86.2. Waste in production of oil - industrial use of water produced

A. The term "waste", as applied to the production of oil, in addition to its ordinary meaning, shall include economic waste, underground waste, including water encroachment in the oil or gas bearing strata; the use of reservoir energy for oil producing purposes by means or methods that unreasonably interfere with obtaining from the common source of supply the largest ultimate recovery of oil; surface waste and waste incident to the production of oil in excess of transportation or marketing facilities or reasonable market demands. The production of oil in the State of Oklahoma in such manner and under such conditions as to constitute waste, as in Sections 86.1 et seq. of this title defined, is hereby prohibited, and the Corporation Commission shall have authority, and is charged with the duty, to make rules, regulations and orders for the prevention of such waste, and for the protection of all fresh water strata and oil or gas bearing strata encountered in any well drilled for oil or gas.

B. Provided, the Commission shall work in conjunction with the Secretary of Energy and Environment, the Oklahoma Water Resources Board and the Department of Environmental Quality to encourage industrial use of water produced in oil and natural gas operations. Added by Laws 1947, p. 326, § 2, emerg. eff. April 29, 1947. Amended by Laws 2016, c. 124, § 1.

§52-86.3. Waste of gas - Meaning - Prevention - Prohibition - Protection of fresh water and oil or gas bearing strata.

The term "waste", as applied to gas, in addition to its ordinary meaning, shall include the inefficient or wasteful utilization of gas in the operation of oil wells drilled to and producing from a common source of supply; the inefficient or wasteful utilization of gas from gas wells drilled to and producing from a common source of supply; the production of gas in such quantities or in such manner as unreasonably to reduce reservoir pressure or unreasonably to diminish the quantity of oil or gas that might be recovered from a common source of supply; the escape, directly or indirectly, of gas from oil wells producing from a common source of supply into the open air in excess of the amount necessary in the efficient drilling, completion or operation thereof; waste incident to the production of natural gas in excess of transportation and marketing facilities or reasonable market demand; the escape, blowing or releasing, directly or indirectly, into the open air, of gas from wells productive of gas only, drilled into any common source of supply, save only such as is necessary in the efficient drilling and completion thereof; and the unnecessary depletion or inefficient utilization of gas energy contained in a common source of supply. In order to prevent the waste or to reduce the dissipation of gas energy contained in a

common source of supply, in addition to its other powers in respect thereof, the Commission shall have the authority to limit the production of gas from wells producing gas only to a percentage of the capacity of such wells to produce. The production of gas in the State of Oklahoma in such manner and under such conditions as to constitute waste as in this act defined is hereby prohibited, and the Commission shall have authority and is charged with the duty to make rules, regulations, and orders for the prevention of such waste and for the protection of all freshwater strata and oil- or gas-bearing strata encountered in any well drilled for gas.

Added by Laws 1947, p. 327, § 3, emerg. eff. April 29, 1947.

§52-86.4. Common source of supply - Orders, rules and regulations.

The Commission is hereby empowered after notice of hearing to make all such orders, rules and regulations applicable to each common source of supply as it may find to be necessary or proper and to make general orders, rules and regulations applicable alike to all common sources of supply in the state. It shall not be necessary to publish such order, rule or regulation, after its adoption or promulgation by the Commission, before it shall go into effect, nor shall it be necessary to publish any such order, rule or regulation in each subsequent annual report of the Commission. Provided, that the Corporation Commission shall not under the provisions of this act make any order establishing a well spacing or drilling unit.

Added by Laws 1947, p. 327, § 4, emerg. eff. April 29, 1947.

§52-86.5. Procedural requirements.

This act shall be subject to all of the procedural requirements contained in Sections 84 to 135, inclusive, Title 52, Oklahoma Statutes, 1951, including the right of appeal to the Supreme Court of the state on the part of any person aggrieved by any action of the Commission under and pursuant to this act.

Added by Laws 1947, p. 327, § 5, emerg. eff. April 29, 1947.

§52-87. Repealed by Laws 1947, c. 331, § 2.

§52-87.1. Common source of supply of oil - Well spacing and drilling units.

Whenever the production from any common source of supply of oil or natural gas in this state can be obtained only under conditions constituting waste or drainage not compensated by counterdrainage, then any person having the right to drill into and produce from such common source of supply may, except as otherwise authorized or in this section provided, take therefrom only such proportion of the oil or natural gas that may be produced therefrom without waste or without such drainage as the productive capacity of the well or wells of any such person considered with the acreage properly assignable to

each such well bears to the total productive capacities of the wells in such common source of supply considered with the acreage properly assignable to each well therein.

(a) To prevent or to assist in preventing the various types of waste of oil or gas prohibited by statute, or any wastes, or to protect or assist in protecting the correlative rights of interested parties, the Corporation Commission, upon a proper application and notice given as hereinafter provided, and after a hearing as provided in the notice, shall have the power to establish well spacing and drilling units of specified and approximately uniform size and shape covering any common source of supply, or prospective common source of supply, of oil or gas within the State of Oklahoma; provided, that the Commission may authorize the drilling of an additional well or wells on any spacing and drilling unit or units or any portion or portions thereof or may establish, reestablish, or reform well spacing and drilling units of different sizes and shapes when the Commission determines that a common source of supply contains predominantly oil underlying an area or areas and contains predominantly gas underlying a different area or areas; provided further that the units in the predominantly oil area or areas shall be of approximately uniform size and shape, and the units in the predominantly gas area or areas shall be of approximately uniform size and shape, except that the units in the gas area or areas may be of nonuniform size and shape when they adjoin the units in the oil area or areas; provided further that the drilling pattern for such nonuniform units need not be uniform, and provided further that the Commission shall adjust the allowable production within the common source of supply, or any part thereof, and take such other action as may be necessary to protect the rights of interested parties. Any order issued pursuant to the provisions hereof may be entered after a hearing upon the petition of any person owning an interest in the minerals in lands embraced within such common source of supply, or the right to drill a well for oil or gas on the lands embraced within such common source of supply, or on the petition of the Conservation Officer of the State of Oklahoma. When such a petition is filed with the Commission, the Commission shall give at least fifteen (15) days' notice of the hearing to be held upon such petition by one publication, at least fifteen (15) days prior to the hearing, in some newspaper of general circulation published in Oklahoma County, and by one publication, at least fifteen (15) days prior to the date of the hearing, in some newspaper published in the county, or in each county, if there be more than one, in which the lands embraced within the application are situated. Except as to the notice of hearing on such a petition, the procedural requirements of Section 86.1 et seq. of this title shall govern all proceedings and hearings provided for by this section.

(b) In case of a spacing unit of one hundred sixty (160) acres or more, no oil and/or gas leasehold interest outside the spacing unit involved may be held by production from the spacing unit more than ninety (90) days beyond expiration of the primary term of the lease.

(c) In establishing a well spacing or drilling unit for a common source of supply thereunder, the acreage to be embraced within each unit may include acreage from more than one governmental section, but shall not exceed six hundred forty (640) acres for a gas well plus ten percent (10%) tolerance, unless the unit is a governmental section and the governmental section contains more than six hundred forty (640) acres in which case the unit may comprise the entire section. Provided, however, fractional sections along the state boundary line and within the townships along the boundary where the survey west of the Indian Meridian meets the survey east of the Cimarron Meridian may be spaced with adjoining section unit, and the shape thereof shall be determined by the Commission from the evidence introduced at the hearing, and the following facts, among other things, shall be material: (1) the lands embraced in the actual or prospective common source of supply; (2) the plan of well spacing then being employed or contemplated in the source of supply; (3) the depth at which production from the common source of supply has been or is expected to be found; (4) the nature and character of the producing or prospective producing formation or formations; and (5) any other available geological or scientific data pertaining to the actual or prospective source of supply which may be of probative value to the Commission in determining the proper spacing and well drilling unit therefor, with due and relative allowance for the correlative rights and obligations of the producers and royalty owners interested therein.

The order establishing such spacing or drilling units shall set forth: (1) the outside boundaries of the surface area included in such order; (2) the size, form, and shape of the spacing or drilling units so established; (3) the drilling pattern for the area, which shall be uniform except as hereinbefore provided; and (4) the location of the permitted well on each such spacing or drilling unit. To such order shall be attached a plat upon which shall be indicated the foregoing information. Subject to other provisions of Section 86.1 et seq. of this title, the order establishing such spacing or drilling units shall direct that no more than one well shall thereafter be produced from the common source of supply on any unit so established, and that the well permitted on that unit shall be drilled at the location thereon as prescribed by the Commission, with such exception as may be reasonably necessary where it is shown, upon application, notice and hearing in conformity with the procedural requirements of Section 86.1 et seq. of this title, and the Commission finds that any such spacing unit is located on the edge of

a pool and adjacent to a producing unit, or for some other reason that to require the drilling of a well at the prescribed location on such spacing unit would be inequitable or unreasonable. Whenever such an exception is granted, the Commission shall adjust the allowable production for the spacing unit and take such other action as may be necessary to protect the rights of interested parties.

Except for horizontal spacing units allowed by subsection (f) of this section, any well spacing or drilling unit for a common source of supply thereunder which exceeds six hundred forty (640) acres for a gas well plus ten percent (10%) tolerance or exceeds the total amount of acreage contained in a governmental section, and is not in production or in the process of drilling development on the effective date of this act shall be de-spaced. However, fractional sections along the state boundary line and within the townships along the boundary where the survey west of the Indian Meridian meets the survey east of the Cimarron Meridian may be spaced with adjoining section unit, and the shape thereof shall be determined by the Commission.

(d) The Commission shall have jurisdiction upon the filing of a proper application therefor, and upon notice given as provided in subsection (a) of this section, to decrease the size of the well spacing units or to permit additional wells to be drilled within the established units, or to increase the size or modify the shape of the well spacing units, upon proper proof at such hearing that such modification or extension of the order establishing drilling or spacing units will prevent or assist in preventing the various types of wastes prohibited by statute, or any of the wastes, or will protect or assist in protecting the correlative rights of persons interested in the common source of supply, or upon the filing of a proper application therefor to enlarge the area covered by the spacing order, if such proof discloses that the development or the trend of development indicates that such common source of supply underlies an area not covered by the spacing order and such proof discloses that the applicant is an owner within the area or within a drilling and spacing unit contiguous to the area covered by the application. Except in the instance of reservoir dewatering as described herein, the Commission shall not establish well spacing units of more than forty (40) acres in size covering common sources of supply of oil, the top of which lies less than four thousand (4,000) feet below the surface as determined by the original or discovery well in the common source of supply, and the Commission shall not establish well spacing units of more than eighty (80) acres in size covering common sources of supply of oil, the top of which lies less than nine thousand nine hundred ninety (9,990) feet and more than four thousand (4,000) feet below the surface as determined by the original or discovery well in the common source of supply. In the instance of reservoir dewatering to extract oil from reservoirs

having initial water saturations at or above fifty percent (50%), the Commission may establish drilling and spacing units not to exceed six hundred forty (640) acres in size.

(e) The drilling of any well or wells into any common source of supply for the purpose of producing oil or gas therefrom, after a spacing order has been entered by the Commission covering such common source of supply, at a location other than that fixed by the order is hereby prohibited. The drilling of any well or wells into a common source of supply, covered by a pending spacing application, at a location other than that approved by a special order of the Commission authorizing the drilling of such well is hereby prohibited. The operation of any well drilled in violation of any spacing so entered is also hereby prohibited. When two or more separately owned tracts of land are embraced within an established spacing unit, or where there are undivided interests separately owned, or both such separately owned tracts and undivided interests embraced within such established spacing unit, the owners thereof may validly pool their interests and develop their lands as a unit. Where, however, such owners have not agreed to pool their interests and where one such separate owner has drilled or proposes to drill a well on the unit to the common source of supply, the Commission, to avoid the drilling of unnecessary wells, or to protect correlative rights, shall, upon a proper application therefor and a hearing thereon, require such owners to pool and develop their lands in the spacing unit as a unit. The applicant shall give all the owners whose addresses are known or could be known through the exercise of due diligence at least fifteen (15) days' notice by mail, return receipt requested. The applicant shall also give notice by one publication, at least fifteen (15) days prior to the hearing, in some newspaper of general circulation published in Oklahoma County, and by one publication, at least fifteen (15) days prior to the date of the hearing, in some newspaper published in the county, or in each county, if there be more than one, in which the lands embraced within the spacing unit are situated. The applicant shall file proof of publication and an affidavit of mailing with the Commission prior to the hearing. All orders requiring such pooling shall be made after notice and hearing, and shall be upon such terms and conditions as are just and reasonable and will afford to the owner of such tract in the unit the opportunity to recover or receive without unnecessary expense the owner's just and fair share of the oil and gas. The portion of the production allocated to the owner of each tract or interests included in a well spacing unit formed by a pooling order shall, when produced, be considered as if produced by such owner from the separately owned tract or interest by a well drilled thereon. Such pooling order of the Commission shall make definite provisions for the payment of cost of the development and operation, which shall be limited to the actual expenditures required for such purpose not

in excess of what are reasonable, including a reasonable charge for supervision. In the event of any dispute relative to such costs, the Commission shall determine the proper costs after due notice to interested parties and a hearing thereon. The operator of such unit, in addition to any other right provided by the pooling order or orders of the Commission, shall have a lien on the mineral leasehold estate or rights owned by the other owners therein and upon their shares of the production from such unit to the extent that costs incurred in the development and operation upon the unit are a charge against such interest by order of the Commission or by operation of law. Such liens shall be separable as to each separate owner within such unit, and shall remain liens until the owner or owners drilling or operating the well have been paid the amount due under the terms of the pooling order. The Commission is specifically authorized to provide that the owner or owners drilling, or paying for the drilling, or for the operation of a well for the benefit of all shall be entitled to production from such well which would be received by the owner or owners for whose benefit the well was drilled or operated, after payment of royalty, until the owner or owners drilling or operating the well have been paid the amount due under the terms of the pooling order or order settling such dispute. No part of the production or proceeds accruing to any owner of a separate interest in such unit shall be applied toward payment of any cost properly chargeable to any other interest in the unit.

For the purpose of this section, the owner or owners of oil and gas rights in and under an unleased tract of land shall be regarded as a lessee to the extent of a seven-eighths ( $7/8$ ) interest in and to the rights and a lessor to the extent of the remaining one-eighth ( $1/8$ ) interest therein, unless and until the owner or owners make an election or are deemed to make an election not to participate under a pooling order issued by the Commission, at which time each such owner shall be considered a lessor, subject to the judicially recognized implied covenant to market found to exist by the courts of this state in oil and gas leases covering lands located in this state, to the extent of the full royalty percentage elected under the pooling order. Should the owners of separate tracts or interests embraced within a spacing unit fail to agree upon a pooling of their interests and the drilling of a well on the unit, and should it be established by final, unappealable judgment of a court of competent jurisdiction that the Commission is without authority to require pooling as provided for herein, then, subject to all other applicable provisions of this act, the owner of each tract or interest embraced within a spacing unit may drill on his or her separately owned tract, and the allowable production therefrom shall be that portion of the allowable for the full spacing unit as the area of such separately owned tract bears to the full spacing unit.

In the event a producing well or wells are completed upon a unit where there are, or may thereafter be, two or more separately owned tracts, each royalty interest owner shall share in all production from the well or wells drilled within the unit, or in the gas well rental provided for in the lease covering such separately owned tract or interest in lieu of the customary fixed royalty, to the extent of such royalty interest owner's interest in the unit. Each royalty interest owner's interest in the unit shall be defined as the percentage of royalty owned in each separate tract by the royalty owner, multiplied by the proportion that the acreage in each separately owned tract or interest bears to the entire acreage of the unit.

(f) Notwithstanding any provision of this title to the contrary, the Corporation Commission shall have jurisdiction upon the filing of a proper application therefor, and upon notice given as provided in subsection (a) of this section, to establish spacing rules for horizontally drilled oil or gas wells whereby horizontally drilled oil or gas wells may have well spacing units established of up to one thousand two hundred eighty (1,280) acres plus tolerances and variances as allowed pursuant to subsection (c) of this section. For purposes of this subsection a "horizontally drilled oil or gas well" shall mean an oil or gas well drilled, completed or recompleted in a manner in which the horizontal component of the completion interval in the geological formation exceeds the vertical component thereof and which horizontal component extends a minimum of one hundred fifty (150) feet in the formation. The Corporation Commission shall promulgate rules necessary for the proper administration of this subsection. For the creation and continuation of any horizontal spacing unit pursuant to this subsection that exceeds six hundred forty (640) acres plus tolerances and variances as allowed pursuant to subsection (c) of this section:

(1) absent a showing of reasonable cause, the unit shall include all lands within each governmental section to be included in the horizontal spacing unit;

(2) the applicant or applicants requesting the Commission to form the horizontal spacing unit must be the owner of an interest in the oil, gas and other minerals in each of the governmental sections to be included in the horizontal spacing unit;

(3) the applicant or applicants requesting the Commission to form a horizontal spacing unit must include in the application the basis for requesting a spacing unit size greater than six hundred forty (640) acres plus tolerances and variances as allowed pursuant to subsection (c) of this section. Absent a showing of reasonable cause, the contemplated horizontal lateral length for the initial unit well in the horizontal spacing unit shall be at least seven thousand five hundred (7,500) feet. If the lateral length of the initial horizontal well does not actually measure a minimum of seven

thousand five hundred (7,500) feet, the Commission shall require the applicant to show cause as to why such spacing order should not be modified, superseded or vacated under the circumstances; and

(4) absent a showing of reasonable cause, the drilling of a multiunit horizontal well pursuant to Section 87.8 of this title shall not be available as the initial unit well for a horizontal spacing unit unless the contemplated completed portion of the lateral for said well is to exceed ten thousand five hundred sixty (10,560) feet.

(g) A horizontal spacing unit may be established for a common source of supply for which there are already established non-horizontal drilling and spacing units. A horizontal spacing unit formed under subsection (f) of this section may exist concurrently with any previously formed nonhorizontal drilling and spacing unit, or any portion thereof, such that each concurrently existing unit may be separately developed with a well drilled into, completed in and hydrocarbons produced from the same common source of supply in each such concurrently existing unit, with production from each such well to be governed by and allocated pursuant to the applicable unit. Subject to all of the provisions of this section, a pooling order for a horizontal spacing unit which overlies an existing, producing nonhorizontal drilling and spacing unit, shall provide that, if a working interest owner in such producing nonhorizontal drilling and spacing unit does not agree to develop the horizontal spacing unit, the owner shall relinquish its nonparticipating working interest in the horizontal spacing unit while retaining all other rights, including the right to concurrently develop the producing nonhorizontal unit.

(h) Notwithstanding anything in this title or a pooling order to the contrary, each party owning a right to participate in development of a horizontal well described in this subsection with a vested interest as to which there is production in the geographical area of the spacing unit or spacing units for a proposed horizontal well which is drilled after the effective date of this act pursuant to a pooling order, whether the pooling order was issued before or after the effective date of this act, shall be afforded separate elections as set forth below, subject to the following, provided; however, a geographic area in which there is no existing producing unit as of the date of the filing of the application for the governing pooling order and which is initially developed pursuant to a multiunit horizontal well authorized under Section 87.8 of this title, or a horizontal spacing unit which contains more than six hundred forty (640) acres plus tolerances and variances as allowed for pursuant to subsection (c) of this section shall not be considered to contain existing production for purposes of this subsection, unless the geographical area of any spacing unit covered by the governing pooling order: is overlain by a horizontal spacing unit greater than

six hundred forty (640) acres plus tolerances and variances as allowed for pursuant to subsection (c) of this section which is not subject to said pooling order; has a multiunit well drilled pursuant to Section 87.8 of this title which includes a horizontal spacing unit which contains more than six hundred forty (640) acres plus tolerances and variances as allowed for pursuant to subsection (c) of this section which is subject to said pooling order; or has a multiunit well drilled pursuant to Section 87.8 of this title for a combination of units different than drilled by the initial multiunit well pursuant to said pooling order:

(1) as to a multiunit horizontal well authorized under Section 87.8 of this title, each party owning a right to participate in development of the proposed multiunit horizontal well with a vested interest as to which there is existing production in the geographical area of the spacing unit for the proposed multiunit well shall be allowed, and as to the extent of their development rights as to which there is existing production, an election as to the targeted reservoir or targeted reservoirs covered by each pooling order for such proposed multiunit horizontal well described above, unless otherwise agreed to or waived in writing after the effective date of this act. If said multiunit well is drilled in accordance with the pooling order, the relinquished rights of an owner who elects or is deemed to have elected not to participate with all or any part of that owner's interest in the multiunit horizontal well shall be limited to only the owner's nonparticipating working interest in the common source or common sources of supply within the targeted reservoir or targeted reservoirs covered by said election which are actually horizontally drilled and completed by said well. The owner shall retain all other rights, including all rights in any existing wellbores in which the owner has participated;

(2) as to a horizontal well authorized by the Commission for a horizontal spacing unit created under subsection (f) of this section, if the horizontal spacing unit contains more than six hundred forty (640) acres plus tolerances and variances as allowed for pursuant to subsection (c) of this section, or is comprised of more than one governmental section, each party owning a right to participate in development of the proposed horizontal well with a vested interest as to which there is existing production in the geographical area of the spacing unit for the proposed horizontal well shall be allowed, and as to the extent of their development rights as to which there is existing production, a separate election as to each common source of supply or common sources of supply covered by the pooling order for a proposed horizontal well described above, unless otherwise agreed to or waived in writing after the effective date of this act. If said horizontal well is drilled in accordance with the pooling order, the relinquished rights of an owner who elects or is deemed to have elected not to participate with all or any part of that owner's

interest in the horizontal well shall be limited to only the owner's nonparticipating working interest in the common source or common sources of supply covered by said election which are actually horizontally drilled and completed by said well. The owner shall retain all other rights, including any rights in all existing wellbores in which the owner has participated;

(3) as to any well which is subject to a pooling order which was entered prior to the effective date of this act, in order to be entitled to the rights and benefits of this subsection, the owner must have been vested with the right to participate in the subject well as of the effective date of this act;

(4) any relinquishment of rights under this subsection shall be pursuant to the governing pooling order and at such fair value as determined by the Commission; and

(5) the provisions of subsections (g) and (h) of this section shall supplement each affected pooling order as to development of the affected spacing unit by use of horizontal wells from and after the effective date of this act.

Added by Laws 1947, p. 328, § 1, emerg. eff. April 29, 1947. Amended by Laws 1959, p. 217, § 1, emerg. eff. July 15, 1959; Laws 1963, c. 121, § 1, emerg. eff. June 3, 1963; Laws 1971, c. 246, § 1, emerg. eff. June 16, 1971; Laws 1977, c. 76, § 1, emerg. eff. May 25, 1977; Laws 1980, c. 33, § 1, emerg. eff. March 26, 1980; Laws 1982, c. 10, § 1, emerg. eff. March 15, 1982; Laws 1984, c. 58, § 1, emerg. eff. March 28, 1984; Laws 1985, c. 141, § 2; Laws 1988, c. 205, § 1, eff. Nov. 1, 1988; Laws 1990, c. 310, § 1, eff. Sept. 1, 1990; Laws 1992, c. 190, § 17, eff. July 1, 1993; Laws 2001, c. 256, § 1, emerg. eff. May 23, 2001; Laws 2007, c. 331, § 2, emerg. eff. June 4, 2007; Laws 2011, c. 54, § 6, emerg. eff. April 13, 2011; Laws 2012, c. 201, § 4, emerg. eff. May 8, 2012; Laws 2017, c. 372, § 2.

§52-87.2. Protest of applications relating to spacing units - Proper parties - Intervention - Report by Corporation Commission.

A. Except as provided in subsection B of this section, only those persons, or the duly authorized agent, representative or attorney of those persons, who are mineral owners or owners of the right to drill a well for oil and gas on the lands embraced within the subject area of an application or the owners of correlative rights within the common source of supply or supplies embraced within an application to the extent such owners are directly affected by such application, shall be proper parties to:

1. protest any application to establish, reestablish, or reform a spacing unit,

2. protest any application requesting authority for an additional well or wells within an established spacing unit brought pursuant to the provisions of paragraph (a) or (d) of Section 87.1 of Title 52 of the Oklahoma Statutes, or

3. present testimony or evidence at any hearing arising thereunder or relating thereto.

B. No other person shall be entitled to notice of such proceeding or shall be entitled to appear as a party of record therein, except that the Corporation Commission may permit persons other than those specified in subsection A of this section leave to intervene in a proceeding upon a finding, based upon clear and convincing evidence, that such person has a substantial right intended to be protected by Section 87.1 of Title 52 of the Oklahoma Statutes which may adversely be affected by the outcome of such proceeding. Any finding required by this section shall be made by the Corporation Commission, sitting en banc, within ten (10) days of the filing of a motion to intervene by such person and such proceeding shall be stayed during such ten-day period.

C. At the end of each calendar quarter the Corporation Commission shall file a written report with the Office of the Governor, the Speaker of the Oklahoma House of Representatives, and the President Pro Tempore of the Oklahoma State Senate describing all such findings made by the Corporation Commission pursuant to this section during such period.

Added by Laws 1988, c. 95, § 1, emerg. eff. April 1, 1988.

§52-87.3. Application or petition for location exception - Notice of hearing.

A. When any petition or application is filed with the Corporation Commission for a location exception from any spacing or drilling unit, the Commission shall give notice of the hearing to be held upon such petition or application, as provided in Section 87.1 of Title 52 of the Oklahoma Statutes. Such notice shall specifically identify the proposed well location, by legal description, in order to give proper notice to owners of land adjacent to the proposed well location whether within or without the same spacing or drilling unit as such proposed well location.

B. If the location exception allows a proposed well location to be placed closer than one thousand three hundred twenty (1,320) feet to a section line for a gas well or closer than three hundred thirty (330) feet to a section line for an oil well, the notice specified in subsection A of this section shall identify, by legal description, the land sections adjacent to the area within the location exception.

Added by Laws 1990, c. 310, § 2, eff. Sept. 1, 1990.

§52-87.4. Affidavit of election for drilling well under pooling order.

An affidavit evidencing any election for the drilling of a well under a pooling order issued pursuant to the proceedings set out in subsection (e) of Section 87.1 of Title 52 of the Oklahoma Statutes shall constitute constructive notice of the rights under the election

claimed by the affiant when the affidavit is filed of record in the office of the county clerk for the county in which the lands described in the pooling order are located. The affidavit shall set out the name, address, if known, and election or deemed election for each pooled respondent included in the affidavit and shall have a copy of the pooling order attached. The affidavit may be filed by the operator designated in the pooling order or by any other interested party with knowledge of any election made. Filing of the affidavit shall not affect notice provided by virtue of pooling proceedings conducted by the Commission.

Added by Laws 1993, c. 337, § 1, eff. July 1, 1993.

§52-87.5. Applications for approval of increased density wells - Notice and hearing.

A. When any application is filed with the Corporation Commission for approval of an increased density well in any drilling and spacing unit, notice of the hearing to be held upon such application shall be given by the applicant to:

1. Those persons, including government entities, entitled to oil or gas or the proceeds of oil or gas produced from the common source of supply in the drilling and spacing unit for which the application for an increased density well has been filed; and

2. The operator, as shown by the records of the Commission, of each well which is commencing or currently producing from the same common source of supply in the drilling and spacing unit or any separate tract of land immediately surrounding the drilling and spacing unit for such an increased density well.

B. If the applicant is seeking approval of an increased density well to be completed in a common source of supply for which the Commission has established field rules, and for which no application for an increased density well in such common source of supply has been approved by the Commission subsequent to January 1, 1998, and prior to the effective date of this act, notice shall also be given to the operator, as shown by the records of the Commission, of each well commencing or currently producing from that same common source of supply governed by the field rules.

C. If the applicant is the operator of a well commencing or currently producing from the same common source of supply applicable to the increased density well in a drilling and spacing unit or a separate tract of land immediately surrounding the drilling and spacing unit for such increased density well, notice shall also be given to each owner, as shown by the records of the operator, with a working interest in such well in such common source of supply.

D. The notices required by subsections A, B and C of this section shall be given by mailing by regular mail no less than fifteen (15) days prior to the date of the hearing.

E. No person except for those persons provided for in this section shall be entitled to notice of the hearing on an application for approval of an increased density well in any drilling and spacing unit.

F. The Commission shall require that notice of the hearing be published one time at least fifteen (15) days prior to the hearing in a newspaper of general circulation published in each county in which the lands embraced in the application are located. If the increased density well is to be completed in a common source of supply for which the Commission has established field rules and for which no application for an increased density well in such common source of supply has been approved by the Commission subsequent to January 1, 1998, and prior to the effective date of this act, notice of the hearing shall also be published one time at least fifteen (15) days prior to the hearing in a newspaper of general circulation published in each county in which the lands subject to the field rules are located.

Added by Laws 1999, 1st Ex.Sess., c. 3, § 1, emerg. eff. June 21, 1999.

§52-87.6. Short title - Extended Horizontal Well Development Act - Definitions.

A. Sections 87.6 through 87.9 of this title shall be known and may be cited as the "Extended Horizontal Well Development Act".

B. As used in the Extended Horizontal Well Development Act:

1. "Adjacent common source of supply" means a common source of supply which is immediately adjacent to and adjoining the targeted reservoir or targeted reservoirs in a multiunit horizontal well being drilled pursuant to Section 87.8 of this title or a well being drilled in a horizontal well unitization pursuant to Section 87.9 of this title and which is inadvertently encountered in the drilling of the lateral of a multiunit horizontal well or a well pursuant to a horizontal well unitization when such well is drilled out of or exits, whether on one or multiple occasions, the targeted reservoir or targeted reservoirs, and which is not the primary target of the subject well and shall not be included in the relinquished rights pursuant to subsection (h) of Section 87.1 of this title. In the event that an adjacent common source of supply may be inadvertently encountered in the drilling of the lateral of a multiunit horizontal well or a well pursuant to a horizontal well unitization when such well is drilled out of or exits, whether on one or multiple occasions, the targeted reservoir or targeted reservoirs, then said inadvertently entered adjacent common source of supply shall be included as part of the targeted reservoir only for the purpose of the inadvertent penetrations, and any subsequent completion, commingling and production of said adjacent common source of supply

with the targeted reservoir or targeted reservoirs, but not for future development of said adjacent common source of supply;

2. "Allocation factor" means the percentage of costs, production or proceeds allocated to a unit affected by a multiunit horizontal well;

3. "Application" means a written request filed by an owner of the right to drill seeking approval to drill, complete and produce a multiunit horizontal well or to create a horizontal well unitization;

4. "Commission" means the Corporation Commission;

5. "Completion interval" means, for an open hole completion in a horizontal well, the interval from the point of entry to the terminus and, for a cased and cemented completion in a horizontal well, the interval from the first perforations to the last perforations;

6. "Horizontal well" means a well drilled, completed, or recompleted with one or more laterals which, for at least one lateral, the horizontal component of the completion interval exceeds the vertical component of the completion interval and the horizontal component extends a minimum of one hundred fifty (150) feet in the formation;

7. "Horizontal well unitization" means a unitization for a targeted reservoir created pursuant to Section 87.9 of this title;

8. "Horizontal component" means the calculated horizontal distance from the point of entry to the terminus;

9. "Lateral" means the portion of the wellbore of a horizontal well from the point of entry to the terminus;

10. "Multiunit horizontal well" means a horizontal well in a targeted reservoir or targeted reservoirs wherein the completion interval of the well is located in more than one unit formed for the same targeted reservoir, with the well being completed in and producing from such targeted reservoir in two or more of such units;

11. "Plan of development" means the proposed plan for developing the targeted reservoir unitized pursuant to Section 87.9 of this title, which plan, based upon the information and knowledge then available to the applicant, shall include:

- a. a map or maps indicating the location of each existing well in the proposed unit and the anticipated location of each horizontal well proposed to be drilled in the proposed unit that is anticipated to be necessary, based upon the information and knowledge then available to the applicant, for the full and efficient development and operation of the proposed unit for the recovery of oil and gas from the targeted reservoir within the proposed unit,
- b. any applicable proposed allocation factor or factors for allocating the costs, production and proceeds from the proposed unit,

- c. the anticipated timing and anticipated sequence of drilling of each horizontal well in the proposed unit, and
- d. any other specific terms, provisions, conditions and requirements set forth in Section 87.9 of this title or determined by the Commission to be reasonably necessary or proper to effectuate or accomplish the purpose of Section 87.9 of this title;

12. "Point of entry" means the point at which the borehole of a horizontal well first intersects the top of the targeted reservoir;

13. "PRSA" means the Production Revenue Standards Act;

14. "Targeted reservoir" means one or more common sources of supply which will be encountered by the horizontal lateral portion of a horizontal well, and which has been designated by the Commission as part of an order, rule or emergency rule as potentially suited for development for the applied for multiunit horizontal well pursuant to Section 87.8 of this title or a horizontal well unitization pursuant to Section 87.9 of this title. Provided, however, that more than one common source of supply may only be granted by the Commission and included in the targeted reservoir upon a showing of reasonable cause by the applicant requesting the multiunit well in the application requesting authority for the multiunit well prior to the drilling of said multiunit well that the inclusion of the additional common source(s) of supply shall prevent waste and protect the correlative rights of all of the owners of the oil and gas rights;

15. "Terminus" means the end point of the borehole of a horizontal well in the targeted reservoir;

16. "Wellbore royalty interest" means, for each separate multiunit horizontal well, the sum of resulting products of each affected unit's royalty share for that unit, as defined by the PRSA, multiplied by that unit's allocation factor for production and proceeds;

17. "Wellbore royalty proceeds" means the proceeds or other revenue derived from or attributable to any production of oil and gas from the multiunit horizontal well multiplied by the wellbore royalty interest;

18. "Unit" means a drilling and spacing unit for a single common source of supply created pursuant to Section 87.1 of this title or a horizontal well unitization created pursuant to Section 87.9 of this title;

19. "Unit's royalty contribution factor" means the royalty share for an affected unit, as defined by PRSA, multiplied by that unit's allocation factor, then divided by the total wellbore royalty interest; and

20. "Vertical component" means the calculated vertical distance from the point of entry to the terminus.

Added by Laws 2011, c. 54, § 2, emerg. eff. April 13, 2011. Amended by Laws 2012, c. 264, § 1, emerg. eff. May 16, 2012; Laws 2014, c. 400, § 1, emerg. eff. June 3, 2014; Laws 2017, c. 372, § 3.

§52-87.7. Corporation Commission jurisdiction.

Corporation Commission Jurisdiction. The Corporation Commission shall have jurisdiction, upon the filing of a proper application therefor, to permit the drilling, completing and producing of a multiunit horizontal well in conformity with Section 87.8 of this title, or to create a horizontal well unitization in conformity with Section 87.9 of this title, if the Commission finds that the multiunit horizontal well or the horizontal well unitization will prevent waste and will protect the correlative rights of the owners of oil and gas rights.

Added by Laws 2011, c. 54, § 3, emerg. eff. April 13, 2011. Amended by Laws 2017, c. 372, § 4.

§52-87.8. Horizontal wells - Allocation of costs, production, and proceeds - Application for approval.

A. Under the conditions contained in this section, the Corporation Commission is authorized to allow multiunit horizontal wells in any targeted reservoir or in more than one targeted reservoir, or in a targeted reservoir and an adjacent common source of supply, upon an appropriate finding by the Commission of the necessity to comingle production from more than one targeted reservoir or an adjacent common source of supply in such multiunit horizontal well, in order to prevent waste and protect the correlative rights of the owners of oil and gas rights.

B. Ownership, Allocation of Costs, Commingled Production, and Proceeds.

The Commission shall require the allocation of the reasonable drilling, completion and production costs associated with such multiunit horizontal well to each of the affected units which the well actually penetrates within the completion interval and shall further require the allocation to each of the units affected by a multiunit horizontal well of the commingled production, and the proceeds from the sale thereof, from the completion interval of such multiunit horizontal well, with any allocation to be in a manner that will prevent waste and protect the correlative rights of the owners of the oil and gas rights in each of the affected units which the well actually penetrates within the completion interval.

1. The allocation factor for each affected unit shall be determined by dividing the length of the completion interval located within the affected unit by the entire length of the completion interval in the subject multiunit horizontal well. The Commission shall have the authority to adjust the allocation factors, based upon reasonable testimony and evidence presented to the Commission, if

necessary to prevent waste and adequately protect the correlative rights of the owners of the oil and gas rights in each of the affected units.

2. Each party who participates as a working interest owner in a multiunit horizontal well shall own an undivided interest in all portions of the wellbore of the well and in the equipment on or in the well in the same ratio that the party's allocated portion of the total costs of the well and equipment bears to the total costs of the well and equipment. The ownership of undivided interest described in this paragraph shall not affect or prejudice the ownership of oil and gas rights of the affected owners outside of the targeted reservoir for the multiunit horizontal well.

3. A multiunit horizontal well shall be treated as a well in each of the affected units and shall be subject to all of the rules otherwise applicable to any other well in any of the affected units. In allowing a multiunit horizontal well, the Commission, under Section 87.1 of this title, may grant any necessary exceptions to the permitted well location tolerances in each of the affected units for the well and permit the well as an additional well in each of the affected units. When an owner has drilled or proposes to drill a multiunit horizontal well or wells and the owners of a present right to drill in any of the affected units have not agreed to pool their interests in the unit or units for the targeted reservoir, the Commission, under Section 87.1 of this title, may, upon the filing of a proper application therefor, require the owners to pool their interests in the targeted reservoir in each affected unit on a unitwide basis as to the respective unit in regard to the development involving the portion of the multiunit horizontal well or wells located within the affected unit. Furthermore, if the Commission has previously entered an order pooling the interests of owners in an affected unit in which a multiunit horizontal well or wells have been drilled or are proposed to be drilled, the Commission, under Section 87.1 of this title may, upon the filing of a proper application therefor, amend the pooling order to the extent necessary to have the pooling order cover the development involving the portion of the multiunit horizontal well or wells located within the affected unit.

4. The application shall include:

- a. the approximate anticipated location of the proposed multiunit horizontal well or wells,
- b. a map or maps indicating the location of each currently existing well in each affected unit which is the subject of the application and the anticipated location of each multiunit horizontal well currently proposed to be drilled in each affected unit as a result of the application and any other horizontal well not included in the current application, but anticipated to be necessary, based upon the information and knowledge

then available to the applicant, for the full and efficient development and operations of the targeted reservoir within the affected units if the well or wells are approved by the Commission upon the filing of a proper application at a future date, and

- c. any applicable proposed allocation factor or factors for allocating the costs, production and proceeds from each proposed multiunit horizontal well under the application.

5. Production from the completion interval in the targeted reservoir from each of the affected units in which a multiunit horizontal well is completed may be commingled in the wellbore of the well and produced to the surface. The commingled production from a multiunit horizontal well shall be allocated to each of the affected units based upon the allocation factors approved by the Commission.

6. In granting an application for a multiunit horizontal well or wells, the Commission shall find, based on the testimony and evidence presented, that given the information and knowledge then available, the proposed multiunit horizontal well or wells will prevent waste, protect correlative rights and likely will aid in the full and efficient development of each of the affected units.

7. The wellbore royalty proceeds for a multiunit horizontal well shall be allocated to each affected unit by multiplying the royalty contribution factor of the unit by the wellbore royalty proceeds, with the resulting product being the royalty proceeds for that unit. Each royalty interest owner in an affected unit shall be entitled to receive the owner's proportionate royalty share of the allocated royalty proceeds for that unit.

8. The multiunit horizontal well shall be subject to the provisions of the Product Revenue Standards Act (PRSA). The operator of the multiunit horizontal well shall be the designated royalty distributor pursuant to the PRSA for the multiunit horizontal well, unless there is a diversity of operators in the affected units from which the multiunit horizontal well is producing and another operator in each of the affected units agrees to perform separately the PRSA royalty distribution functions for the unit.

C. Application, Notice and Retained Jurisdiction.

Application for approval of a multiunit horizontal well shall be in a form prescribed by the Commission. The application, and the notice of hearing on the application, shall be served no less than fifteen (15) days prior to the date of the hearing, by regular mail, upon each person or governmental entity having the right to share in production from each of the affected units covered by the application, as well as other persons or governmental entities required by the rules of the Commission. Upon approval of a multiunit horizontal well, the Commission shall retain jurisdiction over the well. The retained jurisdiction of the Commission set forth

herein shall neither preclude nor impair the right of any affected party to obtain through the district courts of this state any remedy or relief available at law or in equity for injuries caused by any action or inaction of the applicant, operator or any other affected party.

Added by Laws 2011, c. 54, § 4, emerg. eff. April 13, 2011. Amended by Laws 2014, c. 400, § 2, emerg. eff. June 3, 2014; Laws 2017, c. 372, § 5.

§52-87.9. Horizontal well unitization for targeted reservoirs.

A. Horizontal Well Unitization for Targeted Reservoirs.

Under limited circumstances and conditions contained in this section, the Corporation Commission is authorized to unitize a targeted reservoir for the drilling of horizontal wells to the end that a greater ultimate recovery of oil and gas may be had therefrom, waste is prevented, and the correlative rights of the owners are protected. Unless and until a unit created pursuant to this section is effective, nothing in this section shall prohibit the drilling of a horizontal well within a drilling and spacing unit created pursuant to Section 87.1 of this title.

B. Prerequisites for Unitization.

Upon the filing of an appropriate application, and after notice and hearing, the Commission shall determine if:

1. The proposed unitization of the targeted reservoir is reasonably calculated to increase the ultimate recovery of oil and gas from the targeted reservoir through the use of horizontal well technology to drill one or more horizontal wells in the unit;
2. The use of horizontal well technology to drill the horizontal well or wells in the targeted reservoir is feasible, will prevent waste, will protect correlative rights and will with reasonable probability result in the increased recovery of substantially more oil and gas from the targeted reservoir within the unit than would otherwise be recovered;
3. The estimated additional cost, if any, of conducting the horizontal well operations is not anticipated to exceed the value of the additional oil and gas to be recovered; and
4. The unitization and the use of horizontal well technology to drill one or more horizontal wells is for the common good and will result in the general advantage of the owners of the oil and gas rights within the unit.

Upon making these findings, the Commission may enter an order creating the unit and providing for the unitized operation of the targeted reservoir described in the order, all upon terms and conditions as may be shown by the evidence to be fair, reasonable, equitable and which are necessary or proper to protect and safeguard the respective rights and obligations of the several persons affected, including royalty owners, owners of overriding royalties

and others, as well as the lessees. The application shall set forth a description of the proposed unit with a map or plat thereof attached, shall allege the existence of the facts required to be found by the Commission as provided in this subsection and shall have attached thereto a recommended plan of development which is applicable to the proposed unit and which is fair, reasonable and equitable.

C. Size of the Unit.

Each unit shall be two governmental sections. However, the Commission may expand the size of the unit by including additional governmental sections up to a maximum unit size of four governmental sections, if for good cause shown the Commission finds the expansion of the unit size beyond two governmental sections is necessary to prevent waste, to protect correlative rights and will result in the increased recovery of substantially more oil and gas from the targeted reservoir than would otherwise be recovered based upon, but not necessarily limited to:

1. Geological features existing within the proposed unit;
2. The proposed location or orientation of the horizontal wells;
3. The length of the laterals of the proposed horizontal wells;
4. The proposed use of multilateral wells; or
5. Any combination thereof.

D. Ownership of Oil and Gas Rights within the Unit.

Where there are, or may thereafter be, two or more separately owned tracts within the unit, each owner of oil and gas rights within the unit shall own an interest in the unit of the same character as the ownership of the owner in the separately owned tract. From and after the effective date of the order of the Commission creating the unit and subject to the provisions of any pooling order covering the unit, the interest of each owner in the unit shall be defined as the percentage of interest owned in each separate tract by the owner, multiplied by the proportion that the acreage in each separately owned tract bears to the entire acreage of the unit. The costs incurred in connection with and the production and proceeds from the wells in the unit shall be allocated to each separate tract in the unit and shall be borne or shared by the owners in each separate tract based upon and determined by the interest of each owner in the tract. However, if a well or wells already exist within the area of the proposed unit which are producing or have produced or appear to be productive from the targeted reservoir being unitized, the Commission may adjust the sharing of future costs incurred in connection with and future production and proceeds from any existing well or any subsequent well in the proposed unit in any manner deemed necessary by the Commission in order to protect the correlative rights of the owners within any existing well or any subsequent well or within the unit, including providing for the sharing of future costs incurred in connection with and future production and proceeds

from any existing well or any subsequent well in a manner different from any other well in the unit so long as the various methods of sharing future costs, production and proceeds from the existing and subsequent wells in the unit prevents waste and protects the correlative rights of all the affected owners. For the purpose of this section, any owner or owners of oil and gas rights in and under an unleased tract of land within the unit, unless the owner has relinquished the drilling rights or working interest of the owner in the applicable targeted reservoir in the tract of land under a pooling order entered by the Commission which order remains in effect, shall be regarded as a lessee to the extent of a seven-eighths (7/8) interest in and to the rights and a lessor to the extent of the remaining one-eighth (1/8) interest therein.

E. The Plan of Development.

The application shall include a proposed plan of development. Based upon the facts and conditions found to exist with respect to a proposed unit, the Commission shall determine the necessary terms, provisions, conditions and requirements to be included in the plan of development for the unit. If a well or wells already exist within the area of the proposed unit which are producing or have produced or appear to be productive from the targeted reservoir being unitized, the plan of development shall also include:

1. Any adjustments to the sharing of future costs incurred in connection with future development and production, and the sharing of proceeds, from any existing well or any subsequent well which the Commission determines to be necessary in order to be fair, reasonable and equitable, and to protect the correlative rights of the owners, considering the existing development in and the prior and anticipated future production from the targeted reservoir within the unit; and

2. The procedure and basis upon which existing wells, equipment and other properties of the several lessees within the unit area are to be taken over and used for the unit operations, including the method of arriving at the compensation therefor, or of otherwise proportionately equalizing or adjusting the investment of the several lessees in the project as of the effective date of unit operation.

F. Order of the Commission.

The order of the Commission creating the unit shall:

1. Designate the size and shape of the unit;
2. Set forth the drilling pattern and setbacks for the unit, including the permitted well location tolerances for the permitted wells within the unit;
3. Approve and adopt the plan of development for the unit, with a copy thereof attached to the order and include any necessary special allocation factors for allocating the costs, production and proceeds from the proposed unit resulting from existing wells or subsequent wells, or both;
4. Designate the unit operator; and

5. Provide for the conditions upon which the unit, and the order creating the unit, shall terminate.

G. Consent by Owners.

No order of the Commission creating a unit pursuant to this section shall become effective unless and until the proposed unitization has been consented to in writing, and the written consent submitted to the Commission, by lessees of record of not less than sixty-three percent (63%) of the working interest in the targeted reservoir in each spacing unit in the area to be included in the unit and by owners of record of not less than sixty-three percent (63%), exclusive of any royalty interest owned by any lessee or by any subsidiary of any lessee, of the one-eighth (1/8) royalty interest in the targeted reservoir in each spacing unit in the area to be included in the unit in an express writing separate from the oil and gas lease. The Commission shall make a finding in the order creating the unit as to whether the requisite consent has been obtained. Where the requisite consent has not been obtained at the time the order creating the unit is entered, the Commission shall, upon application and notice, hold any additional and supplemental hearings as may be requested or required to determine if and when the requisite consent has been obtained and the date the unitization will become effective. In the event lessees and royalty owners, or either, owning the required percentage interest in and to the unit area have not so consented to the unitization within a period of six (6) months from and after the date on which the order creating the unit is entered, the order creating the unit shall cease to be of further force and effect and shall be revoked by the Commission.

H. Notice.

The application for the creation of a horizontal well unitization under this section, and the notice of hearing on the application, shall be served no less than fifteen (15) days prior to the date of the hearing, by regular mail, upon each person or governmental entity having the right to share in production from the proposed unit covered by the application, as well as other persons or governmental entities required by Commission rules. Any person aggrieved by any order of the Commission made pursuant to this section may appeal therefrom to the Supreme Court of the State of Oklahoma upon the same conditions, within the same time and in the same manner as is provided for in this title, for the taking of appeals from the orders of the Commission made thereunder.

I. Pooling of the Unit.

From and after the effective date of an order creating a unit pursuant to this section and subject to the provisions of the order in regard to the matters to be found by the Commission in the creation of the unit and the provisions of the applicable plan of development, an owner of the right to drill for and produce oil or gas from the unit may request the Commission to pool the oil and gas

interests of the owners in the unit on a unitwide basis pursuant to the provisions of subsection (e) of Section 87.1 of this title in regard to the development of the unit.

J. Effect on Existing Spacing Units and Pooling Orders.

From and after the effective date of an order creating a unit pursuant to this section, the operation of any well producing from the targeted reservoir within the unit defined in the order by persons other than the unit operator, or except in the manner and to the extent provided in the order creating the unit shall be unlawful and is hereby prohibited. Once the order of the Commission creating a unit pursuant to this section becomes effective, the unit so created shall supersede any drilling and spacing unit previously formed by the Commission pursuant to Section 87.1 of this title for the same targeted reservoir within the area of the new unit. Any pooling order which was entered by the Commission pursuant to subsection (e) of Section 87.1 of this title covering any drilling and spacing unit superseded by a unit created pursuant to this section and which was in effect at the time of the creation of the unit shall remain in full force and effect as to any oil and gas interests in the targeted reservoir which were relinquished and transferred by operation of law under the pooling order. However, further development of the targeted reservoir in the area of the unit created pursuant to this section shall not be subject to any of the other provisions of any prior pooling order, but shall be governed by and pursuant to the order creating the unit, including the applicable plan of development, and any subsequent pooling order covering the unit.

K. Payment of Proceeds.

Units created pursuant to this section shall be subject to the terms and provision of the PRSA.

L. The Commissioners of the Land Office.

The Commissioners of the Land Office, or other proper board or officer of the state having the control and management of state land, and the proper board or officer of any political, municipal, or other subdivision or agency of the state, are hereby authorized and shall have the power on behalf of the state or of any political, municipal, or other subdivision or agency thereof, with respect to land or oil and gas rights subject to the control and management of the respective body, board, or officer, to consent to or participate in any unitization created pursuant to the Extended Horizontal Well Development Act.

M. Retained Jurisdiction.

Upon the creation of a unit pursuant to this section, and approval of the plan of development in connection therewith, the Commission shall retain jurisdiction over the unit and the plan of development. The retained jurisdiction of the Commission set forth herein shall neither preclude nor impair the right of any affected

party to obtain through the district courts of this state any remedy or relief available at law or in equity for injuries caused by any action or inaction of the applicant, operator or any other affected party.

Added by Laws 2011, c. 54, § 5, emerg. eff. April 13, 2011. Amended by Laws 2017, c. 372, § 6.

§52-88. Repealed by Laws 1947, c. 331, § 1.

§52-89. Repealed by Laws 1947, c. 331, § 1.

§52-90. Repealed by Laws 1947, c. 327, § 6.

§52-91. Meters on pipelines - Commission to designate type - Inspection - Cost of operation.

The Commission is hereby empowered and authorized by its orders, rules, and regulations, to require that meters be installed (a) upon any pipeline used in purchasing and/or transporting oil in or out of any prorated common source of supply and/or from storage adjacent thereto and (b) upon any pipeline used in gathering and/or transporting oil from leases or storage in such common source of supply, to refineries, loading racks, and field or other storage, and/or to deliver such oil to other transportation lines in or near such fields. All meters installed pursuant to any order, rule or regulation of the Commission made or issued by it under the provisions of this section shall be of a type or types approved by it and the Proration Umpire shall be in mechanical construction and accuracy in operation, sufficient to register the oil transported through the pipeline or pipelines upon which such meters are installed with a degree of accuracy of not more than two percent (2%) from accurate. Said meters shall be installed and maintained at the cost and expense of the owner and/or operators of the pipelines on which the same are required to be installed. No owner or operator of any such pipeline upon which a meter or meters shall have been installed and/or is being maintained pursuant to orders, rules and regulations of the Commission made hereunder, shall operate such pipeline or pipelines at any time when the meter or meters thereon are not properly registering the flow of oil to the knowledge of such owner or operator or when by the exercise of reasonable diligence he or it should have known thereof, except or unless permission to do so by order of the Commission shall have been granted. Said meters shall at all times be subject to inspection and reading by the Proration Umpire, his deputies, or any person authorized and ordered by the Commission to inspect or read the same. The provisions of this section shall be applied and enforced by the Commission only when it finds and holds that the installation of such meter or meters is necessary to the enforcement of this act, and the installation of

meters shall not be required generally, and for other purposes as a means of measuring oil.

Added by Laws 1933, c. 131, p. 281, § 8, emerg. eff. April 10, 1933.

§52-92. Reports - Oil purchased or transported - Forms - Verification.

The Commission is hereby authorized and empowered by orders, rules or regulations issued by it to require all takers of oil in or out of any prorated common source of supply to make and file periodically with the Commission, at such time or times, as often as the Commission shall in such orders, rules, and regulations provide, reports of all oil purchased and/or transported by such takers within or from such prorated fields, and that duplicate copies thereof shall be filed with the Proration Umpire. Said reports shall be upon forms prescribed by the Commission and shall describe the leases and properties, and, if ordered by the Commission, the wells from which crude oil has been taken by any such taker, and the amount thereof, and shall contain such other information as will enable or assist the Commission in enforcing the provisions of this act, which may be required by the orders, rules and regulations of the Commission; and shall be verified by the maker thereof upon oath.

Added by Laws 1933, c. 131, p. 281, § 8, emerg. eff. April 10, 1933.

§52-93. Operators - Books - Oil produced and sold.

Every operator in any prorated common source of supply shall, when required by any rule, order, or regulation of the Commission, keep books showing accurately (a) the amount of oil produced daily from each lease or property operated by him or it and, if the Commission shall order, from each well owned or operated by him or it on each such lease or property, and (b) the amount of oil sold or otherwise disposed of each day from each of his or its said properties, and, when so required by the order of the Commission, from each of his or its wells thereon and to whom the same is sold and delivered. Said books and all documents and records made by any such operator relating to the operation of his or its properties or wells in any such prorated common source of supply shall at all times be open for the inspection of the Commission or any officer, agent or employee authorized and directed by the Commission by its order to inspect or examine the same; and shall, upon the order of the Commission or the request of any such authorized officer, agent or employee be made immediately available for such inspection.

Added by Laws 1933, c. 131, p. 282, § 10, emerg. eff. April 10, 1933.

§52-94. Maps and drawings - Location of pipelines and connections - Verification.

The Commission may require any and all operators in any prorated common source of supply to file with it maps or drawings which shall

show the location of all pipelines, connections, pumps and tanks, the size and capacities thereof used for producing or transporting oil from each well owned by such operator in such common source of supply, and may likewise require the takers of oil from such common source of supply to file with the Commission maps and drawings showing the pipelines, connections, tanks, size and capacity thereof used by such takers in taking or transporting oil from such common source of supply and from each and all wells therein. The correctness of such maps and drawings shall be verified upon oath as shall be provided by the orders, rules or regulations of the Commission.

Added by Laws 1933, c. 131, p. 283, § 11, emerg. eff. April 10, 1933.

§52-95. Reports - Quantity of oil produced and moved - Penalty.

The Commission shall by order require every operator in each prorated common source of supply to file periodically with it when and as often as required, and upon forms approved by it, reports which shall show (a) the quantity of oil produced, and the quantity of oil removed by each operator from his or its each lease or property in said common source of supply, and unless otherwise provided by rule or regulation of the Commission, from his or its each well in said common source of supply, and (b) the amount of oil run to storage, delivered to common carrier, or to a purchaser or transporter through the operator's own pipeline, and, in the latter case to what destination, and the name or names of the person or persons purchasing or taking such oil, and which shall contain such further information as may be required by the Commission.

If any operator shall fail or refuse to file any report or reports required by this section or by any order, rule or regulation of the Commission made in pursuance of this section, in addition to the other penalties provided for in this act for such violation, the Commission may by its order require that said operator shall discontinue to produce any oil from any leasehold, property or well with respect to which such operator has failed or refused to make and file such report, until he or it shall have filed same; provided when any such operator shall have filed with the Commission any such report or reports as required by this section, or any order, rule or regulation of the Commission, the Commission shall permit such operator to produce his or its well or wells, theretofore shut down by such order of the Commission, so as to recover and make up the oil that such operator would have been lawfully entitled to produce during the period such well or wells were shut down, if the order of the Commission requiring him or it to discontinue or reduce production of oil therefrom until such report or reports were filed had not been made.

Added by Laws 1933, c. 131, p. 283, § 12, emerg. eff. April 10, 1933.

§52-96. Verification of reports, statements, maps and drawings.

When by an order, rule or regulation of the Commission made in pursuance of this act, any report, statement, map or drawing duly verified, is required to be filed with the Commission or any other officer, by any firm, trust, association or corporation, such report, statement, map or drawing shall be verified by (a) such member, agent or employee of such firm, trust or association, and (b) such officer or officers, agent or employee of such corporation as shall be provided or required by order, rule or regulation of the Commission. Added by Laws 1933, c. 131, p. 284, § 13, emerg. eff. April 10, 1933.

§52-97. Commission - Jurisdiction to make orders, rules and regulations - Hearings.

The Commission upon its own motion, or upon the petition of the Attorney General, or of the Conservation Attorney, or of the Director of Conservation, on behalf of the state, or of any operator, producer, or taker of oil from any common source of supply, to be affected by any such order, rule or regulation, filed with the Commission, shall have jurisdiction to make any and all orders, rules and regulations authorized and/or provided for in Sections 1 to 13 of this act, inclusive, provided that said orders, rules, and regulations shall be made only after a hearing before the Commission, of which the Commission shall have given at least ten (10) days' notice, by one publication of such notice in some newspaper of general circulation published in Oklahoma County, Oklahoma, at which hearing the Attorney General, or the Conservation Attorney or the Director of Conservation upon behalf of the state, any operator or taker or producer of oil from any common source of supply, or any other person interested in such common source or sources of supply to be affected by the order, rule or regulation sought, shall have an opportunity to offer evidence and to be heard in support of or in opposition to such motion or petition for such order, rule, or regulation. Such notice of hearing shall be signed by at least a majority of the members of the Commission and shall specify (a) the time and place of hearing, (b) briefly the general nature of the order or orders, rule or rules, regulation or regulations sought in the proceeding before the Commission, and (c) the name or names or general description of the common source or sources of supply that may be affected by any such rule, order, or regulation, unless by such motion or petition filed the order or orders, rule or rules, regulation or regulations sought are intended to apply and affect the entire state.

With respect to any motion or petition filed under the provisions of this act, the service of notice thereof and any hearing thereon, and any order, rule or regulation, made thereon, the Commission shall have the power of a court of record, and shall have the further powers and authority with respect thereto enumerated and provided in

Section 98 of this title; provided, that the Commission upon the date set or fixed in the notice of hearing in any proceeding commenced under the provisions of this section, or at the time of such hearing therein, or of making any order or orders, rule or rules, regulation or regulations therein, may by its order provide that said proceeding shall be continued upon the docket of the Commission for further hearing or hearings therein, and for the issuance and/or promulgation of further order or orders, rule or rules, or regulation or regulations by the Commission therein, modifying, supplementing, repealing or vacating any previous order, rule or regulation of the Commission therein as it shall determine; and if the Commission shall, in any such order, rule or regulation continuing any such case upon its docket for further hearings and orders therein, fix the time and place of such hearing or hearings, no further notice thereof shall be required; but if the Commission shall not, in its orders continuing upon its docket any such proceeding for further hearings and orders therein, fix the time and place of such hearing or hearings, then no further hearing therein shall be had until notice thereof shall have been given for the same length of time and in the same manner provided in this act for notice of the initial hearing in said proceeding.

Added by Laws 1933, c. 131, § 14, emerg. eff. April 10, 1933.

Amended by Laws 1992, c. 93, § 1, eff. Sept. 1, 1992.

#### §52-98. Powers of Commission - Marshal of Commission.

In all matters pertaining to the making, issuing and enforcement of its orders, rules and regulations made under the provisions of this act, the Commission shall have and exercise all of the following powers and authority; to wit (1) Of visitation and of a court of record; (2) To administer oaths; (3) To compel attendance of witnesses; (4) To compel the production of books and records; (5) To punish for contempt any person guilty of any disrespectful or disorderly conduct in the presence of the Commission while in session; (6) To punish as for contempt any disobedience or violation of the provisions of this act and of any of its orders, rules, regulations, and judgments made or rendered by it under and in pursuance of the provisions of this act; (7) To enforce the provisions of this act, and compliance with any of its orders, rules, regulations or judgments by appropriate process, and by shut down orders, ordering and directing the shutting down or discontinuance of production of oil from any well or wells of or operated by the offender with respect to which complaint has been made; and by orders or writs remedial or otherwise necessary or proper, to carry into effect its orders, rules and regulations; (8) To appoint or designate one of its agents or employees or one of the deputies to the Proration Umpire to act as Marshal of the Commission, who shall serve as such Marshal during its pleasure without additional compensation

for such services, and who shall attend the sessions of the Commission, and when directed by it shall serve and execute orders, subpoenas, commitments and other process issuing from it.  
Added by 1933, c. 131, p. 285, § 15, emerg. eff. April 10, 1933.

§52-99. Filing of papers and documents - Use as evidence.

When under any provision of this act or of any order, rule or regulation made in pursuance of this act, any petition, motion, return, pleading, report, statement, map or drawing is required to be filed with the Commission, the same shall be deemed to be filed when filed with the Secretary of the Commission. Duplicate copies of all reports, statements, maps or drawings shall also be filed with the Proration Umpire. The original or any copy of any such reports, maps, drawings, statements or other documents duly certified by the Secretary of the Commission, when the contents thereof are material to the issues involved, shall be competent and admissible in evidence in any proceedings and hearings therein brought or had under the provisions of Section One (1) to Thirteen (13), inclusive, of this act; and any such original or certified copy thereof shall, in any proceeding upon complaint or prosecution as for contempt against any person for violation of this act or of any order, rule or regulation of the Commission, be competent and admissible in evidence to establish admissions against interest made by any defendant or defendants to such complaint or prosecution who filed or caused to be filed such report, map, drawing, statement or other document.  
Added by Laws 1933, c. 131, p. 286, § 16, emerg. eff. April 10, 1933.

§52-100. Witnesses - Depositions.

The Commission may cause depositions of witnesses residing within or without the state to be taken in any proceeding pending before it in any manner provided by law for taking depositions in civil actions in courts of record; and any deposition so taken shall be sealed up and endorsed with the title of the cause and the name of the officer taking the same, and by him addressed and transmitted to the Secretary of the Commission, where it shall remain under seal until opened by the Secretary on order of the Commission, or at the request of a party to the proceeding, or an attorney for such party.  
Added by Laws 1933, c. 131, p. 286, § 17, emerg. eff. April 10, 1933.

§52-101. Procedure - Rules of - Enforcement of orders and rules.

The Commission shall have power with or without any notice of hearing to make and promulgate rules of procedure not inconsistent with the provisions of this act to govern the filing, prosecution, hearing, and determination of proceedings authorized to be brought before the Commission and for the enforcement of its orders, rules and regulations made under the provisions of this act; provided, that no order, rule or regulation of the Commission and no order made in

the enforcement thereof shall be held void or be reversed merely because the Commission may not have promulgated procedural rules. Added by Laws 1933, c. 131, p. 286, § 18, emerg. eff. April 10, 1933.

§52-102. Contempt - Punishment - Enforcement of fines - Disposition of fines and penalties.

Punishment for contempt by the Commission of any person, guilty of any disrespectful or disorderly conduct in the presence of the Commission while in session, or for disobedience of its subpoena, summons or other process, may be by fine not exceeding One Thousand Dollars (\$1,000.00) or by confinement in the county jail of Oklahoma County not exceeding one (1) year, or by both. Any person who shall disobey or violate any of the provisions of Section 86.1 et seq. of this title or any of the orders, rules, regulations or judgments of the Commission issued, promulgated or rendered by it, shall be punished as for contempt. Punishment by the Commission in proceedings as for contempt for disobedience or violation of any provision of Section 86.1 et seq. of this title or any of its orders, rules, regulations or judgments, issued, promulgated or rendered under the provisions of Section 86.1 et seq. of this title shall be by fine not exceeding in amount Five Thousand Dollars (\$5,000.00), and each day such disobedience or violation shall continue shall constitute a separate and additional contempt, and shall be punished by separate and additional fines each in amount not in excess of aforesaid amount. Any fine or penalty assessed under the provisions of Section 86.1 et seq. of this title may be enforced in the same manner as a foreign judgment pursuant to the Uniform Enforcement of Foreign Judgments Act, Section 719 et seq. of Title 12 of the Oklahoma Statutes provided that such procedure shall be followed regardless of whether the offender is a resident or nonresident of Oklahoma. Such fine or penalty shall constitute and be a lien upon all the property of the offender within the state, except the homestead of such offender, provided that a copy of the order imposing the fine or penalty, certified by the Secretary of the Commission, is filed in accordance with Section 706 of Title 12 of the Oklahoma Statutes. All monies collected as fines or penalties under the provisions of Section 86.1 et seq. of this title shall, when paid into or received by the Commission, be by it paid to the State Treasurer of the state for the credit of the Corporation Commission Revolving Fund.

Added by Laws 1933, c. 131, § 19, emerg. eff. April 10, 1933.

Amended by Laws 1975, c. 285, § 5, emerg. eff. June 5, 1975; Laws 1984, c. 284, § 16, operative July 1, 1984; Laws 1990, c. 107, § 4, eff. Oct. 1, 1990.

§52-103. Contempt - Proceedings - How commenced - Complaint - Citation.

Proceedings as for contempt for disobedience or violation of the provisions of this act or of the orders, rules, regulations and judgments of the Commission made, issued and/or rendered under the provisions of this act, may be commenced by the filing with the Commission by (a) the Attorney General, or (b) the Proration Attorney, or (c) the Proration Umpire, or (d) Assistant Proration Umpire, or (e) by any producer of oil or taker in the state, of a complaint which shall, when filed by any producer of oil or taker, be verified upon information and belief. Said complaint by whomsoever filed shall state, (a) the name of the person, firm, trust, corporation, or association against whom the complaint is made; (b) the order or orders, rule or rules, regulation or regulations and judgment or judgments of the Commission, violation of which is charged; (c) and briefly in general terms the acts or omissions of the defendant constituting the violation of which complaint is made. Any such complaint may charge against any defendant one or more violations of the provisions of this act and/or of any rule, order or regulation of the Commission made hereunder; provided, that the acts or omissions of the defendant constituting each violation charged shall be briefly stated in general terms in separately numbered paragraphs or counts of such complaint. Upon the filing of any such complaint the Secretary of the Commission shall issue in the name of the state by him as Secretary of the Commission, addressed to the defendant or defendants, a citation to the defendant or defendants in said complaint, to which shall be attached a copy of said complaint. Said citation shall state (a) the date on which and by whom said complaint was filed and the name of the complainant, (b) a brief general description of the nature of the complaint, (c) a reference to copy of the complaint which shall be attached to said notice, (d) the date on which said complaint is set for hearing, which shall not be earlier than ten (10) days from the date of such citation, and (e) a statement that unless the defendant shall on or before said date for hearing file his or its pleadings to such complaints, allegations and charges therein contained, the same shall be taken as confessed. Service of said citation in such proceedings for contempt shall be had and return thereof made as hereinafter provided. Added by Laws 1933, c. 131, p. 287, § 20, emerg. eff. April 10, 1933.

§52-104. Right of entry and inspection by conservation officer, his assistants and deputies.

The Proration Umpire, his assistant and deputies shall have the right at all times to go upon and inspect oil and gas properties from which oil or gas is being produced, pipelines, tank farms, and pump stations, for the purpose of ascertaining whether the provisions of this act and the orders, rules, regulations and judgments of the Commission made in pursuance of the provisions of this act are being

complied with, and shall report to the Commission any violation thereof.

Added by Laws 1933, c. 131, p. 288, § 21, emerg. eff. April 10, 1933.

§52-105. Power to close wells - Orders regulating flow and production - Motion or petition for order - Temporary orders.

The Commission shall have the power to order closed, and by the Proration Umpire, his assistant and deputies, to close any well or wells which have been overproduced or which are being overproduced in violation of this act and/or of the orders, rules and regulations of the Commission and/or to order that the production of oil from such well or wells shall be reduced, until such condition of overproduction of any such well or wells has been equalized so that the operator of such well or wells shall not be permitted to take therefrom a greater amount of oil than is permitted under the provisions of this act and/or the orders, rules and regulations of the Commission, made in pursuance of the provisions of this act; and may issue and enforce other orders to regulate the flow and production of oil and gas in such common source of supply for the purpose of preventing or stopping violations of its orders, rules or regulations, prescribing proration of production or ratable taking of oil in any common source of supply. Said orders of enforcement may be issued by the Commission upon its own motion, or upon written petition filed by (a) the Attorney General, or (b) the Proration Attorney, or (c) the Proration Umpire, in the name of the state; or by any person interested in the proration or ratable taking of oil from any common source of supply where any such violation of the orders, rules or regulations of the Commission is alleged to have occurred. Said motion or petition for such orders of enforcement shall be filed with the Secretary of the Commission and shall state the name of the violator or violators and the provision of the statute, or the order, rule or regulation which it is charged are being violated, and briefly in general language the act or acts, omission or omissions, done or being done by the alleged violator or violators which constitute the violation of statute or of the order, rule or regulation of the Commission complained of. Any such petition, other than motions by the Commission for such enforcement orders, shall be verified by the officer or person filing the same, but such verification may be made upon affiant's best information and belief. Whenever any such motion or petition for an order of enforcement shall charge that the violation or violations by the defendant therein of the provisions of this act or of orders, rules and regulations of the Commission complained of, is that defendant has produced or is producing oil from any well or wells in any common source of supply at a rate in excess of that allowed by the orders, rules and regulations of the Commission applicable thereto, the Commission, in its discretion, may, at the time of the filing of any

such motion or petition, or at any time thereafter prior to its final hearing thereon and issuance of final or permanent order in such proceeding, make or issue a temporary order or orders, ordering and directing the defendant or defendants in any such proceeding to shut down and discontinue immediately, or to curtail the production of oil from any well or wells alleged to be involved in the violations complained of so as to comply with the orders, rules and regulations of the Commission; and said temporary order may further provide and require that if the defendant or defendants shall fail to shut down or curtail the production from any such well or wells so ordered in the manner required by such order of the Commission within twenty-four (24) hours from the time of service of said order, the Proration Umpire, his assistant or deputies shall thereupon go upon the premises upon which said well or wells are located, and shut down the production of oil from said well or wells until the hearing provided in said temporary order of the Commission shall have been held, and/or until the Commission shall otherwise order. The defendant or defendants against whom any such temporary order has been issued shall have the right to appear before the Commission at any time prior to the date for hearing in said proceeding and move that such temporary order be dissolved or modified, and show cause to the Commission why same should be done. The Commission upon hearing any such motion, which shall be promptly heard, and may be had with or without notice thereof to the petitioner, may in its discretion dissolve or modify such temporary order or continue the same until final hearing in said cause shall have been held. Provided, however, that if upon final hearing before the Commission in such proceeding, or upon appeal to the Supreme Court, if an appeal from the decision of the Commission in such proceeding shall be taken, it shall be determined that any such temporary order was wrongfully issued by the Commission, the defendant or defendants shall be permitted to produce their well or wells, shut down, or the production from which was reduced by such temporary order of the Commission, so as to recover or make up the oil such defendant or defendants could have lawfully produced from such well or wells during the period such well or wells were shut down or the production thereof was reduced, if such temporary order of the Commission requiring such well or wells to be shut down, or the production therefrom to be reduced, had not been made by the Commission.

Added by Laws 1933, c. 131, p. 288, § 22, emerg. eff. April 10, 1933.

§52-106. Notice on filing of motion or petition.

Upon the filing of any motion or petition for order or orders of enforcement, as provided in the preceding section of this act, the Secretary of the Commission, in the name of the Commission and by him as its Secretary, shall issue a notice to the defendant or defendants named in such motion or petition, which said notice shall be

addressed to the defendant or defendants in said petition, and shall state, (a) the filing of such motion or petition; (b) the order or orders, rule or rules, regulation or regulations of the Commission, or the provisions of this act, violations of which are charged therein; (c) the common source of supply in or with respect to which such violation has occurred or is occurring; (d) the date on which said motion or petition is set for hearing, which shall be on such date as shall be provided by order, rule or regulation of the Commission, but shall not be earlier than ten (10) days from the date of the issuance of such notice; and (e) a copy of said motion or petition filed in said cause shall be attached to said notice, and if any temporary order of enforcement shall have been made by the Commission in said proceedings, reference to such order shall be contained in said notice and a copy thereof shall be attached to said notice, in order that service of the same upon the defendant or defendants may be made at the same time as the service of said notice.

Added by Laws 1933, c. 131, p. 290, § 23, emerg. eff. April 10, 1933.

#### §52-107. Process - Service - How made - Return.

Except as otherwise provided or authorized in this act, service of any notice, petition or other pleading, citation, summons, subpoena, order of the Commission of which service is required, and execution, commitment or other process, in any proceeding before the Commission under the provision of this act, may be made by the Proration Umpire, his assistant or any deputy to the Proration Umpire, or by any other person authorized and directed by order of the Commission to make such service, and such service may be made upon any person, firm, trust, association or corporation, required to be served, in the same manner as is provided for the service of summons in civil actions in the district courts of the state, upon such persons, firms, trusts, associations, and corporations respectively. The officer or other person making any such service shall make his return thereof and file the same with the Secretary of the Commission. Said return shall show the time when the notice, pleading, citation, petition, summons, subpoena, order of the Commission, execution, commitment, or other process was received by him and the time and manner the same was served by him.

Added by Laws 1933, c. 131, p. 291, § 24, emerg. eff. April 10, 1933.

#### §52-108. Oaths - Felony of perjury.

Every person who, having taken an oath that he will testify, declare or depose before the Commission, in any proceeding, or at any hearing before said Commission, authorized and provided for under the provisions of this act, shall willfully and contrary to such oath state any material matter which he knows to be false, is guilty of the felony of perjury, and upon conviction, shall be punished by

imprisonment in the State Penitentiary for not more than five (5) years.

Added by Laws 1933, c. 131, p. 291, § 25, emerg. eff. April 10, 1933. Amended by Laws 1997, c. 133, § 490, eff. July 1, 1999; Laws 1999, 1st Ex.Sess., c. 5, § 355, eff. July 1, 1999.

NOTE: Laws 1998, 1st Ex.Sess., c. 2, § 23 amended the effective date of Laws 1997, c. 133, § 490 from July 1, 1998, to July 1, 1999.

§52-109. False verification of documents as perjury - Punishment.

Any person who shall verify under oath any report, map or drawing or other statement or document authorized or required by the provisions of this act, or by any order, rule or regulation of the Commission made under the provisions of this act to be filed with the Commission or with the Secretary of the Commission, or with any other officer, and who files or causes the same to be filed with the Secretary of the Commission or other officer, which states or contains any material matter which he knows to be false is guilty of the felony of perjury, and upon conviction thereof shall be punished by imprisonment in the State Penitentiary for not less than two (2) years, nor more than ten (10) years.

Added by Laws 1933, c. 131, p. 291, § 26, emerg. eff. April 10, 1933. Amended by Laws 1997, c. 133, § 491, eff. July 1, 1999; Laws 1999, 1st Ex.Sess., c. 5, § 356, eff. July 1, 1999.

NOTE: Laws 1998, 1st Ex.Sess., c. 2, § 23 amended the effective date of Laws 1997, c. 133, § 491 from July 1, 1998, to July 1, 1999.

§52-110. Market demand - Transportation and marketing facilities - Evidence - Proceedings and hearings.

In any proceeding or at any hearing before the Commission wherein the Commission shall require or shall deem it advisable to ascertain and/or find the reasonable market demand and/or the transportation or marketing facilities for oil that may be produced from any common source of supply during any specific period of time thereafter, it shall be competent, subject to such limitations and conditions, as shall be prescribed and provided by general order or rule of the Commission, to receive in evidence in such proceeding or at such hearing, any statement which shall have been communicated to (a) the Commission, or (b) to the Secretary of the Commission, or (c) to the Proration Umpire, by any purchaser or taker of oil by (a) telegram, or (b) letter, which shall state the amount of oil produced from said common source of supply (a) that such purchaser or taker contemplates or intends he or it will purchase during the period of time involved; or (b) the capacity of his or its transportation or marketing facilities which will be, during the period of time involved, available for transportation and/or marketing oil that may be produced from such common source of supply; and the Commission in ascertaining and determining the transportation or marketing

facilities, or the reasonable market demands for oil during any such period of time that may be produced from such common source of supply may give such weight to such evidence that it shall determine the same is entitled.

Added by Laws 1933, c. 131, p. 291, § 27, emerg. eff. April 10, 1933.

§52-111. Collateral attack on orders, rules and regulations - Appeals - Supreme Court.

No collateral attack shall be allowed upon orders, rules and regulations of the Commission made hereunder, but the sole method of reviewing such orders and inquiring into and determining their validity, justness, reasonableness or correctness shall be by appeal from such orders, rules or regulations to the Supreme Court. On appeal every such order, rule or regulation shall be regarded as prima facie, valid, reasonable and just. No court of this state except the Supreme Court, and it only on appeal, as herein provided, shall have jurisdiction to review, reverse, annul, modify or correct any order, rule, or regulation of the Commission within the general scope of its authority herein or to enjoin, restrain or suspend execution or operation thereof, provided that writs of mandamus and prohibition shall lie from the Supreme Court to the Commission in all cases where such writs, respectively, would under like circumstances lie to any inferior court or officer.

Added by Laws 1933, c. 131, p. 292, § 28, emerg. eff. April 10, 1933.

§52-112. Application to amend or modify orders - Hearing - Appeal.

Any person affected by any legislative or administrative order of the Commission shall have the right at any time to apply to the Commission to repeal, amend, modify, or supplement the same. Such application shall be in writing and shall be heard as expeditiously as possible after notice of the hearing thereon shall have been given in the manner provided by Section 14 of this act. An appeal shall lie to the Supreme Court from any order made by the Commission in any such proceedings or from the refusal of the Commission to make any order petitioned for therein, in the same manner and within the same time in which other appeals are authorized to be taken by the provisions of this act, and, on any such appeal, the Supreme Court may affirm the order of the Commission, or the Commission's action in refusing to make the order petitioned for, or may itself make the order which the Commission should have made, or remand the cause to the Commission with directions to make such order as the Supreme Court may determine should have been made.

Added by Laws 1933, c. 131, p. 292, § 29, emerg. eff. April 10, 1933.

§52-113. Appeals - Power of Supreme Court - Supersedeas - Bond.

In the manner now provided by law for taking appeals to the Supreme Court from orders, rules or regulations of the Commission

affecting transportation and transmission companies, appeals may be taken to the Supreme Court from any order, rule or regulation made, issued or promulgated by the Commission under the provisions of Sections 84-96, inclusive, of this title, (a) by the Attorney General, or (b) by the Conservation Attorney, or (c) by the Director of Conservation, on behalf of the state, or (d) by any person aggrieved by such order, rule, or regulation appealed from. On such appeal the Supreme Court shall have power to determine the validity, the reasonableness and justice of such order, rule, or regulation, and should the Court find from the record that the order, rule, or regulation appealed from is incorrect, unreasonable, unjust or insufficient in any particular it shall amend, modify, or supplement such order, rule or regulation so as to make the same correct, reasonable, just or sufficient, or shall substitute therefor such order, rule, or regulation as in the Court's opinion is warranted by the record, is reasonable and just, and will effect the purposes and intent of sections 84-135 of this title. On such appeals no order, rule or regulation shall be reversed and remanded to the Commission for a new trial thereon or for the taking of additional testimony unless the Court shall find that the evidence introduced before the Commission is insufficient to enable the Court to determine and make a proper order, rule, or regulation or that the party appealing did not have lawful notice of the hearing before the Commission, or that the Commission refused to receive competent evidence offered by the party appealing, which, if true, would leave the order, rule or regulation appealed from without substantial basis in fact. In like manner appeal may be taken to the Supreme Court from any order, judgment or decree issued, or final action taken by the Commission in any proceeding before it wherein it is sought to have any person adjudged (a) guilty of direct contempt, or (b) punished as for contempt for violation of any provision of this act or of any order, rule or regulation of the Commission made hereunder, or (c) in which is sought any other order of enforcement for the purpose of enforcing the orders, rules, and regulations of the Commission made hereunder, provided any such appeal may be taken and prosecuted only by (a) the Attorney General, or (b) the Conservation Attorney, or (c) the Director of Conservation, on behalf of the state, or (d) by any person against whom any such order or decree of contempt, or as for contempt, or other order of enforcement shall have been rendered, or (e) by any other person whose interests are affected by such order, judgment, decree or final action taken by the Commission in such proceeding and who is aggrieved thereby.

No order, rule, regulation, judgment or decree or final action of the Commission appealed from shall be superseded except by order of the Commission or the Supreme Court. No supersedeas shall be granted by either the Commission or the Supreme Court except upon condition that the appellant shall file in said appeal a bond with such surety

as shall be approved by the Commission or the Supreme Court, granting such supersedeas. Said bond shall, (a) be in such amount, (b) contain such terms and conditions, and (c) be payable to the state for its benefit or for the benefit of such person or persons as shall be damaged by such appeal, if the order, rule, regulation, judgment, decree or action of the Commission appealed from shall be affirmed; all as shall be provided and required by the Commission or the Supreme Court granting such supersedeas.

All appeals under the provisions of this act must be taken by filing in the Supreme Court a petition in error within thirty (30) days from the date on which the order, rule, regulation, judgment, decree or final action of the Commission appealed from shall have been made, rendered or taken by the Commission; and except as otherwise provided in this act, the hearing and determination thereof by the Supreme Court, and the enforcement of its judgment and decree therein, and against the sureties upon the supersedeas bond therein, shall be governed by the provisions of law now in force applicable to appeals in proceedings for contempt and other proceedings for the violation of orders, rules and regulations of the Commission affecting transportation companies; and to the extent possible under existing laws the Supreme Court shall give precedence to all such appeals in the hearing and disposition thereof. The time limit prescribed herein for filing the petition in error may not be extended. The Supreme Court shall prescribe by rules the manner in which the record of the proceedings sought be reviewed shall be prepared and the time for its completion.

Added by Laws 1933, c. 131, p. 293, § 30, emerg. eff. April 10, 1933.  
Amended by Laws 1971, c. 35, § 1, operative Oct. 1, 1971.

§52-114. Obstructing or delaying performance of duties a felony.

Any person who knowingly and willfully delays or obstructs any Proration Umpire, any assistant or deputy of the Proration Umpire, or any agent or employee of the Commission, in the performance of any duty enjoined upon such proration umpire, assistant or deputy of such Proration Umpire, or agent, or employee of the Commission, by the provisions of this act or by any lawful order, rule or regulation of the Commission; or who knowingly and willfully delays or obstructs any public officer of the state, or of any municipal subdivision thereof in the discharge or attempted discharge of any duty of his office, arising by virtue of or growing out of the enforcement of or an attempt to enforce the provisions of this act, or any lawful order, rule, or regulation of the Commission made in pursuance of the provisions hereof; or who attempts by means of any threat or violence to deter or prevent any such Proration Umpire, assistant, or deputy of the Proration Umpire, or any agent or employee of the Commission from performing any duty imposed upon them when such duty arises by virtue of or grows out of the attempt to enforce the provisions of

this act or of any lawful order, rule, or regulation of the Commission made hereunder, shall be guilty of a misdemeanor and upon conviction thereof may be punished by fine not exceeding Five Hundred Dollars (\$500.00), or by confinement in the county jail not exceeding six (6) months, or both. If such threat or violence, or such attempted interference or obstruction is accompanied by the use or attempted use of firearms by any such person so offending, then such person shall be guilty of a felony and, upon conviction, may be punished by imprisonment in the State Penitentiary for a period of not less than one (1) year nor more than five (5) years.

Added by Laws 1933, c. 131, p. 294, § 31, emerg. eff. April 10, 1933.

Amended by Laws 1997, c. 133, § 492, eff. July 1, 1999; Laws 1999, 1st Ex.Sess., c. 5, § 357, eff. July 1, 1999.

NOTE: Laws 1998, 1st Ex.Sess., c. 2, § 23 amended the effective date of Laws 1997, c. 133, § 492 from July 1, 1998, to July 1, 1999.

#### §52-115. Conspiracy to violate act - Punishment.

If two or more persons conspire to violate any provision of this act, or any lawful order, rule, or regulation of the Commission fixing the method, manner, amount and rate of production of oil or gas from any common source of supply in the State of Oklahoma or conspire to produce oil or gas from any well or wells in any common source of supply in the State of Oklahoma in excess of the allowable production permitted from such well or wells as fixed and determined by any lawful order, rule, or regulation of the Commission or conspire to avoid making or filing any report, map or drawing, or to file any false report, map or drawing with respect to the method, manner, time, place, amount, or rate of production of oil or gas from any well or wells in any common source of supply in the State of Oklahoma, or conspire to avoid the making or filing of any report, map or drawing, or to file any false report, map or drawing, with respect to the removal or transportation of oil or gas by any means whatsoever, from any common source of supply, as may be prescribed or required by this act or by any lawful order, rule, or regulation of the Commission; or conspire to make any false statement therein with respect to any material matter contained therein, and one or more such parties shall do any act to effect the object of any such conspiracy, then each of the parties to any such conspiracy shall, upon conviction, be guilty of a felony in any court having jurisdiction of the offense, be fined not more than Five Thousand Dollars (\$5,000.00) or imprisoned in the State Penitentiary for a period of not exceeding five (5) years, or both.

Added by Laws 1933, c. 131, p. 295, § 32, emerg. eff. April 10, 1933.

Amended by Laws 1997, c. 133, § 493, eff. July 1, 1999; Laws 1999, 1st Ex.Sess., c. 5, § 358, eff. July 1, 1999.

NOTE: Laws 1998, 1st Ex.Sess., c. 2, § 23 amended the effective date of Laws 1997, c. 133, § 493 from July 1, 1998, to July 1, 1999.

§52-116. Violation of orders, rules and regulations - Injunction - Appeal - Supersedeas.

Where the Commission shall make and issue any order, rule, or regulation for the prevention or prohibition of any waste prohibited by this act, or by any order, rule, or regulation of the Commission, authorized by this act, and the same has been or is being violated by any person, firm, trust, association or corporation, the Attorney General of the state, or the Proration Attorney may in the name of the state bring an action in the district court of the county wherein the oil or gas properties have been or are being operated in violation of such order, rule, or regulation of the Commission or wherein any such violation of any order, rule or regulation of the Commission has been or is being committed, for a prohibitory and/or a mandatory injunction, enjoining and prohibiting the offender from further violating the provisions of this act or any such order, rule, or regulation of the Commission and/or commanding and compelling such offender to obey such order, rule, or regulation; and such court is hereby given jurisdiction to grant such injunction or such other relief as may be proper in the premises, and shall have power to grant in any such proceedings temporary restraining orders and/or injunctions, to obtain which no bond shall be required. Neither a temporary nor permanent injunction granted under the provisions of this section shall be stayed or superseded on appeal therefrom except upon order of the Supreme Court, and then only upon application therefor, and hearing thereon after reasonable notice to plaintiff. Insofar as permitted and not prohibited by existing statutes, all suits brought under the provisions of this section shall be given, in the hearing and trial thereof, by all courts in which the same are brought and prosecuted, precedence over other actions pending in said courts.

Added by 1933, c. 131, p. 295, § 33, emerg. eff. April 10, 1933.

§52-117. Bribery - Punishment.

Whoever corruptly gives, offers or promises to give to any member of the Commission, Proration Umpire, assistant or deputy of a Proration Umpire, Proration Attorney, or agent or employee of the Commission, any gift or gratuity whatsoever with an intent to influence any such officer or person in his acts or conduct with respect to (a) enforcing any order, rule or regulation of the Commission made under this act, or (b) the discharge of any duty by any such officer or person imposed upon him by the provisions of this act, or by any order, rule, or regulation of the Commission issued and promulgated under the provisions of this act, shall be guilty of a felony and shall be punished by imprisonment in the State Penitentiary not exceeding five (5) years, and by a fine not exceeding Five Thousand Dollars (\$5,000.00).

Added by Laws 1933, c. 131, p. 296, § 34, emerg. eff. April 10, 1933.  
Amended by Laws 1997, c. 133, § 494, eff. July 1, 1999; Laws 1999,  
1st Ex.Sess., c. 5, § 359, eff. July 1, 1999.

NOTE: Laws 1998, 1st Ex.Sess., c. 2, § 23 amended the effective date  
of Laws 1997, c. 133, § 494 from July 1, 1998, to July 1, 1999.

§52-118. Bribery - Accepting bribe - Punishment.

Any member of the Commission, Proration Umpire, assistant,  
deputy, agent or employee of the Proration Umpire, Proration  
Attorney, or any agent or employee of the Commission who asks,  
receives or agrees to receive any gift or gratuity upon any agreement  
or understanding that his acts or conduct with respect to (a)  
enforcing any provision of this act or of any order, rule, or  
regulation of the Commission made under or in pursuance of this act,  
or (b) the discharge of any duty by any such officer or person  
imposed upon him by the provisions of this act, or by any order,  
rule, or regulation of the Commission issued and promulgated under  
the provisions of this act, shall be influenced thereby shall be  
guilty of a felony punishable by imprisonment in the State  
Penitentiary not exceeding ten (10) years, and by a fine not  
exceeding Ten Thousand Dollars (\$10,000.00).

Added by Laws 1933, c. 131, p. 296, § 35, emerg. eff. April 10, 1933.  
Amended by Laws 1997, c. 133, § 495, eff. July 1, 1999; Laws 1999,  
1st Ex.Sess., c. 5, § 360, eff. July 1, 1999.

NOTE: Laws 1998, 1st Ex.Sess., c. 2, § 23 amended the effective date  
of Laws 1997, c. 133, § 495 from July 1, 1998, to July 1, 1999.

§52-119. Bribery - State's evidence - Immunity.

In all cases involving the offering, promising, giving or  
receiving any gift, or gratuity, made criminal by Sections 34 and 35  
of this act, and in all cases for conspiracy under Section 32 of this  
act, the party to such crime or crimes who shall first furnish  
information in relation thereto as against the other party or parties  
thereto, and in any prosecution therefor shall testify to the same  
truthfully and fully, shall not thereafter be criminally liable  
therefor, but in such cases no conviction shall be had on the  
uncorroborated testimony of one such witness.

Added by 1933, c. 131, p. 297, § 36, emerg. eff. April 10, 1933.

§52-120. Powers - Grant of not to restrict general powers.

Any grant of specific power or powers, and any imposition of any  
specific duty or duties upon the Commission by the provisions of this  
act shall not be construed to restrict or limit the general powers  
granted and the general duties imposed upon the Commission with  
respect to the enforcement of the provisions of this act.

Added by 1933, c. 131, p. 297, § 37, emerg. eff. April 10, 1933.

§52-121. Repealed by Laws 1967, p. 207, § 6, eff. May 1, 1967.

§52-122. Repealed by Laws 1941, p. 217, § 5.

§52-123. Repealed by Laws 1967, c. 207, § 6, eff. May 1, 1967.

§52-124. Repealed by Laws 1967, c. 207, § 6, eff. May 1, 1967.

§52-124.1. Repealed by Laws 1967, c. 207, § 6, eff. May 1, 1967.

§52-125. Repealed by Laws 1967, c. 207, § 6, eff. May 1, 1967.

§52-126. Repealed by Laws 1967, c. 207, § 6, eff. May 1, 1967.

§52-127. Repealed by Laws 1967, c. 207, § 6, eff. May 1, 1967.

§52-127.1. Repealed by Laws 1961, p. 432, § 1.

§52-127.2. Repealed by Laws 1967, c. 207, § 6, eff. May 1, 1967.

§52-128. Repealed by Laws 1967, c. 207, § 6, eff. May 1, 1967.

§52-129. Repealed Laws 1941, p. 217, § 5.

§52-130. Repealed by Laws 1967, c. 207, § 6, eff. May 1, 1967.

§52-131. Repealed by Laws 1967, c. 207, § 6, eff. May 1, 1967.

§52-132. Office of Management and Enterprise Services - Rooms and supplies.

The Office of Management and Enterprise Services shall provide such rooms, furniture, and supplies as shall be necessary for the Conservation Division in implementing their duties as prescribed by the Oklahoma Oil and Gas Conservation Act. No expense incurred in implementing the provisions of this section shall be paid out of the General Revenue Fund of the State of Oklahoma.

Added by Laws 1933, c. 131, § 46, emerg. eff. April 10, 1933.

Amended by Laws 1983, c. 304, § 28, eff. July 1, 1983; Laws 2012, c. 304, § 210.

§52-133. Repealed by Laws 1967, c. 207, § 6, eff. May 1, 1967.

§52-134. Partial invalidity - Effect.

If any section, paragraph, sentence or phrase of this act shall be declared unconstitutional, or void for any other reason by any court of final jurisdiction, such fact shall not in any manner

invalidate or affect any other section, paragraph, sentence or phrase of this act, but the same shall continue in full force and effect. Added by Laws 1933, c. 131, p. 301, § 48, emerg. eff. April 10, 1933.

§52-135. Pending actions not terminated.

The enactment of this act shall not terminate any proceeding or proceedings now pending before the Commission, including those wherein is sought the issuance and promulgation of orders, rules or regulations by the Commission under the provisions of an act of the Legislature approved February 11, 1915, entitled "An Act defining and prohibiting the waste of crude oil or petroleum, providing for the equitable taking of the same from the ground and conferring authority on the Corporation Commission, prescribing the penalty for the violation of this Act and declaring an emergency," and of any amendments thereto, but any and all such proceedings shall continue to final decision or action therein by the Commission, and all further proceedings, hearings and all orders, rules and regulations had or made therein by the Commission, and all enforcement thereof shall be under and subject to the terms and provisions of this act. All existing orders, rules and regulations of the Commission heretofore made and issued under the provisions of aforesaid act of the Legislature, approved February 11, 1915, and of any amendments thereto, until repealed, vacated or modified by order of the Commission, or of the Supreme Court on appeal therefrom, shall continue and remain in full force and effect and shall be enforced in the same manner and to like extent as if this act had not been enacted, but all further proceedings and hearings in any proceedings heretofore brought and now pending before the Commission, and the institution, prosecution and hearing of any proceedings hereafter brought before the Commission in connection with any such existing orders, rules or regulations of the Commission shall be governed by the rules of procedure in this act provided and/or that shall be issued by the Commission in pursuance of the provisions of this act. Added by Laws 1933, c. 131, p. 301, § 49, emerg. eff. April 10, 1933.

§52-136. Application of procedural requirements - Right of appeal - Rules and regulations.

This act is subject to all of the procedural requirements of Chapter 131, Session Laws of Oklahoma, 1933, including the right of appeal to the Supreme Court of the state on the part of any person aggrieved by any action under said subsections, and the Corporation Commission is hereby vested with specific power and jurisdiction to establish rules and regulations for the carrying out and enforcement of all of the provisions of this act.

Added by Laws 1935, p. 236, § 4, emerg. eff. April 22, 1935.

§52-137. Repealed by Laws 2015, c. 341, § 2.

§52-137.1. Regulation of oil and gas activities by municipalities, counties, or other political subdivisions.

A municipality, county or other political subdivision may enact reasonable ordinances, rules and regulations concerning road use, traffic, noise and odors incidental to oil and gas operations within its boundaries, provided such ordinances, rules and regulations are not inconsistent with any regulation established by Title 52 of the Oklahoma Statutes or the Corporation Commission. A municipality, county or other political subdivision may also establish reasonable setbacks and fencing requirements for oil and gas well site locations as are reasonably necessary to protect the health, safety and welfare of its citizens but may not effectively prohibit or ban any oil and gas operations, including oil and gas exploration, drilling, fracture stimulation, completion, production, maintenance, plugging and abandonment, produced water disposal, secondary recovery operations, flow and gathering lines or pipeline infrastructure. All other regulations of oil and gas operations shall be subject to the exclusive jurisdiction of the Corporation Commission. Provided, notwithstanding any provision of law to the contrary, a municipality, county or other political subdivision may enact reasonable ordinances, rules and regulations concerning development of areas within its boundaries which have been or may be delineated as a one-hundred-year floodplain but only to the minimum extent necessary to maintain National Flood Insurance Program eligibility.

Added by Laws 2015, c. 341, § 1.

§52-138. Partial invalidity, effect of.

If any section, paragraph, sentence or phrase of this act shall be declared unconstitutional or void for any reason, by any court of final jurisdiction, such decision shall not in any way invalidate or affect any other section, paragraph, sentence or phrase of this act, but the same shall continue in full force and effect.

Added by Laws 1935, p. 236, § 6, emerg. eff. April 22, 1935.

§52-139. Jurisdiction, powers and authority of Corporation Commission and Department of Environmental Quality.

A. The Corporation Commission is vested with exclusive jurisdiction, power and authority, and it shall be its duty, to make and enforce such rules and orders governing and regulating the handling, storage and disposition of saltwater, mineral brines, waste oil and other deleterious substances produced from or obtained or used in connection with the drilling, development, producing, and operating of oil and gas wells and brine wells within this state as are reasonable and necessary for the purpose of preventing the pollution of the surface and subsurface waters in the state, and to otherwise carry out the purpose of this act.

B. 1. Except as otherwise provided by this subsection, the Corporation Commission is hereby vested with exclusive jurisdiction, power and authority, and it shall be its duty to promulgate and enforce rules, and issue and enforce orders governing and regulating:

- a. the conservation of oil and gas,
- b. field operations for geologic and geophysical exploration for oil, gas and brine, including seismic survey wells, stratigraphic test wells and core test wells,
- c. the exploration, drilling, development, producing or processing for oil and gas on the lease site,
- d. the exploration, drilling, development, production and operation of wells used in connection with the recovery, injection or disposal of mineral brines,
- e. reclaiming facilities only for the processing of salt water, crude oil, natural gas condensate and tank bottoms or basic sediment from crude oil tanks, pipelines, pits and equipment associated with the exploration, drilling, development, producing or transportation of oil or gas,
- f. injection wells known as Class II wells under the federal Underground Injection Control Program, and any aspect of any CO2 sequestration facility, including any associated CO2 injection well, over which the Commission is given jurisdiction pursuant to the Oklahoma Carbon Capture and Geologic Sequestration Act. Any substance that the United States Environmental Protection Agency allows to be injected into a Class II well may continue to be so injected,
- g. tank farms for storage of crude oil and petroleum products which are located outside the boundaries of the refineries, petrochemical manufacturing plants, natural gas liquid extraction plants, or other facilities which are subject to the jurisdiction of the Department of Environmental Quality with regard to point source discharges,
- h. the construction and operation of pipelines and associated rights-of-way, equipment, facilities or buildings used in the transportation of oil, gas, petroleum, petroleum products, anhydrous ammonia or mineral brine, or in the treatment of oil, gas or mineral brine during the course of transportation but not including line pipes associated with processing at or in any:
  - (1) natural gas liquids extraction plant,
  - (2) refinery,

- (3) reclaiming facility other than for those specified within subparagraph e of this paragraph,
- (4) mineral brine processing plant, and
- (5) petrochemical manufacturing plant,
- i. the handling, transportation, storage and disposition of saltwater, mineral brines, waste oil and other deleterious substances produced from or obtained or used in connection with the drilling, development, producing and operating of oil and gas wells, at:
  - (1) any facility or activity specifically listed in paragraphs 1 and 2 of this subsection as being subject to the jurisdiction of the Commission, and
  - (2) other oil and gas extraction facilities and activities,
- j. spills of deleterious substances associated with facilities and activities specified in paragraph 1 of this subsection or associated with other oil and gas extraction facilities and activities, and
- k. subsurface storage of oil, natural gas and liquefied petroleum gas in geologic strata.

2. The exclusive jurisdiction, power and authority of the Corporation Commission shall also extend to the construction, operation, maintenance, site remediation, closure and abandonment of the facilities and activities described in paragraph 1 of this subsection.

3. When a deleterious substance from a Commission-regulated facility or activity enters a point source discharge of pollutants or storm water from a facility or activity regulated by the Department of Environmental Quality, the Department shall have sole jurisdiction over the point source discharge of the commingled pollutants and storm water from the two facilities or activities insofar as Department-regulated facilities and activities are concerned.

4. For purposes of the Federal Clean Water Act, any facility or activity which is subject to the jurisdiction of the Corporation Commission pursuant to paragraph 1 of this subsection and any other oil and gas extraction facility or activity which requires a permit for the discharge of a pollutant or storm water to waters of the United States shall be subject to the direct jurisdiction of the United States Environmental Protection Agency and shall not be required to be permitted by the Department of Environmental Quality or the Corporation Commission for such discharge.

5. The Corporation Commission shall have jurisdiction over:

- a. underground storage tanks that contain antifreeze, motor oil, motor fuel, gasoline, kerosene, diesel, or aviation fuel and that are not located at refineries or at upstream or intermediate shipment points of pipeline operations, including, but not limited to, tanks from

which these materials are dispensed into vehicles, or tanks used in wholesale or bulk distribution activities, as well as leaks from pumps, hoses, dispensers, and other ancillary equipment associated with the tanks, whether above the ground or below; provided that any point source discharge of a pollutant to waters of the United States during site remediation or the off-site disposal of contaminated soil, media, or debris shall be regulated by the Department of Environmental Quality,

- b. aboveground storage tanks that contain antifreeze, motor oil, motor fuel, gasoline, kerosene, diesel, or aviation fuel and that are not located at refineries or at upstream or intermediate shipment points of pipeline operations, including, but not limited to, tanks from which these materials are dispensed into vehicles, or tanks used in wholesale or bulk distribution activities, as well as leaks from pumps, hoses, dispensers, and other ancillary equipment associated with the tanks, whether above the ground or below; provided that any point source discharge of a pollutant to waters of the United States during site remediation or the off-site disposal of contaminated soil, media, or debris shall be regulated by the Department of Environmental Quality, and
- c. the Petroleum Storage Tank Release Environmental Cleanup Indemnity Fund and Program and the Leaking Underground Storage Tank Trust Fund.

6. The Department of Environmental Quality shall have sole jurisdiction to regulate the transportation, discharge or release of deleterious substances or hazardous or solid waste or other pollutants from rolling stock and rail facilities. The Department of Environmental Quality shall not have any jurisdiction with respect to pipeline transportation of carbon dioxide.

7. The Department of Environmental Quality shall have sole environmental jurisdiction for point and nonpoint source discharges of pollutants and storm water to waters of the state from:

- a. refineries, petrochemical manufacturing plants and natural gas liquid extraction plants,
- b. manufacturing of oil and gas related equipment and products,
- c. bulk terminals, aboveground and underground storage tanks not subject to the jurisdiction of the Commission pursuant to this subsection, and
- d. other facilities, activities and sources not subject to the jurisdiction of the Corporation Commission or Department of Agriculture as specified by this section.

8. The Department of Environmental Quality shall have sole environmental jurisdiction to regulate air emissions from all facilities and sources subject to operating permit requirements under Title V of the Federal Clean Air Act as amended.

C. The Corporation Commission shall comply with and enforce the Oklahoma Water Quality Standards.

D. 1. For the purpose of immediately responding to emergency situations having potentially critical environmental or public safety impact and resulting from activities within its jurisdiction, the Commission may take whatever necessary action, without notice and hearing, including the expenditure of monies from the Corporation Commission Revolving Fund, to promptly respond to the emergency. Such emergency expenditure shall be made pursuant to the provisions of The Oklahoma Central Purchasing Act, upon such terms and conditions established by the Office of Management and Enterprise Services to accomplish the purposes of this section. Thereafter, the Commission shall seek reimbursement from the responsible person, firm or corporation for all expenditures made from the Corporation Commission Revolving Fund. Any monies received as reimbursement shall be deposited to the credit of the Corporation Commission Revolving Fund.

2. The Commission shall not expend from any fund in the State Treasury, in any fiscal year, for the purposes herein provided, an amount of money in excess of the total sum specifically authorized annually by the Legislature for such purposes. Any monies received by the Commission through execution on any required surety shall not be subject to such limitation on expenditure for remedial action.

3. Neither the Commission nor any independent contractor of the Commission authorized to conduct remedial action under this section shall be held liable or responsible for any damages resulting from non-negligent actions reasonably necessary for conducting remedial work. Nothing in this section shall limit the authority of the Commission or relieve any person or persons otherwise legally responsible from any obligation to prevent or remediate pollution. Added by Laws 1955, p. 482, § 1, emerg. eff. May 19, 1955. Amended by Laws 1965, c. 228, § 1, emerg. eff. June 16, 1965; Laws 1991, c. 332, § 6, eff. July 1, 1991; Laws 1993, c. 145, § 255, eff. July 1, 1993; Laws 1993, c. 324, § 49, eff. July 1, 1993; Laws 2000, c. 364, § 6, emerg. eff. June 6, 2000; Laws 2009, c. 429, § 9, emerg. eff. June 1, 2009; Laws 2012, c. 304, § 211.

§52-140. Earthen storage ponds - Remedial action.

A. The Corporation Commission shall not, by a rule or order, prohibit the storage in earthen ponds of the deleterious substances described in Section 139 of this title, but shall by rule or order prescribe standards, conditions, or limitations for the use of such ponds, and shall by rule or order prohibit the storage of such

substances in earthen ponds in areas, fields, or instances found to be required to prevent pollution.

B. If, after notice and hearing, the Commission finds that:

1. An earthen pond is subject to the provisions of this section;

2. It is a facility constructed or used for permanent storage or disposal of deleterious substances;

3. It is causing or is likely to cause the discharge of deleterious substances to the environment; and

4. The operator of such facility or any other person responsible for repairing or closing of such facility in such manner as is necessary to prevent further or future pollution cannot be found or is financially unable to pay the cost of performing remediation work, the Commission or any person authorized by the Commission may enter upon the land upon which the facility is located and repair, close or take such other steps as may be reasonably necessary to remedy the condition.

C. If an emergency exists or if it otherwise appears to the Commission that irreparable injury will result if immediate remedial action is not taken, said entry upon the land may be made or authorized by the Commission without notice or hearing, for the purpose of taking such temporary remedial action as the Commission considers necessary to prevent or minimize the injury, pending the giving of notice and hearing.

D. For the purpose of immediately responding to emergency situations having potentially critical environmental or public safety impact, the Commission may take whatever necessary action, without notice and hearing, including the expenditure of monies from the Corporation Commission Revolving Fund, to promptly respond to the emergency. Such emergency expenditure shall be made pursuant to the provisions of The Oklahoma Central Purchasing Act, upon such terms and conditions established by the Office of Management and Enterprise Services to accomplish the purposes of this section. Thereafter, the Commission shall seek reimbursement from the responsible person, firm or corporation for all expenditures made from the Corporation Commission Revolving Fund. Any monies received as reimbursement shall be deposited to the credit of the Corporation Commission Revolving Fund.

E. When the Commission undertakes any remedial action pursuant to this section, all such remedial work shall be done by contracts let upon competitive bids; provided further that the Commission shall not expend from any fund in the State Treasury, in any fiscal year, for the purposes herein provided, an amount of money in excess of the total sum specifically authorized annually by the Legislature for such purposes. Any monies received by the Commission through execution on any required surety shall not be subject to such limitation on expenditure for remedial action.

F. Neither the Commission nor any independent contractor of the Commission authorized to conduct remedial action under this section shall be held liable or responsible for any damages resulting from operations reasonably necessary to:

1. Contain or remove deleterious substances discharged from a facility;
2. Repair a facility; or
3. Close a facility for abandonment.

G. Nothing in this section shall limit the authority of the Commission or relieve any person or persons otherwise legally responsible from any obligation to:

1. Properly contain and dispose of deleterious substances;
2. Repair an earthen pond; or
3. Properly close an earthen pond before abandonment. It is intended that the provisions of this section shall serve as a supplemental remedy when any person or persons obligated to do so fail or cannot be made to do so.

Added by Laws 1955, p. 482, § 2, emerg. eff. May 19, 1955. Amended by Laws 1965, c. 228, § 2, emerg. eff. June 16, 1965; Laws 1989, c. 381, § 1, emerg. eff. June 7, 1989; Laws 1993, c. 145, § 256, eff. July 1, 1993; Laws 1997, c. 275, § 5, eff. July 1, 1997; Laws 2012, c. 304, § 212.

§52-141. Rules and orders - Powers of Commission - Power to file applications with Commission or appear before Commission - Appeals.

A. In all matters pertaining to the making, issuing and enforcement of its rules or orders made pursuant to the provisions of this act the Corporation Commission shall have and exercise all the powers and authority granted to it under, and to the extent the same are reasonably applicable and except as herein specifically provided shall comply with the procedural requirements of Section 81 et seq. of Title 52 of the Oklahoma Statutes, or any amendment thereof, all to the same extent as if the powers and duties prescribed by this act had been included as a part of the powers and duties of the Commission under said Section 81 et seq. of Title 52 of the Oklahoma Statutes. Any employee of the Commission employed pursuant to the provisions of Section 81 et seq. of Title 52 of the Oklahoma Statutes shall perform such duties incident to the administration and enforcement of this act and the rules, and orders issued pursuant thereto as the Commission may direct.

B. The Attorney General on behalf of the State of Oklahoma, any state environmental agency, as such term is defined in the Oklahoma Environmental Quality Act, and any municipality or other governmental officer, agency, person, firm or corporation are expressly authorized to file applications with the Commission for rules or orders authorized by this act or for the amendment or modification of any

such rule or order, or to otherwise appear in any proceeding pending before the Commission in respect thereto.

C. Any person, firm or corporation aggrieved by any rule or order of the Commission made pursuant to this act may appeal therefrom to the Supreme Court of the State of Oklahoma within the same time and in the same manner as is provided in said Section 81 et seq. of Title 52 of the Oklahoma Statutes, or any amendment thereof, for the taking of appeals from orders of the Commission made thereunder.

Added by Laws 1955, p. 482, § 3, emerg. eff. May 19, 1955. Amended by Laws 1993, c. 145, § 257, eff. July 1, 1993; Laws 1997, c. 275, § 6, eff. July 1, 1997.

§52-142. Cooperation and assistance of other environmental agencies.

Each environmental agency in pursuance of its duties with respect to the protection of the environment and natural resources of the state is authorized and it shall be its duty to assist and cooperate with the Commission in the performance of its duties under this act by making investigations, gathering evidence and filing reports or complaints with the Commission concerning conditions with respect to the handling, storage and disposition of deleterious substances and by making recommendations from time to time to the Commission with respect to rules, regulations, orders or other action that may be required to carry out the purpose of this act.

Added by Laws 1955, p. 482, § 4, emerg. eff. May 19, 1955. Amended by Laws 1965, c. 228, § 3, emerg. eff. June 16, 1965; Laws 1993, c. 145, § 258, eff. July 1, 1993.

§52-143. Penalties.

Any person, firm or corporation violating any rule, regulation or order of the Commission authorized by this act shall be deemed guilty of a misdemeanor and upon conviction may be punished by a fine not less than One Hundred Dollars (\$100.00) or exceeding Two Hundred Fifty Dollars (\$250.00). Each day such a violation continues shall constitute a separate offense.

Added by Laws 1955, p. 483, § 5, emerg. eff. May 19, 1955.

§52-144. Provisions supplemental - Exceptions.

The provisions of this act shall not repeal, but are supplemental to any and all other provisions of law having for their purpose the prevention of the pollution of surface or subsurface waters in this state; provided, however, the provisions of this act and any order issued hereunder shall not be supplemental to Section 287.1 through Section 287.15 of this title, and nothing in this act shall affect the operators' civil or criminal responsibility, or authorize the creation or perpetuation, or a public or private nuisance, and nothing in this act shall prevent the Department of Wildlife

Conservation from policing and patrolling the lakes and streams of Oklahoma, and enforcing the provisions of Section 7-401 of Title 29 of the Oklahoma Statutes.

Added by Laws 1955, p. 483, § 6, emerg. eff. May 19, 1955. Amended by Laws 1993, c. 145, § 259, eff. July 1, 1993.

§52-145. Repealed by Laws 1980, c. 68, § 1, emerg. eff. April 10, 1980.

§52-146. Right of condemnation by eminent domain to enforce Commission orders.

The Corporation Commission of Oklahoma is hereby granted the right of condemnation by eminent domain for the purpose of obtaining rights-of-way when necessary to enforce orders issued by the Corporation Commission, provided, the right of condemnation hereby granted shall be restricted to such pipeline right-of-way easement and shall not be construed to authorize the obtaining of any other rights for drilling locations or other facilities, and the right-of-way easement obtained shall be without prejudice to the rights of the owner of such lands or other rights or interests therein as to all other uses thereof.

Added by Laws 1961, p. 433, § 1, emerg. eff. June 13, 1961.

§52-147. Institution of condemnation proceedings by lessees.

Every person, firm or corporation operating an oil and gas mining lease in the State of Oklahoma, and having been directed by order or orders of the Corporation Commission to dispose of water or other deleterious substances therefrom, upon proper showing at a hearing before the Corporation Commission, that the necessary rights-of-way to dispose of such water or other deleterious substances are impossible to obtain by negotiation and purchase, such person, firm or corporation shall be authorized to institute condemnation proceedings in the name of the Corporation Commission to obtain rights-of-way necessary to comply with such order or orders of the Corporation Commission.

Added by Laws 1961, p. 433, § 2, emerg. eff. June 13, 1961.

§52-148. Court procedure.

The exercise of the rights of eminent domain shall be in the same manner and by like proceedings as provided for railroad corporations of this state, and all costs, fees and awards shall be paid by the person instituting such action, and title to the rights-of-way easements shall be taken in the name of such person.

Added by Laws 1961, p. 433, § 3, emerg. eff. June 13, 1961.

§52-149. Conservation Division - Creation - Personnel - Duties - Qualifications.

There is hereby created within the Corporation Commission of Oklahoma, herein called "Commission", a Conservation Division, the duties and functions of which, subject to the supervision and direction of the Commission, shall be to aid the Commission in the administration and performance of the powers, duties and functions of the Commission with respect to oil and gas conservation and the prevention of pollution resulting from oil and gas production and transportation. The Conservation Division so created shall consist of the following personnel:

1. A Director of Conservation, who, in addition to the duties and functions now or hereafter prescribed for such officer in this title, shall have overall responsibility, supervision and direction of the activities of the Conservation Division and the administration and enforcement of the rules, regulations and orders of the Commission relating to oil and gas conservation and the prevention of pollution. The Director of Conservation shall be a graduate of an accredited college or university with a Bachelor's Degree and shall have five (5) years' experience in a supervisory capacity in an administrative or personnel management position;

2. A Manager of Pollution Abatement, whose duties and functions shall be to direct and supervise the activities of the Conservation Division with respect to the prevention of pollution. The Manager of Pollution Abatement shall be a graduate of an accredited college or university with a Bachelor of Science Degree in petroleum, civil or mechanical engineering, geology, environmental science or a related field and shall have at least five (5) years' practical or regulatory experience in the production of oil and gas, three (3) years of which must have been in an administrative or supervisory capacity;

3. A Manager of Field Operations, whose duties and functions shall be to direct, supervise and coordinate the activities of the district offices and all the field activities of the Conservation Division with respect to both oil and gas conservation and the prevention of pollution. The Manager of Field Operations shall be a graduate of an accredited college or university with a Bachelor of Science Degree in petroleum, civil or mechanical engineering, geology, environmental science or a related field and at least five (5) years' practical or regulatory experience in the production of oil and gas, three (3) years of which must have been in an administrative or supervisory capacity or an equivalent combination of education and experience, substituting one (1) additional year of qualifying experience for each year of the required degree;

4. A Deputy Director of Conservation, whose duties and functions shall be the administrative management of the various offices of the Conservation Division including, but not limited to, office services and procedures, coordinating personnel administration, processing of expense statements, budget preparation and cost accounting, procurement and use of supplies, files, records, and other

professional and clerical services, computer services, with other divisions of the Commission and providing technical assistance as necessary. The Deputy Director of Conservation shall be a graduate of an accredited college or university with a Bachelor of Science Degree in petroleum, civil or mechanical engineering, geology, environmental science or a related field and shall have five (5) years' practical or regulatory experience in the production of oil and gas, three (3) years of which must have been in an administrative or supervisory capacity;

5. A Manager of Technical Services, whose duties and functions shall be to direct, supervise and coordinate the technical activities of the Conservation Division with respect to oil and gas conservation, prevention of waste and prevention of pollution. The Manager of Technical Services shall be a graduate of an accredited college or university, with a Bachelor of Science Degree in petroleum, civil or mechanical engineering, geology, environmental science or a related field and at least five (5) years' practical or regulatory experience in the production of oil and gas, three (3) years of which must have been in an administrative or supervisory capacity;

6. District Managers, whose duties and functions shall be to supervise and direct the district offices and all field activities of the Conservation Division, including both oil and gas conservation and the prevention of pollution in the respective districts to which they are assigned. A District Manager shall be a graduate of an accredited college or university with a Bachelor of Science Degree in petroleum, civil or mechanical engineering, geology, environmental science or a related field and shall have five (5) years' practical or regulatory experience in the production of oil and gas, three (3) years of which must have been in an administrative or supervisory capacity or an equivalent combination of education and experience, substituting one (1) year of practical or regulatory experience in the production of oil and gas for each year of the required degree;

7. Assistant District Managers, whose duties and functions shall be to supervise, direct and coordinate the activities of field and office personnel and who shall be under the supervision of the District Managers. An Assistant District Manager shall be a graduate from an accredited college or university with a Bachelor of Science degree in petroleum, civil or mechanical engineering, geology, environmental science or related field and shall have four (4) years' practical or regulatory experience in the production of oil and gas, one (1) year of which must have been in a supervisory capacity or an equivalent combination of education and experience, substituting one (1) year of practical or regulatory experience in the production of oil and gas for each year of the required degree;

8. Oil and Gas Field Inspectors, whose duties and functions, subject to the direction and supervision of the Oil and Gas Field

Inspector Supervisor of the respective district to which they are assigned, shall be to make inspections and investigations, witness tests, and generally serve as enforcement officers and representatives of the Commission in the administration and enforcement of the rules, regulations and orders of the Commission relating to both oil and gas conservation and the prevention of pollution. An Oil and Gas Field Inspector shall have four (4) years' practical experience in oil field production and drilling operations;

9. Assistant Manager of Field Operations, who under the general direction of the Manager of Field Operations, shall direct, supervise and coordinate office personnel and the activities of the district office and other field programs. An Assistant Manager of Field Operations shall be a graduate of an accredited college or university with a Bachelor of Science Degree in petroleum, civil or mechanical engineering, geology, environmental science or related fields and shall have five (5) years' practical or regulatory experience in the production of oil and gas or an equivalent combination of education and experience, substituting one (1) year of practical or regulatory experience in the production of oil and gas for each year of the required degree;

10. Oil and Gas Safety Specialist, who, under the general direction of the Assistant District Manager of the respective district to which they are assigned, shall be trained in Hydrogen Sulfide Gas control and safety and in hazardous chemical detection and shall investigate incidents of public safety concerns. An Oil and Gas Safety Specialist shall have five (5) years' regulatory experience in the production of oil and gas or a Bachelor of Science Degree in Industrial Safety and one (1) year of regulatory experience in the production of oil and gas;

11. Senior Field Inspector, who, under the general direction of the Oil and Gas Field Inspector Supervisor of the respective district to which they are assigned, shall perform detailed inspections and investigations and provide expert testimony concerning the enforcement of rules of the Corporation Commission. A Senior Field Inspector shall have four (4) years' practical and two (2) years' regulatory experience in the production of oil and gas; and

12. Oil and Gas Inspector Supervisor, who, under the supervision of the Assistant District Manager of the respective district to which they are assigned, shall supervise and perform field inspection activities related to tests, surveys and investigations of oil and gas production, pollution control and environmental protection. An Oil and Gas Inspector Supervisor shall have four (4) years' practical and three (3) years' regulatory experience in the production of oil and gas.

The employees of the Commission who at the effective date of this act are holding positions or performing functions corresponding to those herein prescribed but who do not have the qualifications

required by this act for such positions or functions shall not, for that reason, be disqualified to continue in such positions or to perform such functions, but at such time as there is a vacancy in such position it shall be filled by an employee having the qualifications herein prescribed.

Added by Laws 1967, c. 207, § 1, emerg. eff. May 1, 1967. Amended by Laws 1981, c. 318, § 16, emerg. eff. June 30, 1981; Laws 1982, c. 354, § 8, operative July 1, 1982; Laws 1987, c. 208, § 60, operative July 1, 1987; Laws 1987, c. 236, § 82, emerg. eff. July 20, 1987; Laws 1994, c. 315, § 2, eff. July 1, 1994; Laws 1998, c. 180, § 4, eff. July 1, 1998.

#### §52-149.1. Oil and gas referees.

The Commission is hereby authorized to employ three oil and gas referees who shall be in the unclassified service. Any person filling the position of oil and gas referee shall be a graduate of an accredited college or university with a degree in law, geology, petroleum engineering or similar fields related to hydrocarbon extraction, or possesses significant experience in the practice of law or the exploration, production or supervision of oil or gas operations. Each oil and gas referee shall also be familiar with state statutes and Commission rules and regulations governing oil and gas operations. The oil and gas referees shall hear such cases and exercise such powers as the Commission shall direct. The Commission may establish such rules and regulations as are necessary to implement this section. The referees shall be subject to the overall supervision and direction of the General Administrator.

Added by Laws 1982, c. 354, § 9, operative July 1, 1982.

#### §52-149.2. Oil and Gas Appellate Referees.

The Corporation Commission is authorized to employ Oil and Gas Appellate Referees. Any person filling the position of Oil and Gas Appellate Referee shall be a duly licensed attorney in the State of Oklahoma and shall be familiar with the statutes and rules governing oil and gas operations in Oklahoma. The Oil and Gas Appellate Referees shall hear all exceptions and appeals from recommendations of an Administrative Law Judge for cases on the conservation docket, except for exceptions and appeals from Administrative Law Judge recommendations of conservation docket cases which the Commission determines it will hear en banc without intermediate review. The Oil and Gas Appellate Referees shall file a report and make recommendations to the Commission for the disposition of such exceptions and appeals. The Commission shall promulgate such rules as may be necessary to implement this section.

Added by Laws 1994, c. 315, § 3, eff. July 1, 1994. Amended by Laws 1995, c. 328, § 7, eff. July 1, 1995.

§52-149.3. Teleconference hearings.

The Corporation Commission shall establish and maintain a system providing telephonic capability for hearing of matters assigned to the conservation docket so that testimony at unprotested hearings may be offered by telephone and parties and witnesses need not be present in the courtroom. Where hearings are protested, testimony may also be offered by telephone with the consent of all parties and the administrative law judge assigned to hear the case. The cost of telephonic communication shall be paid by the person or persons requesting its use. The Commission shall promulgate rules implementing the provisions of this section.

Added by Laws 1994, c. 315, § 4, eff. July 1, 1994.

§52-150. Repealed by Laws 1981, c. 340, § 28, eff. July 1, 1981.

§52-151. Repealed by Laws 1981, c. 340, § 28, eff. July 1, 1981.

§52-152. Salaries, costs and expenses - Payment.

Subject to the traveling and subsistence limitations applicable to state employees generally, and to the extent approved by the Corporation Commission, employees of the Oil and Gas Conservation Division shall be paid all necessary traveling and subsistence expenses incurred in the performance of their duties and functions. The Commission is further authorized to incur such other costs and expenses for equipment, facilities, supplies, services and other operating costs as determined by the Commission to be reasonably necessary and proper for the functioning of the Oil and Gas Conservation Division and the administration and enforcement by the Commission of its powers, duties and functions with respect to oil and gas conservation and the prevention of pollution. All salaries and authorized expenses of the employees of the Oil and Gas Conservation Division and all other authorized cost and expense incurred for or on account of the Oil and Gas Conservation Division or for the administration and enforcement by the Commission of its powers, duties and functions with respect to oil and gas conservation and the prevention of pollution, may be paid out of funds appropriated to the Commission for such purpose.

Added by Laws 1967, c. 207, § 4, emerg. eff. May 1, 1967. Amended by Laws 1987, c. 208, § 61, operative July 1, 1987; Laws 1987, c. 236, § 83, emerg. eff. July 20, 1987; Laws 1997, c. 275, § 7, eff. July 1, 1997.

§52-153. Persons having authority to make investigations, serve orders, etc.

The Commission shall have the authority to designate those employees in the Oil and Gas Conservation Division who shall each possess the authority to make investigations, serve orders, issue

field citations, subpoenas or notices issued by the Commission or the Conservation Division, to any operator, employee or agent of said operator, and to enter upon any oil or gas lease or property where necessary in the performance of their duties.

Added by Laws 1967, c 207, § 5, emerg. eff. May 1, 1967. Amended by Laws 1985, c. 325, § 13, emerg. eff. July 29, 1985; Laws 1995, c. 328, § 8, eff. July 1, 1995.

§52-154. Repealed by Laws 1980, c. 298, § 21, eff. Jan. 5, 1981.

§52-201. Compacts with other states authorized - Objectives - Fact finding agency - Uniform conservation and tax laws.

The Governor, or such representative as he may appoint, is authorized to meet with representatives of the Governors of other petroleum-producing states, and of the United States, for the purpose of agreeing upon a compact among such states effecting the following objectives:

(a). Establishment of a joint state and federal fact-finding agency to consist of one representative appointed by the Governor of each compacting state, and one representative of the United States as Congress or the President shall direct. Said agency shall make periodic findings, subject to the approval and modification by the President, of the demand for petroleum to be produced within the United States, for withdrawals from storage, and for petroleum and products thereof to be imported. It shall thereupon, subject to concurrence of representatives of compacting states capable of together producing two-thirds (2/3) of the demand for domestic production so found, and approval and modification by the President, determine the part thereof allowable as production within each petroleum-producing state.

(b). Voluntary regulation of production by each compacting state within its own borders in accordance with said determination of the joint fact-finding agency, to the extent that and in such manner as the laws of each state may authorize.

(c). Formulation by the joint agency of uniform conservation measures and tax laws which it shall recommend to the compacting states, and exercise by said agency of such incidental powers as may be agreed upon.

Added by Laws 1935, p. 240, § 1, emerg. eff. Jan. 30, 1935.

§52-202. Interstate compacts - When binding.

No compact made under the authority of this act shall bind this state unless and until:

(a). Said compact shall be ratified by the Legislatures of two of the States of Texas, California, Kansas and New Mexico, and the Legislature of this state, and Congress shall consent thereto.

(b). Congress shall make provision for the control and limitation of importations in accordance with the findings referred to in Section 1.

(c). Congress shall provide for the control of interstate movements of petroleum produced or withdrawn from storage in violation of the laws and valid regulations of the several states, and products of such petroleum.

(d). Congress shall provide for the control of interstate movements of petroleum produced in any state in excess of the determination, referred to in Section 1, of allowable production within said state as approved by the President, and products of such petroleum.

Added by Laws 1935, p. 240, § 2., emerg. eff. Jan. 30, 1935.

§52-203. Interstate Compact ratified and confirmed.

The "Interstate Compact to Conserve Oil and Gas" entered into by the Governor of this state and the representatives of certain other oil-producing states at Dallas, Texas, on the 16th day of February, 1935, is hereby ratified, approved and confirmed by the State of Oklahoma.

Added by Laws 1935, p. 242, § 1, emerg. eff. March 6, 1935.

§52-204. Terms and provisions of compact.

An Interstate Compact to Conserve  
Oil and Gas  
ARTICLE I.

This agreement may become effective within any compacting state at any time as prescribed by that state, and shall become effective within those states ratifying it whenever any three of the states of Texas, Oklahoma, California, Kansas, and New Mexico have ratified and Congress has given its consent. Any oil-producing state may become a party hereto as hereinafter provided.

ARTICLE II.

The purpose of this Compact is to conserve oil and gas by the prevention of physical waste thereof from any cause.

ARTICLE III.

Each state bound hereby agrees that within a reasonable time it will enact laws, or if laws have been enacted, then it agrees to continue the same in force, to accomplish within reasonable limits the prevention of:

(a) The operation of any oil well with an inefficient gas-oil ratio.

(b) The drowning with water of any stratum capable of producing oil or gas, or both oil and gas, in paying quantities.

(c) The avoidable escape into the open air or the wasteful burning of gas from a natural gas well.

(d) The creation of unnecessary fire hazards.

(e) The drilling, equipping, locating, spacing or operating of a well or wells so as to bring about physical waste of oil or gas or loss in the ultimate recovery thereof.

(f) The inefficient, excessive or improper use of the reservoir energy in producing any well.

The enumeration of the foregoing subjects shall not limit the scope of the authority of any state.

#### ARTICLE IV.

Each state bound hereby agrees that it will, within a reasonable time, enact statutes, or if such statutes have been enacted then that it will continue the same in force, providing in effect that oil produced in violation of its valid oil and/or gas conservation statutes or any valid rule, order or regulation promulgated thereunder, shall be denied access to commerce; and providing for stringent penalties for the waste of either oil or gas.

#### ARTICLE V.

It is not the purpose of this Compact to authorize the states joining herein to limit the production of oil or gas for the purpose of stabilizing or fixing the price thereof, or create or perpetuate monopoly, or to promote regimentation, but is limited to the purpose of conserving oil and gas and preventing the avoidable waste thereof within reasonable limitations.

#### ARTICLE VI.

Each state joining herein shall appoint one representative to a commission hereby constituted and designated as THE INTERSTATE OIL COMPACT COMMISSION, the duty of which said Commission shall be to make inquiry and ascertain from time to time such methods, practices, circumstances and conditions as may be disclosed for bringing about conservation and the prevention of physical waste of oil and gas, and at such intervals as said Commission deems beneficial it shall report its findings and recommendations to the several states for adoption or rejection.

The Commission shall have power to recommend the coordination of the exercise of the police powers of the several states within their several jurisdictions to promote the maximum ultimate recovery from the petroleum reserves of said states, and to recommend measures for the maximum ultimate recovery of oil and gas. Said Commission shall organize and adopt suitable rules and regulations for the conduct of its business.

No action shall be taken by the Commission except: (1) by the affirmative votes of the majority of the whole number of the compacting states, represented at any meeting, and (2) by a concurring vote of a majority in interest of the compacting states at said meeting, such interest to be determined as follows: Such vote of each state shall be in the decimal proportion fixed by the ratio of its daily average production during the preceding calendar half-year

to the daily average production of the compacting states during said period.

ARTICLE VII.

No state by joining herein shall become financially obligated to any other state, nor shall the breach of the terms hereof by any state subject such state to financial responsibility to the other states joining herein.

ARTICLE VIII.

This Compact shall expire September 1, 1937. But any state joining herein may, upon sixty (60) days' notice, withdraw herefrom. The representatives of the signatory states have signed this agreement in a single original which shall be deposited in the archives of the Department of State of the United States, and a duly certified copy shall be forwarded to the Governor of each of the signatory states.

This compact shall become effective when ratified and approved as provided in Article I. Any oil-producing state may become a party hereto by affixing its signature to a counterpart to be similarly deposited, certified and ratified.

Done in the City of Dallas, Texas, this sixteenth day of February, 1935.

E. W. MARLAND  
THE GOVERNOR OF THE STATE OF OKLAHOMA  
JAMES V. ALLRED  
THE GOVERNOR OF THE STATE OF TEXAS  
R. L. PATTERSON  
FOR THE STATE OF CALIFORNIA  
FRANK VESELY  
E. H. WELLS  
HUGH BURCH  
HIRAM M. DOW  
FOR THE STATE OF NEW MEXICO

The following representatives recommend to their respective Governors and Legislatures the ratification of the foregoing agreement:

JOHN W. OLVEY  
OF ARKANSAS  
WARWICK M. DOWNING  
OF COLORADO  
WILLIAM BELL  
OF ILLINOIS  
GORDON F. VAN EENANAAM  
GERALD COTTER  
OF MICHIGAN  
RALPH J. PRYOR  
E. B. SHAWVER  
T. C. JOHNSON

OF KANSAS.

Added by Laws 1935, p. 242, § 2, emerg. eff. March 6, 1935. Amended by Laws 1939, p. 346, § 2, emerg. eff. Jan. 27, 1939; Laws 1941, p. 212, § 2, emerg. eff. Feb. 19, 1941.

§52-205. Governor as official representative of state - Powers and duties - Assistant representatives.

The Governor is hereby designated as the official representative of the State of Oklahoma on "The Interstate Oil Compact Commission" provided for in the Compact herein authorized to be extended. The Governor shall exercise and perform for the State of Oklahoma all the powers and duties imposed by the aforesaid Compact upon a representative to "The Interstate Oil Compact Commission"; provided, that he shall have the authority to appoint an assistant representative who shall act as the official representative of the State of Oklahoma on "The Interstate Oil Compact Commission" when the authority to so act is delegated to him by the Governor. In addition said assistant representative shall perform such other duties as the Governor may designate which are necessary to enable the State of Oklahoma to fully cooperate in accomplishing the objects of said Compact. Said assistant representative shall take the oath of office prescribed by the Constitution which shall be filed with the Secretary of State.

Added by Laws 1935, p. 244, § 3, emerg. eff. March 6, 1935. Amended by Laws 1935, p. 241, § 1, emerg. eff. April 19, 1935; Laws 1939, p. 349, § 5, emerg. eff. Jan. 27, 1939; Laws 1941, p. 214, § 5, emerg. eff. Feb 19, 1941; Laws 1985, c. 178, § 23, operative July 1, 1985.

§52-206. Clerical, technical and legal assistants - Expenses - Office.

The assistant representative referred to in Section 205 of this title is hereby authorized with the consent of the Governor to employ such clerical, technical and legal assistants as may be necessary for him to properly perform the duties assigned him, and to incur such other expenses as may be necessary to enable the State of Oklahoma to fully cooperate in accomplishing the objects of "The Interstate Compact to Conserve Oil and Gas." Said assistant representative and his assistants, and the Governor when acting in his capacity as official representative of the State of Oklahoma on "The Interstate Oil Compact Commission," shall receive their actual and necessary traveling expenses when away from the State Capitol in the performance of their duties, which shall be paid from the special fund hereinafter created. The Office of Management and Enterprise Services shall provide and furnish an office in the State Capitol for said assistant representative.

Added by 1935, p. 241, § 2, emerg. eff. April 19, 1935. Amended by Laws 1939, p. 349, § 6, emerg. eff. Jan. 27, 1939; Laws 1941, p. 214, § 6, emerg. eff. Feb. 19, 1941; Laws 2012, c. 304, § 213.

§52-207. Interstate Oil Compact Fund - Purpose for which used - Disposition of unexpended balance.

A. There is hereby created in the Office of the State Treasurer a special fund to be known as "The Interstate Oil Compact Fund of Oklahoma". All monies accruing to the fund are hereby appropriated for the purpose of paying the compensation of the assistant representative referred to in Section 205 of this title, the compensation of such clerical, technical, and legal assistants as he or she, with the consent of the Governor, may employ, the actual and necessary traveling expenses of the assistant representative and his or her employees and of the Governor when traveling in his or her capacity as official representative of this state on "The Interstate Oil Compact Commission", all items of office expense including the cost of office supplies and equipment, such contributions as the Governor shall deem proper to pay to The Interstate Oil Compact Commission to defray its expenses, such other necessary expenses as may be incurred in enabling this state to fully cooperate in accomplishing the objects of "The Interstate Compact to Conserve Oil and Gas".

B. The maintenance of the Oklahoma Energy Initiative as created in the Oklahoma Energy Initiative Act is hereby declared to be a part of the accomplishment of the objects of The Interstate Compact to Conserve Oil and Gas and the Governor is hereby authorized to contract with appropriate entities for such purposes and to pay the obligations thereof from the fund created by this section.

C. The fund shall be disbursed upon warrants issued by the State Treasurer upon sworn itemized claims approved by the assistant representative and the Governor. If at the end of any fiscal year any part of the special fund shall remain unexpended or unobligated, such balance shall be transferred by the State Treasurer to and become a part of the General Revenue Fund of the state for the ensuing fiscal year.

Added by Laws 1935, p. 241, § 3, emerg. eff. April 19, 1935. Amended by Laws 1939, p. 350, § 7, emerg. eff. Jan. 27, 1939; Laws 1941, p. 214, § 7, emerg. eff. Feb. 19, 1941; Laws 1979, c. 47, § 18, emerg. eff. April 9, 1979; Laws 1983, c. 263, § 14, operative July 1, 1983; Laws 1985, c. 203, § 112, operative July 1, 1985; Laws 1997, c. 275, § 8, eff. July 1, 1997; Laws 2012, c. 248, § 1.

§52-208. Duration of Act - Withdrawal from Compact - Credit of funds to General Revenue Fund.

The provisions of this act, Section 201 et seq, of this title, shall be in force and effect so long as the State of Oklahoma shall

be and remain a party to "The Interstate Compact to Conserve Oil and Gas." In the event the State of Oklahoma withdraws from said Compact, the provisions of this act shall cease to operate and any unencumbered monies in "The Interstate Oil Compact Fund of Oklahoma" shall be credited to the General Revenue Fund of the State of Oklahoma.

Added by Laws 1935, p. 242, § 4, emerg. eff. April 19, 1935. Amended by Laws 1939, p. 350, § 8, emerg. eff. Jan. 27, 1939; Laws 1941, p. 215, § 8, emerg. eff. Feb. 19, 1941; Laws 1997, c. 275, § 9, eff. July 1, 1997.

§52-209. Repealed Laws 1961, p. 432, § 1.

§52-210. Repealed Laws 1961, p. 432, § 1.

§52-211. Further extensions - Withdrawal from Compact - Determination and necessary steps.

The Governor of Oklahoma is further authorized and empowered for and in the name of the State of Oklahoma to execute agreements for the further extension of the expiration date of the said The Interstate Compact to Conserve Oil and Gas and to determine if and when it shall be for the best interest of the State of Oklahoma to withdraw from said Compact upon sixty (60) days' notice as provided by the terms of the Compact. In the event he shall determine that this state should withdraw from said Compact he shall have full power and authority to give necessary notice and to take any and all steps necessary and proper to effect the withdrawal of the State of Oklahoma from said Compact.

Added by Laws 1935, p. 244, § 6, emerg. eff. March 6, 1935. Amended by Laws 1939, p. 349, § 4; Laws 1941, p. 214, § 4.

§52-231. Ownership of gas.

All natural gas under the surface of any land in this state is hereby declared to be and is the property of the owners, or gas lessees, of the surface under which gas is located in its original state.

Added by Laws 1913, c. 198, p. 439, § 1.

§52-232. Drilling rights.

Subject to the provisions of Sections 29 and 239 of this title any owner, producer, or oil and gas lessee of the surface, having the right to drill for natural gas, shall have the right to sink a well to the natural gas underneath the same and to take gas therefrom until the gas under such surface is exhausted. The drilling of a gas well or wells by any owner or lessee of the surface shall be regarded as reducing to possession his share of such gas as is shown by his well.

Added by Laws 1913, c. 198, p. 440, § 2. Amended by Laws 1981, c. 22, § 2, eff. Oct. 1, 1981; Laws 1992, c. 14, § 3, eff. April 1, 1992.

§52-233. Sale of gas - Prices and amounts of gas to be taken - Delivery.

Any person, firm or corporation, taking gas from a gas field, except for purposes of developing a gas or oil field, and operating oil wells, and for the purpose of his own domestic use, shall take ratably from each owner of the gas in proportion to his interest in said gas, upon such terms as may be agreed upon between said owners and the party taking such, or in case they cannot agree at such a price and upon such terms as may be fixed by the Corporation Commission after notice and hearing; provided, that each owner shall be required to deliver his gas to a common point of delivery on or adjacent to the surface overlying such gas.

Added by Laws 1913, c. 198, p. 440, § 3.

§52-234. Misappropriation of gas - Liability for damages and penalties.

Any person, firm or corporation, taking more than his or its proportionate share of such gas, in violation of the provisions of this act, shall be liable to any adjoining well owner for all damages sustained thereby and subject to a penalty for each violation not to exceed Five Hundred Dollars (\$500.00), and each day such violation is continued shall be a separate offense.

Added by Laws 1913, c. 198, p. 441, § 4.

§52-235. Misappropriation of gas - Felony of grand larceny.

Any person or agent of a corporation, who takes gas, or aids or abets in the taking of gas, except as herein provided, either directly or indirectly, as an individual, officer, agent, or employee of any corporation, shall be guilty of the felony of grand larceny, and, upon conviction thereof, shall be sentenced to the State Penitentiary not to exceed five (5) years.

Added by Laws 1913, c. 198, p. 441, § 5. Amended by Laws 1997, c. 133, § 496, eff. July 1, 1999; Laws 1999, 1st Ex.Sess., c. 5, § 361, eff. July 1, 1999.

NOTE: Laws 1998, 1st Ex.Sess., c. 2, § 23 amended the effective date of Laws 1997, c. 133, § 496 from July 1, 1998, to July 1, 1999.

§52-236. Waste prohibited.

The production of natural gas in the State of Oklahoma, in such manner, and under such conditions as to constitute waste, shall be unlawful.

Added by Laws 1915, c. 197, § 1, emerg. eff. March 30, 1915.

§52-237. Waste defined.

The term waste, as used herein in addition to its ordinary meaning, shall include escape of natural gas in commercial quantities into the open air, the intentional drowning with water of a gas stratum capable of producing gas in commercial quantities, underground waste, the permitting of any natural gas well to wastefully burn and the wasteful utilization of such gas. Added by Laws 1915, c. 197, § 2, emerg. eff. March 30, 1915.

§52-238. Conservation of gas.

Whenever natural gas in commercial quantities, or a gas-bearing stratum, known to contain natural gas in such quantity, is encountered in any well drilled for oil or gas in this state, such gas shall be confined to its original stratum until such time as the same can be produced and utilized without waste, and all such strata shall be adequately protected from infiltrating waters. Any unrestricted flow of natural gas in excess of two million (2,000,000) cubic feet per twenty-four (24) hours shall be considered a commercial quantity thereof; provided, that if in the opinion of the Corporation Commission, gas of a lesser quantity shall be of commercial value, said Commission shall have authority to require the conservation of said gas in accordance with the provisions of this act; and provided, further, the gauge of the capacity of any gas well shall not be taken until such well has been allowed an open flow for the period of three (3) days. Laws 1915, c. 197, § 3, emerg. eff. March 30, 1915.

§52-239. Common source of supply - Apportionment and regulation to prevent waste.

Any person, firm or corporation, having the right to drill into and produce gas from any common source of supply, may take therefrom only such proportion of the natural gas that may be marketed without waste, as the natural flow of the well or wells owned or controlled by the person, firm or corporation bears to the total natural flow of such common source of supply having due regard to the acreage drained by each well, so as to prevent the person, firm or corporation securing any unfair proportion of the gas from the common source of supply. Except as otherwise provided in this section, the Corporation Commission is authorized and directed to prescribe rules for the determination of the natural flow of any well or wells, and to promulgate field rules to regulate the taking of natural gas from any or all common sources of supply within the state, so as to prevent waste as the same is defined in Section 86.3 of this title, protect the interests of the public, and the correlative rights of all those having a right to produce from the common source of supply, and to prevent unreasonable discrimination in favor of any one common source of supply as against another. Except for the common source of

supply referred to as the Guymon-Hugoton, the Commission shall have no authority to prescribe or enforce rules under this section for the taking of natural gas from any other common source of supply when the average pressure of such other common source of supply declines to below one hundred (100) pounds per square inch gauge or the average production per well in the common source of supply declines below two hundred thousand (200,000) standard cubic feet per day for each day of the last calendar year.

Added by Laws 1915, c. 197, § 4, emerg. eff. March 30, 1915. Amended by Laws 1992, c. 14, § 4, eff. April 1, 1992; Laws 1995, c. 345, § 1, emerg. eff. June 9, 1995.

§52-240. "Common purchaser" - Discrimination in purchases prohibited - Regulation of purchases.

Every person, firm or corporation, now or hereafter engaged in the business of purchasing and selling natural gas in this state, shall be a common purchaser thereof, and shall purchase all of the natural gas which may be offered for sale, and which may reasonably be reached by its trunk lines, or gathering lines without discrimination in favor of one producer as against another, or in favor of any one source of supply as against another save as authorized by the Corporation Commission after due notice and hearing; but if any such person, firm or corporation, shall be unable to purchase all the gas so offered, then it shall purchase natural gas from each producer ratably. It shall be unlawful for any such common purchaser to discriminate between like grades and pressures of natural gas, or in favor of its own production, or of production in which it may be directly or indirectly interested, either in whole or in part, but for the purpose of prorating the natural gas to be marketed, such production shall be treated in like manner as that of any other producer or person, and shall be taken only in the ratable proportion that such production bears to the total production available for marketing. The Corporation Commission shall have authority to make regulations for the delivery, metering and equitable purchasing and taking of all such gas and shall have authority to relieve any such common purchaser, after due notice and hearing, from the duty of purchasing gas of an inferior quality or grade.

Added by Laws 1915, c. 197, § 5, emerg. eff. March 30, 1915.

§52-241. Enforcement of act - Hearings before Corporation Commission.

Any person, firm or corporation, or the Attorney General, on behalf of the state may institute proceedings before the Corporation Commission, or apply for a hearing before said Commission, upon any question relating to the enforcement of this act; and jurisdiction is hereby conferred upon said Commission to hear and determine the same,

said Commission shall set a time and place when such hearing shall be had and give reasonable notice thereof to all persons or classes interested therein by publication in some newspaper or newspapers having general circulation in the state, and shall in addition thereto cause notice to be served in writing upon any person, firm or corporation, complained against in the manner now provided by law for serving summons in civil actions. In the exercise and enforcement of such jurisdiction said Commission is authorized to summon witnesses, make ancillary orders, and use such mesne and final process including inspection and punishment as for contempt, analogous to proceedings under its control over public service corporations as now provided by law.

Added by Laws 1915, c. 197, § 6, emerg. eff. March 30, 1915.

§52-242. Appeals to Supreme Court.

Appellate jurisdiction is hereby conferred upon the Supreme Court of this state to review the orders of said Commission made under this act. Such appeal may be taken by any person, firm or corporation, shown by the record to be interested therein, in the same manner and time as appeals are allowed by law from other orders of the Corporation Commission. Said orders so appealed from, may be superseded by the Commission or by the Supreme Court upon such terms and conditions as may be just and equitable.

Added by Laws 1915, c. 197, § 7, emerg. eff. March 30, 1915.

§52-243. Corporation Commission - Authority to make rules and regulations.

The Corporation Commission shall have authority to make regulations for the prevention of waste of natural gas, and for the protection of all natural gas, fresh water, and oil-bearing strata encountered in any well drilled for oil or natural gas, and to make such other rules and regulations, and to employ or appoint such agents, with the consent of the Governor, as may be necessary to enforce this act.

Added by Laws 1915, c. 197, § 8, emerg. eff. March 30, 1915.

§52-244. Pipeline companies - Acceptance of act as prerequisite to right to operate.

Before any person, firm or corporation shall have, possess, enjoy or exercise the right of eminent domain, right-of-way, right to locate, maintain, construct or operate pipelines, fixtures, or equipments belonging thereto or used in connection therewith, for the carrying or transportation of natural gas, whether for hire or otherwise, or shall have the right to engage in the business of purchasing, piping, or transporting natural gas, as a public service, or otherwise, such person, firm or corporation, shall file in the

office of the Corporation Commission a proper and explicit authorized acceptance of the provisions of this act.

Added by Laws 1915, c. 197, § 9, emerg. eff. March 30, 1915.

§52-245. Mine Inspector - Duties unchanged.

Nothing contained in this act shall be construed to interfere with any duties now imposed by law upon the Chief Mine Inspector of the state or his deputies.

Added by Laws 1915, c. 197, § 10, emerg. eff. March 30, 1915.

§52-246. Partial invalidity - Effect.

The invalidity of any section, subdivision, clause, or sentence of this act shall not in any manner affect the validity of the remaining portion thereof.

Added by Laws 1915, c. 197, § 11, emerg. eff. March 30, 1915.

§52-247. Violation - Penalties.

In addition to any penalty that may be imposed by the Corporation Commission for contempt, any person, firm or corporation, or any officer, agent or employee thereof, directly or indirectly violating the provisions of this act, shall be guilty of a misdemeanor, and upon conviction thereof, in a court of competent jurisdiction, shall be punished by a fine in any sum not to exceed Five Thousand Dollars (\$5,000.00) or by imprisonment in the county jail not to exceed thirty (30) days, or by both such fine and imprisonment.

Added by Laws 1915, c. 197, § 12, emerg. eff. March 30, 1915.

§52-248. Declaration of policy.

Whereas, agriculture constitutes one of the basic foundations of this state, and agricultural production in this state frequently is restricted and curtailed by reason of shortage of rainfall and could be increased and rendered more stable by irrigation, and, whereas, in many areas of the state in which surface water resources are inadequate to afford dependable and adequate sources of water for irrigation, there also exist ample subsurface reservoirs of water at such depths that they may be pumped successfully for irrigation only by use of an assured and adequate source of power, which is not available from commercial sources in rural neighborhoods, and, whereas, in many such areas there exist developed deposits of natural gas from which such power could be obtained, it is hereby declared and enacted that the use of natural gas on the premises from which it is produced to pump to the surface water to be used for irrigation on such premises is a preferred use, prior in order to all other uses which such gas may be devoted.

Added by Laws 1955, p. 283, § 1.

§52-249. Definition.

As used in this act, the term "premises" means a tract or tracts of land embraced within the terms of a single lease or the document granting thereon the rights of exploration, development, operation and production with respect to oil and natural gas.  
Added by Laws 1955, p. 283, § 2.

§52-250. Natural gas - Pumping of water for irrigation - Preferred use.

From and after the effective date of this act, every person owning or operating any well from which natural gas is produced, sold or used off the premises on which such well is located shall make available, from the production of such well, to the person or persons engaged in agricultural activities upon such premises, if requested to do so, sufficient gas for the operation of pumps necessary for the pumping of such amount of water, produced from wells on such premises, as may be necessary and proper for the irrigation of such portion of said premises as may be devoted to the growth of agricultural products or to pasture or orchard uses. Such gas shall be made available for such use in preference to any other use. The person at whose request the gas is furnished shall pay therefor a reasonable price, not less than the price at which the gas is sold at the wellhead, and the use shall be upon such reasonable terms and conditions as will safeguard the owner or operator of the well in his interests therein and in his off-premises market for the gas produced therefrom.

Added by Laws 1955, p. 284, § 3.

§52-251. Prices, terms and conditions - Determination.

The prices, terms and conditions upon which natural gas shall be made available under this act shall be determined by negotiation between the parties. In the event of their inability to agree as to any or all of such prices, terms and conditions, either party to the negotiation may apply to the Corporation Commission to fix the same. In reaching its determination, the Corporation Commission shall consider the necessity of the applicant for the gas for the purposes specified herein, the value of such gas and its components, the efficient operation of the wells of the producer of the gas, the obligations assumed by such producer in the sale or other disposition of such gas, and all other factors relevant to the effectuation of the policy and purposes of this act with justice to all concerned.

Added by Laws 1955, p. 284, § 4.

§52-252. Procedure - Appeals.

In all proceedings under this act, the procedure shall be that applicable to the proceedings of the Corporation Commission by general law, and appeals may be taken from its decisions to the Supreme Court of Oklahoma, in the same manner, and subject to the

same restrictions and provisions, as are applicable to such appeals from the said Commission in other matters.

Added by Laws 1955, p. 284, § 5.

§52-253. Initiation of proceedings.

Proceedings before the Corporation Commission under this act may be brought individually by persons affected, or, in cases where the matters to be determined properly affect more than one tract or person, the persons in interest may join in initiating the proceeding or any such person may initiate the proceeding on behalf of himself and all persons similarly situated.

Added by Laws 1955, p. 284, § 6.

§52-254. Obligation of well operators.

Nothing in this act shall create in any manner an obligation or duty on the part of the operator of any well or wells who furnishes gas under the terms hereof to furnish gas for use off the premises from which it is produced or to assume in any way public utility duties to the public at large in respect to the gas produced from such well, except as such duties may arise from such operator's acts separate and apart from any performance of obligations imposed under this act.

Added by Laws 1955, p. 284, § 7.

§52-255. Controversies pending.

Pending the determination of any controversy before the Corporation Commission under this act, the owner or operator of the well or wells involved shall make available to the person entitled thereto natural gas, as prescribed by Section 3 hereof, on such temporary terms and conditions as the Corporation Commission may prescribe, by order or by general rule, subject to adjustment retroactively in accordance with the final order of the Commission.

Added by Laws 1955, p. 284, § 8.

§52-256. Penalties.

Any owner or operator of a well who fails to comply with any duty imposed by this act shall be liable to the person or persons aggrieved for all damages suffered as a result thereof, including any diminution in yield from said land which may arise from inability to irrigate the same because of or arising out of the failure to perform such duty.

Added by Laws 1955, p. 284, § 9.

§52-257. Order granting emergency relief.

The Oklahoma Corporation Commission shall issue an order determining the merits of any application for emergency relief relating to a conservation docket proceeding within thirty (30) days

from the filing of the application. In the event the Commission issues an order granting emergency relief, the order shall be effective for a period not to exceed ninety (90) days.

Added by Laws 1992, c. 352, § 6, emerg. eff. June 4, 1992.

§52-260.1. Repealed by Laws 1990, c. 310, § 5, eff. Sept. 1, 1990.

§52-260.2. Repealed by Laws 1990, c. 310, § 5, eff. Sept. 1, 1990.

§52-260.3. Repealed by Laws 1990, c. 310, § 5, eff. Sept. 1, 1990.

§52-260.4. Repealed by Laws 1990, c. 310, § 5, eff. Sept. 1, 1990.

§52-260.5. Repealed by Laws 1990, c. 310, § 5, eff. Sept. 1, 1990.

§52-260.6. Repealed by Laws 1990, c. 310, § 5, eff. Sept. 1, 1990.

§52-260.7. Repealed by Laws 1990, c. 310, § 5, eff. Sept. 1, 1990.

§52-260.8. Repealed by Laws 1990, c. 310, § 5, eff. Sept. 1, 1990.

§52-260.9. Repealed by Laws 1990, c. 310, § 5, eff. Sept. 1, 1990.

§52-260.10. Repealed by Laws 1990, c. 310, § 5, eff. Sept. 1, 1990.

§52-260.11. Repealed by Laws 1990, c. 310, § 5, eff. Sept. 1, 1990.

§52-260.12. Repealed by Laws 1990, c. 310, § 5, eff. Sept. 1, 1990.

§52-260.13. Repealed by Laws 1990, c. 310, § 5, eff. Sept. 1, 1990.

§52-261. Repealed by Laws 1997, c. 398, § 3, emerg. eff. June 10, 1997.

§52-261.1. Repealed by Laws 2000, c. 251, § 4, eff. July 1, 2000.

§52-271. Waste prohibited.

The production of crude oil or petroleum in the State of Oklahoma, in such manner and under such conditions as to constitute waste, is hereby prohibited.

Added by 1915, c. 25, § 1, emerg. eff. Feb. 11, 1915.

§52-272. Production and sale regulated - Corporation Commission, authority of.

The taking of crude oil or petroleum from any oil-bearing sand or sands in the State of Oklahoma at a time when there is not a market demand therefor at the well at a price equivalent to the actual value of such crude oil or petroleum is hereby prohibited, and the actual value of such crude oil or petroleum at any time shall be the average value as near as may be ascertained in the United States at retail of the by-products of such crude oil or petroleum when refined less the cost and a reasonable profit in the business of transporting, refining and marketing the same, and the Corporation Commission of this state is hereby invested with the authority and power to investigate and determine from time to time the actual value of such crude oil or petroleum by the standard herein provided, and when so determined said Commission shall promulgate its findings by its orders duly made and recorded, and publish the same in some newspaper of general circulation in the state.

Added by Laws 1915, c. 25, § 2, emerg. eff. Feb. 11, 1915.

§52-273. Waste defined - Regulations to prevent.

The term "waste" as used herein, in addition to its ordinary meaning, shall include economic waste, underground waste, surface waste, and waste incident to the production of crude oil or petroleum in excess of transportation or marketing facilities or reasonable market demands. The Corporation Commission shall have authority to make rules and regulations for the prevention of such wastes, and for the protection of all freshwater strata, and oil and gas bearing strata, encountered in any well drilled for oil.

Added by Laws 1915, c. 25, § 3, emerg. eff. Feb. 11, 1915.

§52-274. Common source of supply - Restrictions on production when full production would cause waste - Powers of Corporation Commission - Discrimination prohibited.

Whenever the full production from any common source of supply of crude oil or petroleum in this state can only be obtained under conditions constituting waste, as herein defined, then any person, firm or corporation, having the right to drill into and produce oil from any such common source of supply, may take therefrom only such proportion of all crude oil and petroleum that may be produced therefrom, without waste, as the production of the well or wells of any such person, firm or corporation, bears to the total production of such common source of supply. The Corporation Commission is authorized to so regulate the taking of crude oil or petroleum from any or all such common sources of supply, within the State of Oklahoma, as to prevent the inequitable or unfair taking, from a common source of supply, of such crude oil or petroleum, by any person, firm, or corporation, and to prevent unreasonable discrimination in favor of any one such common source of supply as against another.

Added by Laws 1915, c. 25, § 4, emerg. eff. Feb. 11, 1915.

§52-275. Wells gauged - Regulation by Corporation Commission - Agents.

For the purpose of determining such production, a gauge of each well shall be taken under rules and regulations to be prescribed by the Corporation Commission, and said Commission is authorized and directed to make and promulgate, by proper order, such other rules and regulations, and to employ or appoint such agents with the consent of the Governor, as may be necessary to enforce this act.

Added by Laws 1915, c. 25, § 5, emerg. eff. Feb. 11, 1915.

§52-276. Enforcement of act - Hearings before Corporation Commission.

Any person, firm, or corporation, or the Attorney General on behalf of the state, may institute proceedings before the Corporation Commission, or apply for a hearing before said Commission, upon any question relating to the enforcement of this act, and jurisdiction is hereby conferred upon said Commission to hear and determine the same. Said Commission shall set a time and place, when and where such hearing shall be had and give reasonable notice thereof to all persons or classes interested therein, by publication in some newspaper or newspapers, having general circulation in the state, and in addition thereto, shall cause reasonable notice in writing to be served personally on any person, firm or corporation complained against. In the exercise and enforcement of such jurisdiction, said Commission is authorized to determine any question or fact, arising hereunder, and to summon witnesses, make ancillary orders, and use mesne and final process, including inspection and punishment as for contempt, analogous to proceedings under its control over public service corporations, as now provided by law.

Added by Laws 1915, c. 25, § 6, emerg. eff. Feb. 11, 1915.

§52-277. Appeals to Supreme Court - Effect on orders.

Appellate jurisdiction is hereby conferred upon the Supreme Court in this state to review the action of said Commission in making any order, or orders, under this act. Such appeal may be taken by any person, firm or corporation, shown by the record to be interested therein, in the same manner and time as appeals are allowed by law from other orders of the Corporation Commission. Said orders so appealed from shall not be superseded by the mere fact of such appeal being taken, but shall be and remain in full force and effect until legally suspended or set aside by the Supreme Court.

Added by Laws 1915, c. 25, § 7, emerg. eff. Feb. 11, 1915.

§52-278. Violation - Penalties.

In addition to any penalty that may be imposed by the Corporation Commission for contempt, any person, firm, or corporation, or any officer, agent or employee thereof, directly or indirectly violating the provisions of this act, shall be guilty of a misdemeanor, and upon conviction thereof, in a court of competent jurisdiction, shall be punished by a fine in any sum not to exceed Five Thousand Dollars (\$5,000.00), or by imprisonment in the county jail not to exceed thirty (30) days, or by both fine and imprisonment.  
Added by Laws 1915, c. 25, § 8, emerg. eff. Feb. 11, 1915.

§52-279. Partial invalidity.

The invalidity of any section, subdivision, clause or sentence of this act shall not in any manner affect the validity of the remaining portion thereof.  
Added by Laws 1915, c. 25, § 10, emerg. eff. Feb. 11, 1915.

§52-286.1. Repealed by Laws 1951, p. 142, § 16, emerg. eff. May 26, 1951.

§52-286.2. Repealed by Laws 1951, p. 142, § 16, emerg. eff. May 26, 1951.

§52-286.3. Repealed by Laws 1951, p. 142, § 16, emerg. eff. May 26, 1951.

§52-286.4. Repealed by Laws 1951, p. 142, § 16, emerg. eff. May 26, 1951.

§52-286.5. Repealed by Laws 1951, p. 142, § 16, emerg. eff. May 26, 1951.

§52-286.6. Repealed by Laws 1951, p. 142, § 16, emerg. eff. May 26, 1951.

§52-286.7. Repealed by Laws 1951, p. 142, § 16, emerg. eff. May 26, 1951.

§52-286.8. Repealed by Laws 1951, p. 142, § 16, emerg. eff. May 26, 1951.

§52-286.9. Repealed by Laws 1951, p. 142, § 16, emerg. eff. May 26, 1951.

§52-286.10. Repealed by Laws 1951, p. 142, § 16, emerg. eff. May 26, 1951.

§52-286.11. Repealed by Laws 1951, p. 142, § 16, emerg. eff. May 26, 1951.

§52-286.12. Repealed by Laws 1951, p. 142, § 16, emerg. eff. May 26, 1951.

§52-286.13. Repealed by Laws 1951, p. 142, § 16, emerg. eff. May 26, 1951.

§52-286.14. Repealed by Laws 1951, p. 142, § 16, emerg. eff. May 26, 1951.

§52-286.15. Repealed by Laws 1951, p. 142, § 16, emerg. eff. May 26, 1951.

§52-286.16. Repealed by Laws 1951, p. 142, § 16, emerg. eff. May 26, 1951.

§52-286.17. Repealed by Laws 1951, p. 142, § 16, emerg. eff. May 26, 1951.

§52-287.1. Legislative finding.

The Legislature finds and determines that it is desirable and necessary, under the circumstances and for the purposes hereinafter set out, to authorize and provide for unitized management, operation and further development of the oil and gas properties to which this act is applicable, to the end that a greater ultimate recovery of oil and gas may be had therefrom, waste prevented, and the correlative rights of the owners in a fuller and more beneficial enjoyment of the oil and gas rights, protected.

Added by Laws 1951, p. 136, § 1, emerg. eff. May 26, 1951.

§52-287.2. Power and authority of Commission.

Subject to the limitations of this act the Corporation Commission of the State of Oklahoma, hereinafter referred to as the "Commission", is hereby vested with jurisdiction, power and authority, and it shall be its duty to make and enforce such orders and do such things as may be necessary or proper to carry out and effectuate the purposes of this act.

Added by Laws 1951, p. 137, § 2, emerg. eff. May 26, 1951.

§52-287.3. Matters to be found by Corporation Commission -  
Requisites of petition.

If upon the filing of a petition therefor and after notice and hearing, all in the form and manner and in accordance with the procedure and requirements hereinafter provided, the Corporation Commission shall find (a) that the unitized management, operation and

further development of a common source of supply of oil and gas or portion thereof is reasonably necessary in order to effectively carry on pressure maintenance or repressuring operations, cycling operations, water flooding operations, or any combination thereof, or any other nonprimary production form of joint effort calculated to substantially increase the ultimate recovery of oil and gas from the common source of supply; and (b) that one or more of the unitized methods of operation as applied to such common source of supply or portion thereof are feasible, will prevent waste and will with reasonable probability result in the increased recovery of substantially more oil and gas from the common source of supply than would otherwise be recovered; and (c) that the estimated additional cost, if any, of conducting such operations will not exceed the value of the additional oil and gas so recovered; and (d) that such unitization and adoption of one or more of such unitized methods of operation is for the common good and will result in the general advantage of the owners of the oil and gas rights within the common source of supply or portion thereof directly affected, it shall make a finding to that effect and make an order creating the unit and providing for the unitization and unitized operation of the common source of supply or portion thereof described in the order, all upon such terms and conditions, as may be shown by the evidence to be fair, reasonable, equitable and which are necessary or proper to protect, safeguard, and adjust the respective rights and obligations of the several persons affected, including royalty owners, owners of overriding royalties, oil and gas payments, carried interests, mortgagees, lien claimants and others, as well as the lessees. The petition shall set forth a description of the proposed unit area with a map or plat thereof attached, must allege the existence of the facts required to be found by the Commission as hereinabove provided and shall have attached thereto a recommended plan of unitization applicable to such proposed unit area and which the petitioner or petitioners consider to be fair, reasonable and equitable.

Added by Laws 1951, p. 137, § 3, emerg. eff. May 26, 1951. Amended by Laws 2011, c. 54, § 7, emerg. eff. April 13, 2011.

§52-287.4. Order - Units and unit areas - Plan of unitization.

The order of the Commission shall define the area of the common source of supply or portion thereof to be included within the unit area and prescribe with reasonable detail the plan of unitization applicable thereto.

Each unit and unit area shall be limited to all or a portion of a single common source of supply. Only so much of a common source of supply as has been defined and determined to be productive of oil and gas by actual drilling operations may be so included within the unit area.

A unit may be created to embrace less than the whole of a common source of supply only where it is shown by the evidence that the area to be so included within the unit area is of such size and shape as may be reasonably required for the successful and efficient conduct of the unitized method or methods of operation for which the unit is created, and that the conduct thereof will have no material adverse effect upon the remainder of such common source of supply.

The plan of unitization for each such unit and unit area shall be one suited to the needs and requirements of the particular unit dependent upon the facts and conditions found to exist with respect thereto. In addition to such other terms, provisions, conditions and requirements found by the Commission to be reasonably necessary or proper to effectuate or accomplish the purpose of this act, and subject to the further requirements hereof, each such plan of unitization shall contain fair, reasonable and equitable provisions for:

(a) The efficient unitized management or control of the further development and operation of the unit area for the recovery of oil and gas from the common source of supply affected. Under such a plan the actual operations within the unit area may be carried on in whole or in part by the unit itself, or by one or more of the lessees within the unit area as unit operator subject to the supervision and direction of the unit, dependent upon what is most beneficial or expedient. The designation of the unit operator shall be by vote of the lessees in the unit in a manner provided in the plan of unitization and not by the Commission.

(b) The division of interest or formula for the apportionment and allocation of the unit production, among and to the several separately owned tracts within the unit area such as will reasonably permit persons otherwise entitled to share in or benefit by the production from such separately owned tracts to produce or receive, in lieu thereof, their fair, equitable and reasonable share of the unit production or other benefits thereof. A separately owned tract's fair, equitable and reasonable share of the unit production shall be measured by the value of each such tract for oil and gas purposes and its contributing value to the unit in relation to like values of other tracts in the unit, taking into account acreage, the quantity of oil and gas recoverable therefrom, location on structure, its probable productivity of oil and gas in the absence of unit operations, the burden of operation to which the tract will or is likely to be subjected, or so many of said factors, or such other pertinent engineering, geological, or operating factors, as may be reasonably susceptible of determination. Unit production as that term is used in this act shall mean and include all oil and gas produced from a unit area from and after the effective date of the order of the Commission creating the unit regardless of the well or tract within the unit area from which the same is produced.

(c) The manner in which the unit and the further development and operation of the unit area shall or may be financed and the basis, terms and conditions on which the cost and expense thereof shall be apportioned among and assessed against the tracts and interests made chargeable therewith, including a detailed accounting procedure governing all charges and credits incident to such operations. Reasonable provision shall be made in the plan of unitization for carrying or otherwise financing lessees who are unable to promptly meet their financial obligations in connection with the unit by establishing a fair rate of interest to all concerned based upon the terms and conditions as to time and by establishing a penalty provision which shall be defined as the total expenses minus any cash contributions received as follows:

1. One hundred percent (100%) of that portion of the cost of aboveground surface equipment beyond the wellhead connections, including but not limited to stock tanks, separators, treaters, pumping equipment and piping, plus one hundred percent (100%) of the share of the cost of operation of the unit which shall be subject to the established rate of interest;
2. Three hundred percent (300%) of that portion of the costs and expenses of drilling wells in the unitized area, including but not limited to staking, well site preparation, rigging up or drilling and reworking, deeping or plugging back and testing and completing the wells; and
3. Three hundred percent (300%) of that portion of the costs and expenses of the underground pipeline systems, expenses for injected substances and any other incurred expenses which are not recoupable in the further development and operation of the unit area.

(d) The procedure and basis upon which wells, equipment and other properties of the several lessees within the unit area are to be taken over and used for unit operations, including the method of arriving at the compensation therefor, or of otherwise proportionately equalizing or adjusting the investment of the several lessees in the project as of the effective date of unit operation.

(e) The creation of an operating committee to have general overall management and control of the unit and the conduct of its business and affairs and the operations carried on by it, together with the creation or designation of such other subcommittees, boards or officers to function under authority of the operating committee as may be necessary, proper or convenient in the efficient management of the unit, defining the powers and duties of all such committees, boards or officers and prescribing their tenure and time and method for their selection.

(f) The time when the plan of unitization shall become and be effective.

(g) The time when and conditions under which and the method by which the unit shall or may be dissolved and its affairs wound up.

Added by Laws 1951, p. 137, § 4, emerg. eff. May 26, 1951. Amended by Laws 1995, c. 97, § 1, emerg. eff. April 13, 1995.

§52-287.5. Ratification or approval of plan by lessees and owners.

No order of the Commission creating a unit and prescribing the plan of unitization applicable thereto shall become effective unless and until the plan of unitization has been signed, or in writing ratified or approved by lessees of record of not less than sixty-three percent (63%) of the unit area affected thereby and by owners of record of not less than sixty-three percent (63%) (exclusive of royalty interests owned by lessees or by subsidiaries of any lessee) of the normal one-eighth (1/8) royalty interest in and to the unit area, and the Commission has made a finding either in the order creating the unit or in a supplemental order that the plan of unitization has been so signed, ratified or approved by lessees and royalty owners owning the required percentage interest in and to the unit area. Where the plan of unitization has not been so signed, ratified or approved by lessees and royalty owners owning the required percentage interest in and to the unit area at the time the order creating the unit is made, the Commission shall, upon petition and notice, hold such additional and supplemental hearings as may be requested or required to determine if and when the plan of unitization has been so signed, ratified or approved by lessees and royalty owners owning the required percentage interest in and to the unit area and shall, in respect to such hearings, make and enter a finding of its determination in such regard. In the event lessees and royalty owners, or either, owning the required percentage interest in and to the unit area have not so signed, ratified or approved the plan of unitization within a period of six (6) months from and after the date on which the order creating the unit is made, the order creating the unit shall cease to be of further force and effect and shall be revoked by the Commission.

Added by Laws 1951, p. 138, § 5, emerg. eff. May 26, 1951.

§52-287.6. Procedure - Notice - Appeals.

Except as otherwise herein expressly provided, all proceedings had under this act including the filing of petitions, the giving of notices, the conduct of hearings and other action taken by the Commission shall be in the form and manner and in accordance with the procedure and procedural requirements provided in Sections 84 to 135, inclusive, Title 52, Oklahoma Statutes, 1941, or any amendment thereof with reference to proceedings thereunder. Such additional notice shall be given as may be required by the Commission. The Conservation Officer, his assistant and deputies and the Conservation Attorney shall act without additional compensation as technical advisors to the Commission to the extent that the Commission may require. Any person aggrieved by any order of the Commission made

pursuant to this act may appeal therefrom to the Supreme Court of the State of Oklahoma upon the same conditions, within the same time and in the same manner as is provided in said Sections 84 to 135, inclusive, Title 52, Oklahoma Statutes, 1941, or any amendments thereof, for the taking of appeals from the orders of the Commission made thereunder.

Added by Laws 1951, p. 139, § 6, emerg. eff. May 26, 1951.

§52-287.7. Unlawful operation.

From and after the effective date of an order of the Commission creating a unit and prescribing the plan of unitization applicable thereto, the operation of any well producing from the common source of supply or portion thereof within the unit area defined in the order by persons other than the unit or persons acting under its authority or except in the manner and to the extent provided in such plan of unitization shall be unlawful and is hereby prohibited.

Added by Laws 1951, p. 139, § 7, emerg. eff. May 26, 1951.

§52-287.8. Status and powers of unit - Liability for expenses - Liens.

Each unit created under the provisions of this act shall be a body politic and corporate, capable of suing, being sued and contracting as such in its own name. Each such unit shall be authorized on behalf and for the account of all the owners of the oil and gas rights within the unit area, without profit to the unit, to supervise, manage and conduct the further development and operations for the production of the oil and gas from the unit area, pursuant to the powers conferred, and subject to the limitations imposed by the provisions of this act and by the plan of unitization.

The obligation or liability of the lessee or other owners of the oil and gas rights in the several separately-owned tracts for the payment of unit expense shall at all times be several and not joint or collective and in no event shall a lessee or other owner of the oil and gas rights in the separately-owned tract be chargeable with, obligated or liable, directly or indirectly, for more than the amount apportioned, assessed or otherwise charged to his interest in such separately-owned tract pursuant to the plan of unitization and then only to the extent of the lien provided for in this act.

Subject to such reasonable limitations as may be set out in the plan of unitization, the unit shall have a first and prior lien upon the leasehold estate and other oil and gas rights (exclusive of a one-eighth (1/8) royalty interest) in and to each separately-owned tract, the interest of the owners thereof in and to the unit production and all equipment in the possession of the unit, to secure the payment of the amount of the unit expense charged to and assessed against such separately-owned tract. The interest of the lessee or other persons who by lease, contract or otherwise are obligated or

responsible for the cost and expense of developing and operating a separately-owned tract for oil and gas in the absence of unitization, shall however, be primarily responsible for and charged with any assessment for unit expense made against such tract and resort may be had to overriding royalties, oil and gas payments, royalty interests in excess of one-eighth (1/8) of the production, or other interests which otherwise are not chargeable with such cost, only in the event the owner of the interest primarily responsible fails to pay such assessment or the production to the credit thereof is insufficient for that purpose. In the event the owner of any royalty interest, overriding royalty, oil and gas payment or other interest which under the plan of unitization is not primarily responsible therefor pays in whole or in part the amount of an assessment for unit expense for the purpose of protecting such interest, or the amount of the assessment in whole or in part is deducted from the unit production to the credit of such interest, the owner thereof shall to the extent of such payment or deduction be subrogated to all of the rights of the unit with respect to the interest or interests primarily responsible for such assessment. A one-eighth (1/8) part of the unit production allocated to each separately-owned tract shall in all events be regarded as royalty to be distributed to and among, or the proceeds thereof paid to, the royalty owners free and clear of all unit expense and free of any lien therefor.

Added by Laws 1951, p. 139, § 8, emerg. eff. May 26, 1951.

§52-287.9. Modification of property rights, leases and contracts - Title to property - Distribution of proceeds - Delivery in kind - Effect of operations - Matters not affected.

Property rights, leases, contracts, and all other rights and obligations shall be regarded as amended and modified to the extent necessary to conform to the provisions and requirements of this act and to any valid and applicable plan of unitization or order of the Commission made and adopted pursuant hereto, but otherwise to remain in full force and effect.

Nothing contained in this act shall be construed to require a transfer to or vesting in the unit of title to the separately-owned tracts or leases thereon within the unit area, other than the right to use and operate the same to the extent set out in the plan of unitization; nor shall the unit be regarded as owning the unit production. The unit production and the proceeds from the sale thereof shall be owned by the several persons to whom the same is allocated under the plan of unitization. All property, whether real or personal, which the unit may in any way acquire, hold or possess shall not be acquired, held or possessed by the unit for its own account but shall be so acquired, held and possessed by the unit for the account and as agent of the several lessees and shall be the property of such lessees as their interests may appear under the plan

of unitization, subject, however, to the right of the unit to the possession, management, use or disposal of the same in the proper conduct of its affairs, and subject to any lien the unit may have thereon to secure the payment of unit expense.

The amount of the unit production allocated to each separately-owned tract within the unit, and only that amount, regardless of the well or wells in the unit area from which it may be produced, and regardless of whether it be more or less than the amount of the production from the well or wells, if any, on any such separately-owned tract, shall for all intents, uses and purposes be regarded and considered as production from such separately-owned tract, and, except as may be otherwise authorized in this act, or in the plan of unitization approved by the Commission, shall be distributed among or the proceeds thereof paid to the several persons entitled to share in the production from such separately-owned tract in the same manner, in the same proportions, and upon the same conditions that they would have participated and shared in the production or proceeds thereof from such separately-owned tract had not said unit been organized, and with the same legal force and effect. If adequate provisions are made for the receipt thereof, the share of the unit production allocated to each separately-owned tract shall be delivered in kind to the persons entitled thereto by virtue of ownership of oil and gas rights therein or by purchase from such owners subject to the rights of the unit to withhold and sell the same in payment of unit expense pursuant to the plan of unitization, and subject further to the call of the unit on such portions of the gas for operating purposes as may be provided in the plan of unitization.

Operations carried on under and in accordance with the plan of unitization shall be regarded and considered as a fulfillment of and compliance with all of the provisions, covenants, and conditions, express or implied, of the several oil and gas mining leases upon lands included within the unit area, or other contracts pertaining to the development thereof, insofar as said leases or other contracts may relate to the common source of supply or portion thereof included in the unit area. Wells drilled or operated on any part of the unit area no matter where located shall for all purposes be regarded as wells drilled on each separately-owned tract within such unit area.

Nothing herein or in any plan of unitization shall be construed as increasing or decreasing the implied covenants of a lease in respect to a common source of supply or lands not included within the unit area of a unit.

Added by Laws 1951, p. 140, § 9, emerg. eff. May 26, 1951.

§52-287.10. Enlargement of area - Creation of new units - Amendment of plan.

The unit area of a unit may be enlarged to include adjoining portions of the same common source of supply, including the unit area

of another unit, and a new unit created for the unitized management, operation and further development of such enlarged unit area, or the plan of unitization may be otherwise amended, all in the same manner, upon the same conditions and subject to the same limitations as herein provided with respect to the creation of a unit in the first instance, except, that where an amendment to plan of unitization relates only to the rights and obligations as between lessees the requirement that the same be signed, ratified or approved by royalty owners of record of not less than sixty-three percent (63%) of the unit area shall have no application.

Added by Laws 1951, p. 141, § 10, emerg. eff. May 26, 1951.

§52-287.11. Participation by public lands.

The Commissioners of the Land Office, or other proper board or officer of the state having the control and management of state land, and the proper board or officer of any political, municipal, or other subdivision or agency of the state, are hereby authorized and shall have the power on behalf of the state or of such political, municipal, or other subdivision or agency thereof, with respect to land or oil and gas rights subject to the control and management of such respective body, board, or officer, to consent to or participate in any plan or program of unitization adopted pursuant to this act.

Added by Laws 1951, p. 141, § 11, emerg. eff. May 26, 1951.

§52-287.12. Receipts as income.

Neither the unit production or proceeds from the sale thereof, nor other receipts shall be treated, regarded, or taxed as income or profits of the unit; but instead, all such receipts shall be the income of the several persons to whom or to whose credit the same are payable under the plan of unitization. To the extent the unit may receive or disburse said receipts it shall only do so as a common administrative agent of the persons to whom the same are payable.

Added by Laws 1951, p. 141, § 12, emerg. eff. May 26, 1951.

§52-287.13. Definitions.

For the purposes of this act, unless the context otherwise requires:

(a) The term "lessee" refers not only to lessees under oil and gas leases but also to the owners of unleased lands or mineral rights having the right to develop the same for oil and gas.

(b) Any reference to a separately-owned tract, although in general terms broad enough to include the surface and all underlying common sources of supply of oil and gas shall have reference thereto only in relation to the common source of supply or portion thereof embraced within the unit area of a particular unit.

(c) The phrase "oil and gas" shall refer not only to oil and gas as such in combination one with the other, but shall have general

reference to oil, gas, casinghead gas, casinghead gasoline, gas distillate, or other hydrocarbons, or any combination or combinations thereof, which may be found in or produced from a common source of supply of oil, oil and gas or gas distillate.

(d) The term "person" shall mean and include any individual, corporation, partnership, common law or statutory trust, association of any kind, the State of Oklahoma or any subdivision or agency thereof acting in a proprietary capacity, guardian, executor, administrator, fiduciary of any kind, or any other entity or being capable of owning an interest in and to a common source of supply of oil and gas.

(e) The term "unit expense" shall include and mean any and all cost, expense, or indebtedness incurred by the unit in the establishment of its organization, or incurred in the conduct and management of its affairs or the operations carried on by it. Added by Laws 1951, p. 141, § 13, emerg. eff. May 26, 1951.

§52-287.14. Repealed by Laws 1989, c. 154, § 2, operative July 1, 1989.

§52-287.15. Agreements not violative of laws governing monopolies or restraint of trade.

No agreement between or among lessees or other owners of oil and gas rights in oil and gas properties, entered into pursuant hereto or with a view or for the purpose of bringing about the unitized development or operation of such properties, shall be held to violate any of the statutes of this state prohibiting monopolies or acts, arrangements, agreements, contracts, combinations or conspiracies in restraint of trade or commerce.

Added by Laws 1951, p. 142, § 15, emerg. eff. May 26, 1951.

§52-288.1. Short title.

This act shall be known and may be cited as the "Oklahoma Energy Education and Marketing Act".

Added by Laws 1992, c. 257, § 1, eff. Sept. 1, 1992. Amended by Laws 1993, c. 184, § 1, eff. Oct. 1, 1993.

§52-288.2. Definitions.

As used in the Oklahoma Energy Education and Marketing Act, Section 288.1 et seq. of this title:

1. "Board" means the Oklahoma Energy Resources Board;
2. "Person" means any individual, group of individuals, or any partnership, corporation, association, cooperative, or employee thereof, or any other entity;
3. "Independent producer" means any person:
  - a. who produces oil or natural gas and is not engaged in refining or marketing of such products, or

b. who derives a majority of his or her oil- or natural gas-related income from working interest;

4. "Major oil company" means any person who produces oil or natural gas in the State of Oklahoma and who is a retailer as defined in IRS Code Sec. 613A (d) (2) or a refiner as defined in Sec. 613A (d) (4) of the Code or is a subsidiary, directly or indirectly, of a company that is classified as a major oil company as defined herein; and

5. "Qualified independent producer association" means an entity in existence as of January 1, 1992, that is organized and operating within the state, a majority of whose governing body are independent producers and which represents the independent oil or natural gas industry on a statewide basis.

Added by Laws 1992, c. 257, § 2, eff. Sept. 1, 1992. Amended by Laws 1993, c. 184, § 2, eff. Oct. 1, 1993; Laws 1996, c. 352, § 1; Laws 1997, c. 2, § 11, emerg. eff. Feb. 26, 1997.

NOTE: Laws 1996, c. 84, § 1 repealed by Laws 1997, c. 2, § 26, emerg. eff. Feb. 26, 1997.

#### §52-288.3. Oklahoma Energy Resources Board.

There is hereby re-created until July 1, 2021, the Oklahoma Energy Resources Board which shall be subject to the provisions of the Oklahoma Sunset Law. The purpose of the Board is to coordinate a program designed to demonstrate to the general public the importance of the Oklahoma oil and natural gas exploration and production industry, to encourage the wise and efficient use of energy, to promote environmentally sound production methods and technologies, to develop existing supplies of Oklahoma's oil and natural gas resources, to support research and educational activities concerning the oil and natural gas exploration and production industry and to cause remediation of historical oilfield environmental problems.

Added by Laws 1992, c. 257, § 3, eff. Sept. 1, 1992. Amended by Laws 1992, c. 343, § 2, eff. Sept. 1, 1992; Laws 1993, c. 184, § 3, eff. Oct. 1, 1993; Laws 1996, c. 352, § 2; Laws 2001, c. 138, § 1; Laws 2007, c. 19, § 1; Laws 2013, c. 294, § 1; Laws 2017, c. 295, § 1.

#### §52-288.4. Board - Composition - Qualifications - Terms - Vacancies - Additional members - First meeting - Compensation and expenses.

A. The Oklahoma Energy Resources Board shall be composed of at least eighteen (18) members. The eighteen members shall be independent oil or natural gas producers, or representatives of major oil companies which do business in the state, six to be appointed by the Governor, six to be appointed by the President Pro Tempore of the Senate and six to be appointed by the Speaker of the House of Representatives. The Governor, President Pro Tempore and Speaker of the House of Representatives shall make appointments of independent producers from a list of names of independent producers which do

business in the state submitted by qualified independent producer associations.

B. The members of the Board shall:

1. Be at least twenty-five (25) years of age; and
2. Have at least five (5) years of active experience in the oil or natural gas industry.

C. The initial term of office for independent producer members of the Board shall be as follows: six members for one (1) year, six members for two (2) years and six members for three (3) years.

For the initial appointments of independent producers, each appointing authority shall make two appointments for one-year terms, two appointments for two-year terms and two appointments for three-year terms. Thereafter, the terms of the independent producer members shall be for three (3) years.

D. The six independent producer members of the Board whose initial term of office is for one (1) year shall serve until October 1, 1993, at which time their terms shall expire and will be replaced by the members appointed to three-year terms under subsection E of this section.

E. On October 1, 1993, six members shall be appointed to the Board who represent major oil companies which do business in the state, two to be appointed by the Governor, two to be appointed by the President Pro Tempore of the Senate and two to be appointed by the Speaker of the House of Representatives. After October 1, 1993, the Board shall be composed of eighteen (18) members, twelve of which shall be independent producers and six shall be representatives of major oil companies.

F. Vacancies shall be filled for the unexpired term of office in the same manner as the original appointment. The appointed members may be removed from office by a majority vote of the three appointing authorities in a manner as provided by law.

G. After October 1, 1993, the independent producer and major oil company members of the Board appointed pursuant to subsection A of this section may by majority vote appoint a maximum of three representatives from each of the following producer-related areas to serve as members of the Board: one member from a royalty owner association and two members representing crude oil purchasing companies. These additional members shall have full voting rights and privileges and will serve three-year terms. They may be removed from the Board by a majority vote of the independent producer and major oil company members of the Board appointed pursuant to subsection A of this section.

H. The Board shall at its first meeting elect one of its members as chairperson, who shall preside over meetings of the Board and perform such other duties as may be required by the Board. The first meeting of the Board shall be called by the Governor.

I. No member of the Board shall receive a salary for duties performed as a member of the Board however, members are eligible to receive reimbursement for expenses and travel reimbursement as provided for in the State Travel Reimbursement Act.

J. Members serving on the Board shall be eligible to serve on any other state board or commission if such member is otherwise qualified to hold such appointed office, notwithstanding the provisions of Section 6 of Title 51 of the Oklahoma Statutes. Added by Laws 1992, c. 257, § 4, eff. Sept. 1, 1992. Amended by Laws 1993, c. 184, § 4, emerg. eff. May 17, 1993; Laws 1995, c. 76, § 1, eff. July 1, 1995; Laws 1996, c. 352, § 4; Laws 1999, c. 317, § 4, emerg. eff. June 4, 1999.

§52-288.5. Board - Powers, duties and responsibilities.

The Oklahoma Energy Resources Board shall have the following powers, duties and responsibilities:

1. To administer and enforce the provisions of the Oklahoma Energy Education and Marketing Act;
2. To establish an office for the Board within the State of Oklahoma;
3. To elect a chairperson and whatever other officers may be necessary to direct operations of the Board;
4. To employ personnel as shall be deemed necessary to carry out the purpose and provisions of the Oklahoma Energy Education and Marketing Act, including but not limited to an attorney to provide legal assistance to the Board, and to prescribe their duties and fix their compensation;
5. To establish and administer the Energy Resources Revolving Fund;
6. To approve or disapprove the budget of the Board;
7. To promulgate rules as it deems necessary to carry out the provisions of the Oklahoma Energy Education and Marketing Act;
8. To enter into contracts or agreements for studies, research projects, experimental work, supplies or other services to carry out the purposes of the Oklahoma Energy Education and Marketing Act, and incur those expenses necessary to carry out those purposes. Any such contract or agreement shall provide that:
  - a. the person entering the contract or agreement on behalf of the Board shall develop and submit to the Board a plan or project together with a budget or budgets that shows estimated costs to be incurred for the plan or project, and
  - b. the person entering the contract or agreement shall keep accurate records of all of its transactions, account for funds received and expended, and make periodic reports to the Board of activities conducted, and such other reports as the Board may require;

9. To keep accurate records of all financial transactions performed pursuant to the Oklahoma Energy Education and Marketing Act. These records shall be subject to an annual audit, as defined by paragraph 4 of subsection B of Section 212 of Title 74 of the Oklahoma Statutes, by an independent auditor and an annual report shall be compiled and presented to the Governor;

10. To cooperate with any private, local, state or national commission, organization, agency or group and to make contracts and agreements for joint programs beneficial to the oil industry;

11. To accept donations, grants, contributions and gifts from any public or private source and deposit such in the Energy Resources Revolving Fund;

12. To approve or disapprove the investment of any monies in the Energy Resources Revolving Fund; and

13. To keep an accurate record of all assessments collected. Added by Laws 1992, c. 257, § 5, eff. Sept. 1, 1992. Amended by Laws 1993, c. 184, § 5, eff. Oct. 1, 1993; Laws 1995, c. 76, § 2, eff. July 1, 1995; Laws 2010, c. 413, § 12, eff. July 1, 2010.

§52-288.5A. Committee for Sustaining Oklahoma's Energy Resources.

A. There is hereby created the Committee for Sustaining Oklahoma's Energy Resources which shall be under the direction and supervision of the Oklahoma Energy Resources Board and shall be for the purpose of encouraging new processes or technological advancements to sustain the oil and natural gas industry in the future for the benefit of the citizens of this state and for advancing activities to support marginally producing oil and gas wells.

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

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

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

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

- b. one member shall be an independent oil and gas operator from Osage County and shall have operations in Osage County,
- c. one member shall be an independent oil and gas operator selected from a list of operators submitted by the Oklahoma Independent Petroleum Association,
- d. one member shall be an oil and gas operator selected from a list of operators submitted by the Mid-Continent Oil and Gas Association,
- e. one member shall be an Oklahoma oil and gas royalty owner selected from a list of names submitted by the Oklahoma Mineral Owners Association, and
- f. one member shall be an Oklahoma oil and gas royalty owner selected from a list of names submitted by the Oklahoma affiliate of the National Association of Royalty Owners.

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

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

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

C. The Committee for Sustaining Oklahoma's Energy Resources is authorized to accept appropriations, donations, grants, contributions and gifts from any public or private source for the purpose of implementing the provisions of this act. The Committee shall deposit such funds in the revolving fund created in Section 288.5B of this title.

D. The Committee for Sustaining Oklahoma's Energy Resources, with the advice and consent of the Oklahoma Energy Resources Board,

is authorized to promulgate rules as necessary to implement the provisions of this act.

Added by Laws 2008, c. 309, § 1, emerg. eff. June 2, 2008. Amended by Laws 2013, c. 199, § 2, eff. July 1, 2013.

§52-288.5B. Sustaining Oklahoma's Energy Resources Revolving Fund.

There is hereby created in the State Treasury a revolving fund for the Committee for Sustaining Oklahoma's Energy Resources to be designated the "Sustaining Oklahoma's Energy Resources Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies transferred to the Committee for Sustaining Oklahoma's Energy Resources to further the purposes of this act from any public appropriations and donations, grants, contributions or gifts from any public or private source. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Committee for Sustaining Oklahoma's Energy Resources for the purpose of encouraging and funding research and development of new technologies in the oil and natural gas industry and funding activities to support marginally producing oil and gas wells. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

Added by Laws 2008, c. 309, § 2, emerg. eff. June 2, 2008. Amended by Laws 2012, c. 304, § 214; Laws 2013, c. 199, § 3, eff. July 1, 2013.

§52-288.5C. Transferring the authority of the Commission on Marginally Producing Oil - terminating terms - transferring funds.

A. Effective July 1, 2013, all duties, assets and obligations of the Commission on Marginally Producing Oil and Gas Wells created pursuant to Section 700 of Title 52 of the Oklahoma Statutes shall be transferred to the authority of the Committee for Sustaining Oklahoma's Energy Resources created pursuant to Section 288.5A of Title 52 of the Oklahoma Statutes.

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

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

D. Activities and functions previously performed by the Commission on Marginally Producing Oil and Gas Wells shall be under the responsibility of the Committee for Sustaining Oklahoma's Energy

Resources or a successor committee as provided by law. The Committee may organize itself, create subcommittees or adopt procedures as deemed necessary and appropriate and consistent with the provisions of this act to implement the provisions of this act and carry out the functions and duties of the Commission on Marginally Producing Oil and Gas Wells with the exception of making annual reports as required by paragraph 7 of subsection A of Section 701 of Title 52 of the Oklahoma Statutes.

E. Monies remaining in the Commission on Marginally Producing Oil and Gas Wells Revolving Fund created in Section 705 of Title 52 of the Oklahoma Statutes shall be transferred to the credit of the Sustaining Oklahoma's Energy Resources Revolving Fund created in Section 288.5B of Title 52 of the Oklahoma Statutes for use as provided in this act.

F. The Committee for Sustaining Oklahoma's Energy Resources with the advice and consent of the Oklahoma Energy Resources Board is authorized to promulgate any rules necessary to implement the provisions of this act. The Secretary of Energy may provide assistance as necessary to oversee the transfer of duties, assets and obligations pursuant to this act.

Added by Laws 2013, c. 199, § 1, eff. July 1, 2013.

§52-288.5D. Levying fee to fund Commission.

A. To fund the activities of the Committee for Sustaining Oklahoma's Energy Resources for the purpose of encouraging and funding research and development of new technologies in the oil and natural gas industry and to support activities relating to marginally producing oil and gas wells, a fee shall be levied in the amount of thirty-five hundredths of one cent (\$0.0035) on each barrel of petroleum liquid and fifteen thousandths of one cent (\$0.00015) on each one thousand (1,000) cubic feet (Mcf) of natural gas, including casinghead gas, produced from each well in the State of Oklahoma except for oil and gas production exempt from the payment of gross production tax pursuant to Section 1001 of Title 68 of the Oklahoma Statutes.

B. The fee levied by subsection A of this section shall be deducted from the proceeds of production by the person remitting gross production tax to the Oklahoma Tax Commission pursuant to Section 1001 et seq. of Title 68 of the Oklahoma Statutes. The fee shall be remitted to the Tax Commission in the same manner as is provided by law for the payment of gross production tax. However, the fee shall not be required to be paid until the accrued amount due from any person required to remit the fee reaches Twenty-five Dollars (\$25.00), except that any amount accrued for any calendar year shall be paid by January 31st of the following year. To defray the costs of receiving and depositing the fees levied by this section, the Tax Commission shall retain three percent (3%) of the fees received for

deposit into the Oklahoma Tax Commission Revolving Fund created pursuant to Section 113 of Title 68 of the Oklahoma Statutes. The remaining monies received by the Tax Commission pursuant to this section shall be deposited in the Sustaining Oklahoma's Energy Resources Revolving Fund created by Section 288.5B of this title.

C. The Committee for Sustaining Oklahoma's Energy Resources shall be responsible for taking appropriate and necessary actions to collect any fee which is not paid or is not properly paid. The Tax Commission shall not be responsible for collecting any fee not remitted to the Tax Commission for deposit into the Sustaining Oklahoma's Energy Resources Revolving Fund. The Tax Commission shall report to the Committee for Sustaining Oklahoma's Energy Resources any information it obtains regarding failure of any person to properly pay the fee due, including any documentation it may have of the failure.

D. The Tax Commission shall promulgate rules to establish procedures and forms necessary for the remittance of the fee levied by this section.

E. The Committee for Sustaining Oklahoma's Energy Resources or any successor committee shall be prohibited from utilizing any funds collected through the assessment authorized by this section for the purpose of influencing governmental action or policy, with the exception of recommending amendments to Section 288.1 et seq. of this title. The Committee shall be authorized to respond to any request for information from the Governor, any members of the Legislature, any public official or state agency.

Added by Laws 1992, c. 283, § 4, eff. Oct. 1, 1992. Amended by Laws 1993, c. 146, § 5; Laws 2002, c. 382, § 1, emerg. eff. June 4, 2002; Laws 2007, c. 331, § 4, eff. Jan. 1, 2008; Laws 2013, c. 199, § 4, eff. July 1, 2013. Renumbered from Title 52, § 703 by Laws 2013, c. 199, § 7, eff. July 1, 2013.

§52-288.5E. Refund of fees levied on production.

A. Any person subject to the fee levied by Section 703 of this title may request a refund as provided in this section of the fee paid on production for the preceding calendar year. Upon compliance with the provisions of this section and rules promulgated by the Committee for Sustaining Oklahoma's Energy Resources to implement this section, the Committee shall refund to each person requesting a refund the amount of the fee paid by or on behalf of such person during the preceding calendar year.

B. The request for a refund of the fee paid on production for the preceding calendar year must be made during the first three (3) calendar months following the calendar year for which the refund is requested. Failure to request a refund during this period shall terminate the right of any person to receive a refund for the fee paid on production for the preceding calendar year. The Committee

shall give notice of the availability of the refund through press releases or such other means as it deems appropriate.

C. Each request for a refund shall be made in such manner and upon such forms as the Committee may require. Each person requesting a refund shall execute an affidavit stating the description of the producing property generating the production for which the refund is requested, the amount of the refund requested and that affiant was the owner of the production upon which the fee was levied. The Committee may require such other information and documentation reasonably necessary to verify the accuracy of the request for a refund.

Added by Laws 1992, c. 283, § 5, eff. Oct. 1, 1992. Amended by Laws 2013, c. 199, § 5, eff. July 1, 2013. Renumbered from Title 52, § 704 by Laws 2013, c. 199, § 7, eff. July 1, 2013.

§52-288.6. Board - Annual meeting - Regular meeting - Quorum - Additional meeting - Appointment of Director.

A. There shall be an annual meeting of the Board at which the annual report and proposed budget will be presented. The Board shall, at the call of the chairperson, hold at least three other regular meetings each year. The chairperson shall establish the time, a manner and place of all meetings and shall provide notice of such meetings. A majority of the members of the Board shall constitute a quorum for the transaction of any business. In addition, the Board shall determine the circumstances under which additional meetings of the Board may be held.

B. The Board may appoint a Director who shall carry out the provisions of the Oklahoma Energy Education and Marketing Act. The Director shall not be one of the appointed Board members.

Added by Laws 1992, c. 257, § 6, eff. Sept. 1, 1992. Amended by Laws 1993, c. 184, § 6, eff. Oct. 1, 1993.

§52-288.7. Energy Resources Revolving Fund.

A. There is hereby created in the State Treasury a revolving fund for the Oklahoma Energy Resources Board to be designated the "Energy Resources Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations and shall consist of all monies received by the Oklahoma Energy Resources Board from assessments received and collected pursuant to Section 288.8A of this title, donations, grants, contributions and gifts from any public or private source. The Board may expend funds as provided for by law. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

B. Of the monies collected and not refunded pursuant to Sections 288.8A and 288.9A of this title, a minimum of fifty percent (50%) of

said monies collected, including a prorated share of administrative costs incurred from the effective date of this act, and not subsequently refunded, shall be expended on environmental cleanup and remediation projects related to oil and gas pollution authorized by the Board from a priority list of projects submitted by the Corporation Commission or, only in the absence of Corporation Commission jurisdiction, projects submitted by other appropriate state agencies.

C. None of the monies collected and not refunded pursuant to Sections 288.8A and 288.9A of this title shall be used for travel expenses of any member of the Oklahoma Legislature. Added by Laws 1992, c. 257, § 7, eff. Sept. 1, 1992. Amended by Laws 1993, c. 184, § 7, eff. Oct. 1, 1993; Laws 1996, c. 352, § 4; Laws 2012, c. 304, § 215.

§52-288.8. Repealed by Laws 1993, c. 184, § 11, emerg. eff. May 17, 1993.

§52-288.8A. Levy of assessment - Remitting - Rate - Collection.

A. To fund the activities of the Oklahoma Energy Resources Board, an assessment shall be levied in the amount of one-tenth of one percent (1/10 of 1%) of the gross revenues received at the wellhead for oil, natural gas, casinghead gas or condensate produced from each well in the State of Oklahoma except for production exempt from the payment of gross production tax pursuant to Section 1001 of Title 68 of the Oklahoma Statutes.

B. The assessment levied by subsection A of this section shall be deducted from the proceeds of production by the person remitting gross production tax to the Oklahoma Tax Commission pursuant to Section 1001 of Title 68 of the Oklahoma Statutes. Such assessment shall be remitted to the Oklahoma Tax Commission in the same manner as is provided by law for the payment of gross production tax. Provided, the person remitting the assessment may remit cumulative amounts of Twenty-five Dollars (\$25.00) or less quarterly. To defray the costs of receiving and depositing the assessments levied by this section, the Oklahoma Tax Commission shall retain Two Thousand Dollars (\$2,000.00) per month of the assessments received for deposit in the Oklahoma Tax Commission Revolving Fund created pursuant to Section 113 of Title 68 of the Oklahoma Statutes. The remaining monies received by the Oklahoma Tax Commission pursuant to this section shall be deposited in the Energy Resources Revolving Fund.

C. The Board shall be responsible for taking appropriate legal actions to collect any assessment which is not paid or is not properly paid. The Oklahoma Tax Commission shall not be responsible for collecting any assessment not remitted to the Oklahoma Tax Commission for deposit in the Energy Resources Revolving Fund. The Oklahoma Tax Commission shall report to the Board any information it

obtains regarding failure of any person to properly pay the assessment due, including any documentation it may have of such failure.

Added by Laws 1993, c. 184, § 8, eff. Oct. 1, 1993. Amended by Laws 1996, c. 352, § 5.

§52-288.9. Repealed by Laws 1993, c. 184, § 11, emerg. eff. May 17, 1993.

§52-288.9A. Refunds.

A. Any person subject to the assessment levied by Section 288.8A of this title may request a refund as provided in this section of the assessment paid on production for the preceding calendar year. Upon compliance with the provisions of this section and rules promulgated by the Board to implement this section, the Board shall refund to each person requesting a refund of the amount of the assessment paid by or on behalf of such person during the preceding calendar year. Refunds will include interest earned at the rate equal to the average United States Treasury bill rate of the preceding calendar year as certified by the State Treasurer.

B. The request for a refund of the assessment paid on production for the preceding calendar year must be made during the first three (3) calendar months following the calendar year for which the refund is requested. Failure to request a refund during this period shall terminate the right of any person to receive a refund for the assessment paid on production for the preceding calendar year. The Board shall give notice of the availability of the refund through press releases, paid advertisements placed in the newspaper with the largest general circulation in each county in the state and such other means as it deems appropriate.

C. Each person requesting a refund shall execute an affidavit showing the amount of refund requested, and the affiant was the owner of the production for which the refund is requested. Each person requesting a refund shall submit supporting evidence demonstrating the gross revenues, net to the person's revenue interest, received for oil, natural gas, casinghead gas or condensate in Oklahoma. The Board may verify, principally through the use of audits, the accuracy of the request for refund. In verifying the accuracy of a request for refund, the Board shall exercise its authority in a manner that will reduce, to the extent practicable and appropriate, the burden on persons providing the information to the Board.

D. No company or person who requests a refund under this section shall be eligible to serve or have a representative serve as a member of the Board.

Added by Laws 1993, c. 184, § 9, eff. Oct. 1, 1993. Amended by Laws 1996, c. 352, § 6.

§52-288.10. Repealed by Laws 1993, c. 184, § 11, emerg. eff. May 17, 1993.

§52-288.11. Investment of funds - Utilizing funds to influence governmental action or policy.

A. The Board may invest, pending disbursement, funds collected through assessments only in obligations of the United States or any agency thereof, in general obligations of any state, in any interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System, or in obligations fully guaranteed as to principal and interest by the United States.

B. The Board shall be prohibited from utilizing any funds collected through the assessment procedure outlined in Section 8 of this act, for the purpose of influencing governmental action or policy, with the exception of recommending amendments to this act, and for the purpose of obtaining state or federal funding for the activities of the Sustaining Oklahoma's Energy Resources Advisory Committee.

Added by Laws 1992, c. 257, § 11, eff. Sept. 1, 1992. Amended by Laws 2008, c. 309, § 3, emerg. eff. June 2, 2008.

§52-288.12. Act not to preempt or supersede other state or national programs - Application to rules and amendment of rules - Support of national program.

Nothing in this act may be construed to preempt or supersede any other program relating to oil or natural gas promotion or marketing organized and operated under the laws of the State of Oklahoma or the United States. The provisions of this act applicable to the rules shall be applicable to amendments to the rules. In the event of the establishment of a national program for an assessment on oil or natural gas production, the Board, by majority vote, may elect to designate up to a maximum of fifty percent (50%) of the funds collected under this act to such a national program in lieu of an additional assessment as may be required by such national program.

Added by Laws 1992, c. 257, § 12, eff. Sept. 1, 1992. Amended by Laws 1993, c. 184, § 10, eff. Oct. 1, 1993; Laws 1996, c. 352, § 7.

§52-291. Confinement of gas until used.

Any person, co-partnership, or corporation in possession, either as owner, lessee, agent or manager of any well producing natural gas, in this state in order to prevent the said gas wasting by escape, shall immediately after penetrating the gas-bearing rock, in any well hereafter drilled, shut in and confine the gas in said well until and during such time as the gas therein shall be utilized for lights, fuel or power purposes: Provided, that this section shall not apply to any well operated for oil: Provided, further, that when in the course of drilling, gas production is developed, four (4) days' free

time shall be allowed in which to determine whether the well shall be shut and saved for a gas well or drilled further for the purpose of producing oil.

R.L.1910, § 4319.

§52-292. Waste from gas pipeline - Unlawful if unnecessary.

It shall be unlawful for any person, co-partnership, or corporation, either as owner, lessee, agent or manager of any pipeline in this state, through which natural gas flows from wells utilized for the production of gas only, to allow any unnecessary leak or waste to occur from said line.

R.L.1910, § 4320.

§52-293. Flambeau lights unlawful.

It shall be unlawful to use natural gas for illuminating purposes in what are known as flambeau lights; but nothing herein shall prohibit the use of "Jumbo" burners or other burners in glass globes consuming no more gas than such "Jumbo" burners, nor the burning of flambeau lights, not to exceed four in number, within or near the derrick of any drilling well.

R.L.1910, § 4321.

§52-294. Lights - Daytime use prohibited.

The person, firm, company or corporation consuming said gas, and using burners in open air or in or around derricks, shall turn off said gas not later than eight o'clock in the morning of each day such lights or burners are used, and shall not turn on or relight the same between the hours of eight o'clock a.m. and five o'clock p.m.

R.L. 1910, § 4322.

§52-295. Burning gas during day.

No gas shall be used or burned for illuminating purposes between the hours of eight o'clock a.m. and five o'clock p.m., unless the use of the same is regulated by meter.

R.L.1910, § 4323.

§52-296. Refuse from wells - Disposition.

No inflammable product from any oil or gas well shall be permitted to run into any tank, pool or stream used for watering stock; and all waste of oil and refuse from tanks or wells shall be drained into proper receptacles at a safe distance from the tanks, wells or buildings, and be immediately burned or transported from the premises, and in no case shall it be permitted to flow over the land. Salt water shall not be allowed to flow over the surface of the land.

R.L.1910, § 4324.

§52-296.1. Securing of crude oil storage tanks.

The owner or operator who owns or has control over a production crude oil storage tank shall be required to do one of the following:

1. Install and maintain a locking or sealing device on the thief hatch of the tank;

2. Reduce the opening of the thief hatch to not greater than six (6) inches in diameter; or

3. Affix and maintain a sign on or near the thief hatch which shall meet the following specifications:

a. the size of the sign shall be no smaller than forty (40) square inches,

b. the sign shall read "DANGER DO NOT OPEN", and

c. the word "DANGER" on the sign shall be no smaller than two (2) inches and the words "DO NOT OPEN" shall be no smaller than one (1) inch.

Added by Laws 1994, c. 305, § 1, eff. Jan. 1, 1995.

§52-297. Repealed by Laws 1961, p. 433, § 1.

§52-298. Repealed by Laws 1961, p. 433, § 1.

§52-299. Repealed by Laws 1961, p. 433, § 1.

§52-300. Repealed by Laws 1961, p. 433, § 1.

§52-301. Repealed by Laws 1961, p. 433, § 1.

§52-302. Firing oil or gas, or interfering with appliances unlawful.

It is hereby declared to be unlawful for any person maliciously to set fire to any gas or oil escaping from wells, broken or leaking mains, pipes, valves, tanks or other appliances used by any person or corporation in conveying gas or oil, or to interfere in any manner with the wells, pipes, mains, gate boxes, valves, stopcocks, or other appliances, machinery or property of any person or corporation engaged in furnishing gas or oil, unless employed by or acting under the authority and direction of any such person or corporation owning or operating said gas or oil lines, or the proper legal authorities. R.L.1910, § 4330.

§52-303. Penalty for violations.

Any person, co-partnership or corporation violating any of the provisions of this article, shall, upon conviction thereof, be fined in any sum not less than Twenty-five Dollars (\$25.00), nor more than Five Hundred Dollars (\$500.00), in any court having competent jurisdiction in the county in which the act shall have been committed or omitted, or by being imprisoned for not less than thirty (30) days nor more than ninety (90) days, or by both such fine and imprisonment. The amount of said penalty, when collected, shall be

paid, one-half (1/2) into the public road fund, of the county in which said suit shall have been brought, and one-half (1/2) to the informer in said action.

R.L.1910, § 4331.

§52-304. Repealed by Laws 1941, p. 218, § 1, emerg. eff. June 4, 1941.

§52-305. Well drilling within 100 feet of underground coal mines prohibited.

No well for oil or gas shall be drilled within one hundred (100) feet from any mined area of an active underground coal mine, or abandoned underground mine connected to an active underground mine. Added by 1955, p. 255, § 1.

§52-306. Workable coal beds or seams defined.

All coal beds or seams thirty (30) inches to thirty-six (36) inches in thickness, less than one thousand (1,000) feet below the surface, and all coal beds or seams more than thirty-six (36) inches in thickness, less than one thousand five hundred (1,500) feet below the surface, shall be deemed as workable.

Added by 1955, p. 255, § 2.

§52-307. Drilling of wells through workable seams - Regulations.

Any well drilled for oil, gas, salt water disposal or any other purpose in connection with the production of oil and gas, through a workable vein or seam of coal shall be drilled in such manner as will, if practicable, exclude all oil, gas or gas pressure from the coal seam, except such as is found in the coal seam itself. Each string of casing that is run through a workable coal seam shall be seated at least thirty (30) feet below the coal seam in twenty (20) feet of cement, to form an effective seal, or the coal seam shall be protected in such other manner as may be approved by the Corporation Commission of the State of Oklahoma.

Added by 1955, p. 255, § 3.

§52-308. Plugging.

The owner or manager shall not permit any well drilled for oil, gas, salt water disposal or any other purpose in connection with the production of oil and gas, through a workable coal seam to remain unplugged after such well is no longer used for the purpose for which it was drilled or converted. Each such well plugged shall protect the workable coal seam by a cement plug extending twenty-five (25) feet above said coal seam to a distance of twenty-five (25) feet below the same or the bottom of the hole, whichever is less.

Added by Laws 1955, p. 255, § 4.

§52-309. Findings and declarations.

The Legislature finds and declares that it is in the public interest to protect the waters and lands of the state against pollution and, for that purpose, it is necessary and desirable in the exercise of the police power of the state to provide additional means whereby wells drilled for the exploration, development, or production of oil or gas, or as injection or disposal wells, may be plugged, replugged, or repaired by the Corporation Commission or under the authority and direction of the Corporation Commission, hereinafter called "Commission".

Added by Laws 1965, c. 191, § 1, emerg. eff. June 8, 1965. Amended by Laws 1970, c. 217, § 1, emerg. eff. April 15, 1970; Laws 1991, c. 332, § 7, eff. July 1, 1991.

§52-310. Leaking wells - Entry upon land to plug, replug or repair - Emergencies.

A. If, after notice and hearing, the Commission finds that:

1. A well drilled for the exploration, development, or production of oil or gas, or as an injection or disposal well, is abandoned and unplugged or improperly plugged or is causing or is likely to cause surface or subsurface pollution of any fresh water or is purging or is likely to purge salt water, oil, gas, or other deleterious substances onto the surface of the land in the vicinity of the well; and

2. The operator of the well or any other person responsible for plugging, replugging, or repairing the well in such manner as is necessary to prevent further or future pollution cannot be found or is financially unable to pay the cost of performing said work, the Commission or any person authorized by the Commission may enter upon the land upon which the well is located and plug, replug, or repair the well as may be reasonably required to remedy the condition. If an emergency exists or if it otherwise appears to the Commission that irreparable injury will result if immediate remedial action is not taken, said entry upon the land may be made or authorized by the Commission without notice or hearing, for the purpose of taking such temporary remedial action as the Commission considers necessary to prevent or minimize the injury, pending the giving of notice and hearing. The operation shall be conducted in the manner prescribed by the Commission.

B. For the purpose of immediately responding to emergency situations within the Commission's jurisdiction having potentially critical environmental or public safety impact, the Commission may take whatever necessary action, without notice and hearing, including the expenditure of monies from the Corporation Commission Plugging Fund, to promptly respond to the emergency. Such emergency expenditure shall be made pursuant to the provisions of The Oklahoma Central Purchasing Act upon such terms and conditions established by

the Office of Management and Enterprise Services to accomplish the purposes of this section. Thereafter, the Commission shall seek reimbursement from the responsible person, firm or corporation for all expenditures made from the Corporation Commission Plugging Fund. Any monies received as reimbursement shall be deposited to the credit of the Corporation Commission Plugging Fund.

C. If, at any time, the monies in the Corporation Commission Plugging Fund are insufficient to cover the cost of remedial action for all wells eligible for plugging, replugging or repair under this statute, the Commission shall prioritize expenditures according to degree of actual or potential environmental harm.

Added by Laws 1965, c. 191, § 2, emerg. eff. June 8, 1965. Amended by Laws 1970, c. 217, § 2, emerg. eff. April 15, 1970; Laws 1983, c. 59, § 1, eff. Nov. 1, 1983; Laws 1985, c. 201, § 2; Laws 1990, c. 107, § 2, eff. Oct. 1, 1990; Laws 1991, c. 332, § 8, eff. July 1, 1991; Laws 2012, c. 304, § 216.

§52-311. Liability for damages.

Any person entering upon the land on which the well is located to plug, replug, or repair the same, pursuant to the authority and in accordance with the order of the Commission, shall not be liable or held responsible for any damages resulting from operations reasonably necessary or proper to plug, replug, or repair the well, except damages to growing crops and improvements.

Added by Laws 1965, c. 191, § 3, eff. June 8, 1965.

§52-312. Responsibility for future remedial work.

Any person who plugs, replugs, or repairs a well in accordance with an order of the Commission under this act shall not be held to have assumed responsibility for future remedial work on said well or be liable in damages or otherwise for conditions subsequently arising from or in connection with said well.

Added by Laws 1965, c. 191, § 4, eff. June 8, 1965.

§52-313. No admission of liability or discharge of action.

The fact that any person has initiated or supported a proceeding before the Commission or has remedied or attempted to remedy the condition of any well under the authority of this act shall not be construed as an admission of liability or received in evidence against such person in any action or proceeding wherein responsibility for or damages from surface or subsurface pollution, or injury to any fresh water or oil or gas bearing formation is or may become an issue, nor shall such fact be construed as releasing or discharging any action, cause of action, or claim against such person existing in favor of any third person for damages to property resulting from surface or subsurface pollution, or injury to any fresh water or oil or gas bearing formation.

Added by Laws 1965, c. 191, § 5, eff. June 8, 1965.

§52-314. Right of action for costs involved - Lien

Any person who had no obligation to plug, replug, or repair the well but who does so under the provisions of this act shall have a cause of action against the person or persons who by law were obligated to properly plug, replug, or repair the well for the reasonable cost and expense incurred in plugging, replugging, or repairing the well, and shall have a lien upon the interest of such obligated person or persons in and to the oil and gas rights in the land and equipment located thereon.

Added by Laws 1965, c. 191, § 6, eff. June 8, 1965.

§52-315. Supplemental remedy.

Nothing in this act shall relieve any person or persons otherwise legally responsible from any obligation to properly plug, replug, or repair a well and shall not limit the authority of the Commission to require the proper plugging, replugging, or repair of the well, but is intended as a supplemental remedy when any person or persons obligated to do so fail or cannot be made to do so.

Added by Laws 1965, c. 191, § 7, eff. June 8, 1965.

§52-316. Proceedings.

All proceedings under this act including the filing of applications, giving of notices, the conduct of hearings and other action taken by the Commission, and appeals therefrom shall be in the form and manner and in accordance with the procedure provided in Sections 84 to 135, inclusive, Title 52 O.S. 1961, or any amendment thereof.

Added by Laws 1965, c. 191, § 8, eff. June 8, 1965.

§52-317. "Person" defined.

The term "person" as used in this act means any individual, business association or corporation, partnership, governmental or political subdivision, public corporation, body politic and corporate public authority, trust or any other legal entity.

Added by Laws 1965, c. 191, § 9, eff. June 8, 1965.

§52-317.1. Seeping natural gas - Jurisdiction, power, and authority of the Corporation Commission.

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

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

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

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

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

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

2. If the Commission is unable to abate the hazard of a seeping natural gas occurrence as provided for in paragraph 1 of this subsection, the Commission may expend funds from the Corporation Commission Plugging Fund as provided for in Section 180.10 of Title 17 of the Oklahoma Statutes for the cost of installing a system to divert natural gas away from a structure or otherwise abate the hazards.

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

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

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

G. Any person entering upon the land to investigate or abate the associated hazards of a seeping natural gas occurrence, pursuant to the authority of the Commission under this section, shall not be held

to have assumed responsibility for future abatement work on the land or be liable for damages or otherwise for conditions subsequently arising from or in connection with the land.

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

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

Added by Laws 2006, c. 252, § 5, eff. July 1, 2006. Amended by Laws 2007, c. 331, § 3, emerg. eff. June 4, 2007; Laws 2012, c. 304, § 217; Laws 2015, c. 314, § 2, eff. July 1, 2015.

§52-318. Remedial work - Contracts upon competitive bids.

When the Corporation Commission undertakes to plug, replug, or repair any well or wells as authorized and provided in Sections 309 and 310 of this title, all such remedial work shall be done by contracts let upon competitive bids. Except for expenditures made from the Corporation Commission Plugging Fund, the Commission shall not expend from the Oil and Gas Revolving Fund or any other fund in the State Treasury, in any fiscal year, for the purposes herein provided, an amount of money in excess of the total sum specifically authorized annually by the Legislature for such purposes. Provided any monies received by the Commission through execution on any required surety shall not be subject to such limitation on expenditure for plugging, replugging or repairing any well or wells. Added by Laws 1970, c. 217, § 3, emerg. eff. April 15, 1970. Amended by Laws 1989, c. 381, § 2, emerg. eff. June 7, 1989; Laws 1990, c. 107, § 3, eff. Oct. 1, 1990; Laws 1997, c. 275, § 1, eff. July 9, 1997.

§52-318.1. Agreement as to compliance with drilling and plugging regulations - Evidence of financial responsibility - Bond - Cost of plugging - Notice - Remedial operations.

A. Any person who drills or operates any well for the exploration, development or production of oil or gas, or as an injection or disposal well, within this state, shall furnish in writing, on forms approved by the Corporation Commission, his or her agreement to drill, operate and plug wells in compliance with the rules of the Commission and the laws of this state, together with evidence of financial ability to comply with the requirements for plugging, closure of surface impoundments, removal of trash and equipment as established by the rules of the Commission and by law. To establish evidence of financial ability, the Commission shall require:

1. Category A surety which shall include a financial statement listing assets and liabilities and including a general release that the information may be verified with banks and other financial institutions. The statement shall prove a net worth of not less than Fifty Thousand Dollars (\$50,000.00); or

2. Category B surety which shall include an irrevocable commercial letter of credit, cash, a cashier's check, a Certificate of Deposit, Bank Joint Custody Receipt, other negotiable instrument or, a blanket surety bond. Except as provided in paragraph 3 of subsection A of this section, amount of such letter of credit, cash, cashier's check, certificate, bond, receipt or other negotiable instrument shall be in the amount of Twenty-five Thousand Dollars (\$25,000.00) but may be set higher at the discretion of the Director of the Oil and Gas Conservation Division. The Commission is authorized to determine the amount of Category B surety based upon the past performance of the operator and its insiders and affiliates regarding compliance with the laws of this state, and any rules promulgated thereto including but not limited to the drilling, operation and plugging of wells, closure of surface impoundments or removal of trash and equipment. Any instrument shall constitute an unconditional promise to pay and be in a form negotiable by the Commission.

3. The Commission upon certification by any operator subject to Category B surety that its plugging liability statewide is less than the twenty-five-thousand-dollar standard specified in this section may allow said operator to provide Category B type surety in an amount less than the required Twenty-five Thousand Dollars (\$25,000.00), but at least sufficient to cover the estimated cost of all plugging, closure, and removal operations currently the responsibility of that operator. The liability certification referred to in this paragraph shall take the form of an affidavit from a licensed well plugger estimating the costs of all plugging, closure, and removal operations of the operator requesting such relief. This alternative amount shall be modified upward upon the assumption of additional operations by such operator, the maximum amount of Category B surety to be posted not to exceed the twenty-five-thousand-dollar total unless as provided previously.

B. Operators of record as of June 7, 1989, who do not have any outstanding contempt citations or fines and whose insiders or affiliates have no outstanding contempt citations or fines may post Category A surety.

New operators, operators who have outstanding fines or contempt citations and operators whose insiders or affiliates have outstanding contempt citations or fines as of June 7, 1989, shall be required to post Category B surety. Operators who have posted Category B surety and have operated under this type surety and have no outstanding fines at the end of three (3) years may post Category A surety.

Operators using Category A surety who are assessed a fine of Two Thousand Dollars (\$2,000.00) or more and who do not pay the fine within the specified time shall be required to post a Category B surety within thirty (30) days of notification by the Commission.

C. For good cause shown concerning pollution or improper plugging of wells by the operator posting either Category A or B surety or by an insider or affiliate of such operator, the Commission, upon application of the Director of the Oil and Gas Conservation Division, after notice and hearing, may require the filing of additional Category B surety in an amount greater than Twenty-five Thousand Dollars (\$25,000.00) but not to exceed One Hundred Thousand Dollars (\$100,000.00).

D. If the Commission determines that a blanket surety bond is required, the bond shall be conditioned on the fact that the operator shall cause the wells to be plugged and abandoned surface impoundments to be closed, and trash and equipment to be removed in accordance with the laws of this state and the rules of the Commission. Each bond shall be executed by a corporate surety authorized to do business in this state and shall be renewed and continued in effect until the conditions have been met or release of the bond is authorized by the Commission.

E. The agreement provided for in subsection A of this section shall provide that if the Commission determines that the person furnishing the agreement has neglected, failed, or refused to plug and abandon, or cause to be plugged and abandoned, or replug any well or has neglected, failed or refused to close any surface impoundment or removed or cause to be removed trash and equipment in compliance with the rules of the Commission, then the person shall forfeit from his or her bond, letter of credit or negotiable instrument or shall pay to this state, through the Commission, for deposit in the State Treasury, a sum equal to the cost of plugging the well, closure of any surface impoundment or removal of trash and equipment. The Commission may cause the remedial work to be done, issuing a warrant in payment of the cost thereof drawn against the monies accruing in the State Treasury from the forfeiture or payment. Any monies accruing in the State Treasury by reason of a determination that there has been a noncompliance with the provisions of the agreement or the rules of the Commission, in excess of the cost of remedial action ordered by the Commission, shall be credited to the Oil and Gas Revolving Fund. The Commission shall also recover any costs arising from litigation to enforce this provision. Provided, before a person is required to forfeit or pay any monies to the state pursuant to this section, the Commission shall notify the person at his or her last-known address of the determination of neglect, failure or refusal to plug or replug any well, or close any surface impoundment or remove trash and equipment and said person shall have ten (10) days from the date of notification within which to commence

remedial operations. Failure to commence remedial operations shall result in forfeiture or payment as provided in this subsection.

F. It shall be unlawful for any person to drill or operate any oil or gas well subject to the provisions of this section, without the evidence of financial ability required by this section. The Commission shall shut in, without notice, hearing or order of the Commission, the wells of any such person violating the provisions of this subsection and such wells shall remain shut in for noncompliance until the required evidence of Category B surety is obtained and verified by the Commission.

G. If title to property or a well is transferred, the transferee shall furnish the evidence of financial ability to plug the well and close surface impoundments required by the provisions of this section, prior to the transfer.

H. As used in this section:

1. "Affiliate" means an entity that owns twenty percent (20%) or more of the operator, or an entity of which twenty percent (20%) or more is owned by the operator; and

2. "Insider" means officer, director, or person in control of the operator; general partners of or in the operator; general or limited partnership in which the operator is a general partner; spouse of an officer, director, or person in control of the operator; spouse of a general partner of or in the operator; corporation of which the operator is a director, officer, or person in control; affiliate, or insider of an affiliate as if such affiliate were the operator; or managing agent of the operator.

Added by Laws 1971, c. 25, § 1, emerg. eff. March 22, 1971. Amended by Laws 1983, c. 91, § 1, eff. Nov. 1, 1983; Laws 1984, c. 117, § 1, eff. Nov. 1, 1984; Laws 1986, c. 310, § 4, operative July 1, 1986; Laws 1987, c. 45, § 1, emerg. eff. April 24, 1987; Laws 1989, c. 381, § 3, emerg. eff. June 7, 1989; Laws 1991, c. 332, § 9, eff. July 1, 1991; Laws 1992, c. 362, § 2, emerg. eff. June 4, 1992; Laws 1997, c. 275, § 10, eff. July 1, 1997.

§52-318.1a. Confidentiality of financial statement.

Pursuant to the Oklahoma Open Records Act, the Commission is authorized to provide for the confidentiality of any financial statement filed pursuant to Section 318.1 of Title 52 of the Oklahoma Statutes. Copies of such financial statements may only be obtained upon written request to the Director of the Oil and Gas Division. Upon good cause shown, upon the discretion of the Director, copies of such financial statements may be released.

Added by Laws 1987, c. 45, § 2, emerg. eff. April 24, 1987.

§52-318.2. Definitions.

For purposes of Sections 1 through 8 of this act:

1. "Operator" means a mineral owner or lessee who is engaged in drilling or preparing to drill for oil or gas; and

2. "Surface owner" means the owner or owners of record of the surface of the property on which the drilling operation is to occur. Added by Laws 1982, c. 341, § 1, operative July 1, 1982.

§52-318.3. Notice of intent to drill - Negotiating surface damages.

Before entering upon a site for oil or gas drilling, except in instances where there are non-state resident surface owners, non-state resident surface tenants, unknown heirs, imperfect titles, surface owners, or surface tenants whose whereabouts cannot be ascertained with reasonable diligence, the operator shall give to the surface owner a written notice of his intent to drill containing a designation of the proposed location and the approximate date that the operator proposes to commence drilling.

Such notice shall be given to the surface owner in any manner as provided for in paragraph 1 and paragraph 2 of subsection C of Section 2004 of Title 12 of the Oklahoma Statutes for the service by personal delivery or by mail of a summons in a civil action. If the operator makes an affidavit that he has conducted a search with reasonable diligence and the whereabouts of the surface owner cannot be ascertained or such notice cannot be delivered, then constructive notice of the intent to drill may be given in the same manner as provided for the notice of proceedings to appoint appraisers.

Within five (5) days of the date of delivery or service of the notice of intent to drill, it shall be the duty of the operator and the surface owner to enter into good faith negotiations to determine the surface damages.

Added by Laws 1982, c. 341, § 2, operative July 1, 1982. Amended by Laws 2013, c. 314, § 1, emerg. eff. May 20, 2013.

§52-318.4. Undertakings which may be posted as damage deposit.

A. Every operator doing business in this state shall file a corporate surety bond, letter of credit from a banking institution, cash, or a certificate of deposit with the Secretary of State in the sum of Twenty-five Thousand Dollars (\$25,000.00) conditioned upon compliance with Sections 318.2 through 318.9 of this title for payment of any location damages due which the operator cannot otherwise pay. The Secretary of State shall hold such corporate surety bond, letter of credit from a banking institution, cash or certificate of deposit for the benefit of the surface owners of this state and shall ensure that such security is in a form readily payable to a surface owner awarded damages in an action brought pursuant to this act. Each corporate surety bond, letter of credit, cash, or certificate of deposit filed with the Secretary of State shall be accompanied by a filing fee of Ten Dollars (\$10.00).

B. The bonding company or banking institution shall file, for such fee as is provided for by law, a certificate that said bond or letter of credit is in effect or has been canceled, or that a claim has been made against it in the office of the court clerk in each county in which the operator is drilling or planning to drill. Said bond or letter of credit must remain in full force and effect as long as the operator continues drilling operations in this state. Each such filing shall be accompanied by a filing fee of Ten Dollars (\$10.00).

C. Upon deposit of the bond, letter of credit, cash, or certificate of deposit, the operator shall be permitted entry upon the property and shall be permitted to commence drilling of a well in accordance with the terms and conditions of any lease or other existing contractual or lawful right.

D. If the damages agreed to by the parties or awarded by the court are greater than the bond, letter of credit, cash, or certificate of deposit posted, the operator shall pay the damages immediately or post an additional bond, letter of credit, cash, or certificate of deposit sufficient to cover the damages. Said increase in bond, letter of credit, cash, or certificate of deposit shall comply with the requirements of this section.

Added by Laws 1982, c. 341, § 3, operative July 1, 1982. Amended by Laws 1983, c. 273, § 13, operative July 1, 1983; Laws 1986, c. 120, § 1, eff. Nov. 1, 1986; Laws 1990, c. 74, § 1, emerg. eff. April 16, 1990.

§52-318.5. Negotiating surface damages - Appraisers - Report and exceptions thereto - Jury trial.

A. Prior to entering the site with heavy equipment, the operator shall negotiate with the surface owner for the payment of any damages which may be caused by the drilling operation. If the parties agree, and a written contract is signed, the operator may enter the site to drill. If agreement is not reached, or if the operator is not able to contact all parties, the operator shall petition the district court in the county in which the drilling site is located for appointment of appraisers to make recommendations to the parties and to the court concerning the amount of damages, if any. Once the operator has petitioned for appointment of appraisers, the operator may enter the site to drill.

B. Ten (10) days' notice of the petition to appoint appraisers shall be given to the opposite party, either by personal service or by leaving a copy thereof at the party's usual place of residence with some family member over fifteen (15) years of age, or, in the case of nonresidents, unknown heirs or other persons whose whereabouts cannot be ascertained, by publication in one issue of a newspaper qualified to publish legal notices in said county, as

provided in Section 106 of Title 25 of the Oklahoma Statutes, said ten-day period to begin with the first publication.

C. The operator shall select one appraiser, the surface owner shall select one appraiser, and the two selected appraisers shall select a third appraiser for appointment by the court, which such third appraiser shall be a state-certified general real estate appraiser and be in good standing with the Oklahoma Real Estate Appraisal Board. Unless for good cause shown, additional time is allowed by the district court, the three (3) appraisers shall be selected within twenty (20) days of service of the notice of the petition to appoint appraisers or within twenty (20) days of the first date of publication of the notice as specified in subsection B of this section. If either of the parties fails to appoint an appraiser or if the two appraisers cannot agree on the selection of the third appraiser within the required time period, the remaining required appraisers shall be selected by the district court upon application of either party of which at least one shall be a state-certified general real estate appraiser and be in good standing with the Oklahoma Real Estate Appraisal Board. Before entering upon their duties, such appraisers shall take and subscribe an oath, before a notary public or some other person authorized to administer oaths, that they will perform their duties faithfully and impartially to the best of their ability. They shall inspect the real property and consider the surface damages which the owner has sustained or will sustain by reason of entry upon the subject land and by reason of drilling or maintenance of oil or gas production on the subject tract of land. The appraisers shall then file a written report within thirty (30) days of the date of their appointment with the clerk of the court. The report shall set forth the quantity, boundaries and value of the property entered on or to be utilized in said oil or gas drilling, and the amount of surface damages done or to be done to the property. The appraisers shall make a valuation and determine the amount of compensation to be paid by the operator to the surface owner and the manner in which the amount shall be paid. Said appraisers shall then make a report of their proceedings to the court. The compensation of the appraisers shall be fixed and determined by the court. The operator and the surface owner shall share equally in the payment of the appraisers' fees and court costs.

D. Within ten (10) days after the report of the appraisers is filed, the clerk of the court shall forward to each attorney of record, each party, and interested party of record, a copy of the report of the appraisers and a notice stating the time limits for filing an exception or a demand for jury trial as provided for in this section. The operator shall provide the clerk of the court with the names and last-known addresses of the parties to whom the notice and report shall be mailed, sufficient copies of the notice and report to be mailed, and pre-addressed, postage-paid envelopes.

1. This notice shall be on a form prepared by the Administrative Director of the Courts, approved by the Oklahoma Supreme Court, and supplied to all district court clerks.

2. If a party has been served by publication, the clerk shall forward a copy of the report of the appraisers and the notice of time limits for filing either an exception or a demand for jury trial to the last-known mailing address of each party, if any, and shall cause a copy of the notice of time limits to be published in one issue of a newspaper qualified to publish legal notices as provided in Section 106 of Title 25 of the Oklahoma Statutes.

3. After issuing the notice provided herein, the clerk shall endorse on the notice form filed in the case the date that a copy of the report and the notice form was forwarded to each attorney of record, each party, and each interested party of record, or the date the notice was published.

E. The time for filing an exception to the report or a demand for jury trial shall be calculated as commencing from the date the report of the appraisers is filed with the court. Upon failure of the clerk to give notice within the time prescribed, the court, upon application by any interested party, may extend the time for filing an exception to the report or filing a demand for trial by jury for a reasonable period of time not less than twenty (20) days from the date the application is heard by the court. Appraisers' fees and court costs may be the subject of an exception, may be included in an action by the petitioner, and may be set and allowed by the court.

F. The report of the appraisers may be reviewed by the court, upon written exceptions filed with the court by either party within thirty (30) days after the filing of the report. After the hearing the court shall enter the appropriate order either by confirmation, rejection, modification, or order of a new appraisal for good cause shown. Provided, that in the event a new appraisal is ordered, the operator shall have continuing right of entry subject to the continuance of the bond required herein. Either party may, within sixty (60) days after the filing of such report, file with the clerk a written demand for a trial by jury, in which case the amount of damages shall be assessed by a jury. The trial shall be conducted and judgment entered in the same manner as railroad condemnation actions tried in the court. A copy of the final judgment shall be forwarded to the county assessor in the county or counties in which the property is located. If the party demanding the jury trial does not recover a more favorable verdict than the assessment award of the appraisers, all court costs including reasonable attorney fees shall be assessed against the party.

Added by Laws 1982, c. 341, § 4, operative July 1, 1982. Amended by Laws 1986, c. 227, § 8, eff. Nov. 1, 1986; Laws 1987, c. 189, § 6, emerg. eff. June 29, 1987; Laws 2001, c. 265, § 1, eff. July 1, 2001; Laws 2002, c. 22, § 16, emerg. eff. March 8, 2002.

NOTE: Laws 2001, c. 258, § 9 repealed by Laws 2002, c. 22, § 34, emerg. eff. March 8, 2002.

§52-318.6. Appeal of decision on exceptions to report of appraiser or verdict upon jury trial - Execution of instruments of conveyance.

Any aggrieved party may appeal from the decision of the court on exceptions to the report of the appraisers or the verdict rendered upon jury trial. Such appeal shall not serve to delay the prosecution of the work on the premises in question if the award of the appraisers or jury has been deposited with the clerk for the use and benefit of the surface owner. In case of review or appeal, a certified copy of the final order or judgment shall be transmitted by the clerk to the appropriate county clerk to be filed and recorded.

When an estate is being probated, or when a minor or incompetent person has a legal guardian or conservator, the administrator or executor of the estate, or guardian of the minor or of the incompetent person or the conservator, shall have the authority to execute all instruments of conveyance provided for in this act on behalf of the estate, or minor or incompetent person with no other proceedings than approval by the judge of the court of jurisdiction being endorsed on the instrument of conveyance.

Added by Laws 1982, c. 341, § 5, operative July 1, 1982.

§52-318.7. Effect of act on existing contractual rights and contracts to establish correlative rights - Indian lands.

Nothing herein contained shall be construed to impair existing contractual rights nor shall it prohibit parties from contracting to establish correlative rights on the subject matter contained in this act.

This act shall not be applicable to nor affect in any way property held by an Indian whose interest is restricted against voluntary or involuntary alienation under the laws of the United States or property held by an Indian tribe or by the United States for any Indian tribe.

Added by Laws 1982, c. 341, § 6, operative July 1, 1982.

§52-318.8. Effect of act on jurisdiction, authority and power of Corporation Commission.

Nothing in this act shall be construed as repealing or limiting the jurisdiction, authority and power of the Oklahoma Corporation Commission.

Added by Laws 1982, c. 341, § 7, operative July 1, 1982.

§52-318.9. Violation of act - Damages.

Upon presentation of clear, cogent and convincing evidence that the operator willfully and knowingly entered upon the premises for the purpose of commencing the drilling of a well before giving notice

of such entry or without the agreement of the surface owner, the court may, in a separate action, award treble damages. The issue of noncompliance shall be a fact question, determinable without jury, and a de novo issue in the event of appeal.

Any operator who willfully and knowingly fails to keep posted the required bond or who fails to notify the surface owner, prior to entering, or fails to come to an agreement and does not ask the court for appraisers, shall pay, at the direction of the court, treble damages to the surface owner.

Damages collected pursuant to this act shall not preclude the surface owner from collecting any additional damages caused by the operator at a subsequent date.

Added by Laws 1982, c. 341, § 8, operative July 1, 1982.

§52-318.10. Renumbered as § 320.1 of this title by Laws 2006, c. 309, § 1, emerg. eff. June 8, 2006.

§52-318.21. Short title - Seismic Exploration Regulation Act - Definitions.

A. Sections 318.21 through 318.23 of this title shall be known and may be cited as the "Seismic Exploration Regulation Act".

B. As used in the Seismic Exploration Regulation Act:

1. "Seismic exploration" means the drilling of seismograph test holes and use of surface energy sources such as weight drop equipment, thumpers, hydropulses or vibrators, and any of the activities associated therewith;

2. "Operator" or "applicant" means a person or entity who is either the owner of the right to conduct seismic exploration or acting on behalf of the owner;

3. "Surface estate" means the same as defined in Section 802 of this title; and

4. "Surface owner" means the owner or owners of record of the surface estate of the property upon which the seismic exploration is to occur, based upon the records of the county clerk of the county within which the surface estate is actually located.

Added by Laws 1998, c. 354, § 1, emerg. eff. June 5, 1998. Amended by Laws 2012, c. 220, § 1, eff. Nov. 1, 2012; Laws 2012, c. 229, § 1, emerg. eff. May 9, 2012.

NOTE: Laws 2012, c. 220, § 1 and Laws 2012, c. 229, § 1 made identical changes to this section.

§52-318.22. Seismic exploration operations - Registration - Permits - Requirements - Penalty.

A. The Corporation Commission is hereby directed and authorized to promulgate rules governing the operations of seismographic exploration for the purpose of protecting the interests and property of the citizens of this state.

B. Any person, firm, corporation or entity desiring to commence any seismographic exploration in this state shall, prior to any such activity, be duly registered with the Corporation Commission and shall be required to apply for a permit for each separate seismic exploration.

C. Rules promulgated by the Commission governing all seismic exploration operations shall include, but not be limited to, requirements for:

1. Applicants to post a form of financial surety guarantee, the form and amount to be determined by the Commission which shall remain in effect until release is authorized by the Commission;

2. Applicants to attempt to notify all owners of the surface estate where the seismic exploration will occur at least fifteen (15) days prior to commencement of seismic exploration. If the applicant has the right to conduct seismic exploration and has attempted to give actual notice of intent to conduct seismic exploration to the surface owner any time before fifteen (15) days prior to conducting seismic exploration, such action shall be considered sufficient notification for the purposes of this section. For the purposes of this section, an attempt to notify shall be considered sufficient when the notification is sent by U.S. mail, the notice is postmarked at least fifteen (15) days prior to commencement of any seismic exploration, and has been given at the last address shown of record for the surface owner in the records of the county clerk in the county where the surface estate is located, or an address that is known by applicant to be more accurate than the foregoing address of record;

3. Applicants to file an affidavit within ninety (90) days of the last mailing of the notice described herein with the county clerk in the county where the property is located, setting out that mailing of the notice has occurred in compliance with this section, and specifically listing the surface owners which were not locatable at the addresses required. Further, in the event that any party is not locatable at said addresses, then such surface owner will be deemed as having rejected the offer provided in the notice required under this section; and

4. Applicants to be permitted for each seismic exploration operation.

D. The notice required in subsection C of this section shall be sent by U.S. mail, include a copy of the oil or gas lease or seismic permit authorizing the use of the surface for seismic exploration and contain the following information:

1. Name of the company conducting seismic exploration;
2. Anticipated date of seismic exploration;
3. A description of the surface estate of the notice recipient to be entered upon for the seismic exploration to be conducted;

4. If there is not a prior written agreement between the surface owner and the operator as to seismic exploration, the following provision with regard to the amount of the damages offered by the operator to the surface owner shall be included in the notice:

"Operator will conduct the proposed seismic exploration in a prudent manner and agrees to indemnify and hold you harmless from personal injury or property damage claims that may result from the operator's seismic exploration to the extent that such damage claims are not the result of your acts or omissions. Pursuant to the Seismic Exploration Regulation Act, you, as the surface owner, are entitled to reasonable damages that will be sustained by reason of the operator's seismic exploration. The operator hereby offers you \$\_\_\_\_\_ [operator shall fill in the amount] as compensation for the reasonable damages to be sustained by reason of the operator's seismic exploration. If you accept this offer in writing to the operator within fifteen (15) days of the postmark of this letter, you will be deemed to have accepted and agreed to the amount as full consideration for all reasonable damages by reason of the operator's seismic exploration. Operator shall, upon receipt of your timely acceptance of the offer contained herein, remit to you the consideration described in this offer. The acceptance of this amount shall not prohibit you from attempting to recover damages which are unreasonable and caused by reason of the operator's seismic exploration on your surface estate.

In the event that you either (a) reject the offer in this letter in writing to the operator within fifteen (15) days of the postmark of this letter, or (b) fail to make a timely acceptance of the offer contained herein, then you will be deemed to have rejected the offer contained herein, and pursuant to the Seismic Exploration Regulation Act, you may initiate an action pursuant to The Small Claims Procedure Act or a civil action pursuant to the Oklahoma Pleading Code, as appropriate, to recover the reasonable damages, if any, actually sustained by reason of the operator's seismic exploration. If an action to recover reasonable damages is commenced accordingly and a judgment is entered in the action for you as to the damages in an amount in excess of the amount set forth in this notice for reasonable damages by reason of the operator's seismic exploration, you shall be considered the prevailing party. If the judgment entered is for an amount equal to or less than the amount set forth in this notice for reasonable damages by reason of the operator's seismic exploration, although you will be entitled to receive the judgment

amount, if any, the operator shall be considered the prevailing party. The prevailing party in any court proceeding brought pursuant to the Seismic Exploration Regulation Act shall be entitled to recover the costs of the suit, including but not limited to reasonable attorney and expert witness fees and litigation expenses. If the action should be dismissed other than by way of settlement prior to the entry of judgment, then the surface owner shall forfeit its right to receive any consideration for all reasonable damages by reason of the operator's seismic exploration."; and

5. Any other pertinent information the Commission deems appropriate and relevant for the protection of surface owners.

E. The Commission is further directed to promulgate rules to implement a system to register complaints against any person, firm or corporation conducting seismic exploration. The Commission may determine if and when a complaint has been adequately resolved.

F. Any person, firm, corporation or entity which conducts any seismic exploration without a permit by the Commission, or in any other manner violates the rules of the Commission governing such exploration shall be subject to a penalty of One Thousand Dollars (\$1,000.00) per violation per day by the Commission, in addition to any other legal remedy provided by law.

Added by Laws 1998, c. 354, § 2, emerg. eff. June 5, 1998. Amended by Laws 2012, c. 220, § 2, eff. Nov. 1, 2012; Laws 2012, c. 229, § 2, emerg. eff. May 9, 2012.

NOTE: Laws 2012, c. 220, § 2 and Laws 2012, c. 229, § 2 made identical changes to this section.

§52-318.23. Seismic test hole blasting - Damages.

A. It shall be unlawful for any person, firm, corporation or entity to conduct any seismic test hole blasting within two hundred (200) feet of any habitable dwelling, building or water well without written permission from the owner of the property.

B. The surface owner shall be entitled to reasonable damages that have been or will be sustained to the surface estate by reason of the operator's seismic exploration.

C. At least fifteen (15) days prior to commencement of seismic exploration, the operator shall provide the notice to the surface owner required by Section 318.22 of this title, and, in the absence of an agreement between the surface owner and the operator as to seismic exploration, operator and surface owner shall make a good-faith effort to resolve any reasonable damage issues raised by the surface owner by reason of operator's seismic exploration.

D. The surface owner may accept the offer in the notice required by Section 318.22 of this title by accepting the offer in writing to the operator within fifteen (15) days of the postmark of the notice.

By the timely acceptance of such offer, the surface owner shall be deemed to have accepted and agreed to such offer as full consideration for all reasonable damages by reason of the operator's seismic exploration and the operator may commence seismic operations. The operator shall, upon receipt of the surface owner's timely acceptance of the offer in the notice, remit the appropriate consideration to the surface owner. The surface owner's acceptance of such offer and consideration shall not prohibit the surface owner from attempting to recover damages which are unreasonable and caused by reason of the operator's seismic exploration on the surface estate of the surface owner.

E. If prior to the expiration of the fifteen-day notice period set forth in Section 318.22 of this title, the surface owner rejects the amount tendered with the notice required by Section 318.22 of this title in writing to the operator, or the surface owner fails to make a timely acceptance of the offer contained in the notice, then the surface owner will be deemed to have rejected the offer tendered with the notice, and the operator may enter the property and commence seismic operations.

F. Within ninety (90) days of the last mailing of the notice described herein, the applicant shall file an affidavit setting out that mailing of the notice has occurred in compliance with Section 318.22 of this title, and specifically listing the surface owners which were not locatable at the addresses required. Further, in the event that any surface owner is not locatable at the addresses, then such surface owner will be deemed as having rejected the offer provided in the notice required under Section 318.22 of this title.

G. If the surface owner has properly rejected or has been deemed to have rejected the amount tendered with the notice required by Section 318.22 of this title, the surface owner may initiate an action pursuant to The Small Claims Procedure Act or a civil action pursuant to the Oklahoma Pleading Code, as appropriate, to recover the reasonable damages, if any, actually sustained by reason of the operator's seismic exploration. Venue for such action shall properly be in the county where the surface estate is located.

H. If an action to recover the reasonable damages is commenced pursuant to subsection G of this section and a judgment is entered in the action for the surface owner for reasonable damages by reason of the operator's seismic exploration in an amount in excess of the amount set forth in the notice required by Section 318.22 of this title, the surface owner shall be considered the prevailing party; if the judgment entered for reasonable damages by reason of the operator's seismic exploration is for an amount equal to or less than the amount set forth in the notice required by Section 318.22 of this title, the operator shall be considered the prevailing party. The prevailing party in any court proceeding brought pursuant to this section shall be entitled to recover the costs of the suit, including

but not limited to reasonable attorney and expert witness fees and litigation expenses. If the action should be dismissed other than by way of settlement prior to the entry of judgment, then the surface owner shall forfeit its right to receive any consideration for all reasonable damages by reason of the operator's seismic exploration.

I. Nothing in the Seismic Exploration Regulation Act shall modify or restrict an operator's right to enter a surface estate and conduct seismic exploration thereon pursuant to the operator's right to conduct seismic exploration. Additionally, nothing in the response or deemed response of a surface owner to any notice required by Section 318.22 of this title shall restrict or otherwise affect an operator's right to enter a surface estate and conduct seismic operations thereon.

Added by Laws 1998, c. 354, § 3, emerg. eff. June 5, 1998. Amended by Laws 2012, c. 220, § 3, eff. Nov. 1, 2012; Laws 2012, c. 229, § 3, emerg. eff. May 9, 2012.

NOTE: Laws 2012, c. 220, § 3 and Laws 2012, c. 229, § 3 made identical changes to this section.

§52-319. Repealed by Laws 1971, c. 25, § 2, eff. March 22, 1971.

§52-320. "Growing crops" defined.

As respects exploration and drilling for oil or gas, plugging or repair of oil or gas wells and provisions in contracts for either, the term "growing crops" shall be construed to include but not be limited to native grasses and trees.

Added by Laws 1975, c. 203, § 1, emerg. eff. May 27, 1975.

§52-320.1. Restriction on location of habitable structures.

A. After the effective date of this act, it shall be unlawful to locate any habitable structure within:

1. A radius of one hundred twenty-five (125) feet from the wellbore of an active well; or

2. A radius of fifty (50) feet from the center of any surface equipment or other equipment necessary for the operation of an active well, including, but not limited to, hydrocarbon and brine storage vessels, tanks, compressors, heaters, separators, dehydrators, or any other related equipment.

B. Provided, however, the provisions of this section shall not prohibit an operator and surface owner from agreeing in writing to setback provisions with distances different from those set forth in this section.

Added by Laws 2003, c. 361, § 1, eff. July 1, 2003. Renumbered from § 318.10 of this title by Laws 2006, c. 309, § 1, emerg. eff. June 8, 2006.

§52-320.2. Unlawful use of safety equipment in oil or gas production.

After the effective date of this act, it shall be unlawful for any person to intentionally or maliciously injure, deface, alter, destroy or tamper with any safety equipment that is not their own and is used in the drilling or production of an oil or gas well, unless consent is given by or the person is authorized by the owner or operator of the safety equipment.

Added by Laws 2010, c. 81, § 1, eff. Nov. 1, 2010.

§52-321. Repealed by Laws 2018, c. 27, § 60, eff. Nov. 1, 2018.

§52-322. Repealed by Laws 2004, c. 430, § 23, emerg. eff. June 4, 2004.

§52-323. Repealed by Laws 1941, p. 467, § 18, emerg. eff. June 7, 1941.

§52-324. Repealed by Laws 1945, p. 171, § 6, eff. July 1, 1945.

§52-324.1. Repealed by Laws 2018, c. 27, § 60, eff. Nov. 1, 2018.

§52-324.2. Repealed by Laws 2004, c. 430, § 23, emerg. eff. June 4, 2004.

§52-324.3. Repealed by Laws 1961, p. 433, § 1, emerg. eff. June 13, 1961.

§52-324.4. Repealed by Laws 2004, c. 430, § 23, emerg. eff. June 4, 2004.

§52-324.5. Repealed by Laws 1947, p. 439, § 4, eff. June 1, 1947.

§52-324.6. Repealed by Laws 2018, c. 27, § 60, eff. Nov. 1, 2018.

§52-324.7. Repealed by Laws 2018, c. 27, § 60, eff. Nov. 1, 2018.

§52-324a. Repealed by Laws 1945, p. 171, § 6, eff. July 1, 1945.

§52-325. Repealed by Laws 2018, c. 27, § 60, eff. Nov. 1, 2018.

§52-325.1. Repealed by Laws 2018, c. 27, § 61, eff. Nov. 1, 2018.

§52-326. Repealed by Laws 1939, p. 354, § 9, eff. July 1, 1939.

§52-327. Repealed by Laws 2018, c. 27, § 60, eff. Nov. 1, 2018.

§52-328. Repealed by Laws 2018, c. 27, § 60, eff. Nov. 1, 2018.

§52-329. Repealed by Laws 2004, c. 430, § 23, emerg. eff. June 4, 2004.

§52-330. Repealed by Laws 2018, c. 27, § 60, eff. Nov. 1, 2018.

§52-330.1. Repealed by Laws 2018, c. 27, § 61, eff. Nov. 1, 2018.

§52-331. Repealed by Laws 1945, p. 171, § 6, eff. July 1, 1945.

§52-332. Repealed by Laws 2018, c. 27, § 60, eff. Nov. 1, 2018.

§52-332.1. Repealed by Laws 2018, c. 27, § 61, eff. Nov. 1, 2018.

§52-333. Repealed by Laws 1939, p. 354, § 9, eff. July 1, 1939.

§52-334. Repealed by Laws 2018, c. 27, § 60, eff. Nov. 1, 2018.

§52-335. Repealed by Laws 2004, c. 430, § 23, emerg. eff. June 4, 2004.

§52-336. Repealed by Laws 2004, c. 430, § 23, emerg. eff. June 4, 2004.

§52-337. Repealed by Laws 2004, c. 430, § 23, emerg. eff. June 4, 2004.

§52-338. Repealed by Laws 2004, c. 430, § 23, emerg. eff. June 4, 2004.

§52-339. Repealed by Laws 2004, c. 430, § 23, emerg. eff. June 4, 2004.

§52-340. Repealed by Laws 2004, c. 430, § 23, emerg. eff. June 4, 2004.

§52-341. Repealed by Laws 2004, c. 430, § 23, emerg. eff. June 4, 2004.

§52-342. Repealed by Laws 2004, c. 430, § 23, emerg. eff. June 4, 2004.

§52-343. Repealed by Laws 2004, c. 430, § 23, emerg. eff. June 4, 2004.

§52-344. Repealed by Laws 2004, c. 430, § 23, emerg. eff. June 4, 2004.

§52-345. Repealed by Laws 2004, c. 430, § 23, emerg. eff. June 4, 2004.

§52-346. Repealed by Laws 2018, c. 27, § 60, eff. Nov. 1, 2018.

§52-346.1. Repealed by Laws 2018, c. 27, § 61, eff. Nov. 1, 2018.

§52-346.2. Repealed by Laws 2018, c. 27, § 61, eff. Nov. 1, 2018.

§52-347. Repealed by Laws 2018, c. 27, § 60, eff. Nov. 1, 2018.

§52-348. Renumbered as § 142.1 of Title 40 by Laws 2014, c. 328, § 14. Editorially renumbered as § 142.2 of Title 40 to avoid a duplication in numbering.

§52-371. Repealed by Laws 1993, c. 146, § 29.

§52-372. Repealed by Laws 1993, c. 146, § 29.

§52-373. Repealed by Laws 1993, c. 146, § 29.

§52-374. Repealed by Laws 1993, c. 146, § 29.

§52-375. Repealed by Laws 1993, c. 146, § 29.

§52-376. Repealed by Laws 1993, c. 146, § 29.

§52-377. Repealed by Laws 1993, c. 146, § 29.

§52-378. Repealed by Laws 1993, c. 146, § 29.

§52-391. Sale of petroleum products under deception as to quality or identity.

It shall be unlawful for a person, firm or corporation, to store, sell, expose for sale or offer for sale, any liquid fuels, lubricating oils, greases or other similar products in any manner whatsoever, which deceives, tends to deceive, or has the effect of deceiving the purchaser as to the nature, quality or identity of the product so sold or offered for sale.

Added by Laws 1933, c. 165, p. 381, § 1, emerg. eff. May 1, 1933.

§52-392. Marked containers or distributing equipment - Use in selling petroleum products.

It shall be unlawful for a person, firm or corporation, to store, sell, expose for sale or offer for sale in or from any container, tank, pump, or other distributing device or equipment, any other liquid fuels, lubricating oils, grease, or other similar products, than those manufactured or distributed by the manufacturer or distributor, indicated by the name, trade name, symbol, sign or other distinguishing trademark or device appearing upon the tank, container, pump, or other distributing equipment in which the same are sold, offered for sale, or distributed.

Added by Laws 1933, c. 165, p. 382, § 2, emerg. eff. May 1, 1933.

§52-393. Trademark - Imitation.

It shall be unlawful for a person, firm or corporation to imitate the design, symbol, emblem, color scheme, trade name, trademark, or the markings of any buildings or equipment of any other marketer of liquids, fuels, lubricating oils, greases or other similar products, except with the written consent of such marketer, where such imitation may deceive, tend to deceive, or have the effect of deceiving the purchaser as to the nature, source, quality or identity of the product sold or offered for sale.

Added by Laws 1933, c. 165, p. 382, § 3, emerg. eff. May 1, 1933.

§52-394. Selling under false mark or name.

It shall be unlawful for any person, firm or corporation to expose for sale, offer for sale or sell under a trademark, trade name, or any other distinguishing mark, any liquid fuels, lubricating oils, greases or other like products other than those manufactured or distributed by the manufacturer or distributor, marketing liquid fuels, lubricating oils, greases, or other like product, under such trademark, trade name, or name or other distinguishing mark.

Added by Laws 1933, c. 165, p. 382, § 4, emerg. eff. May 1, 1933.

§52-395. Mixing or blending.

It shall be unlawful for a person, firm or corporation to mix, blend or compound, the liquid fuels, lubricating oils, greases or similar products of any manufacturer or any distributor with the products of any other manufacturer or distributor or to adulterate the same and expose the same for sale, offer for sale or sell the same under the trademark, trade name, name or other distinguishing mark of either said manufacturer or distributor or as the unadulterated product of such manufacturers or distributors; provided, however, that nothing herein shall be construed to prevent the lawful owner thereof from applying his or its own trademark, trade name or symbols, to any product or material.

Added by 1933, c. 165, p. 382, § 5, emerg. eff. May 1, 1933.

§52-396. Aiding violations of act.

It shall be unlawful for any person, firm or corporation to aid or assist any other person in the violation of the provisions of this act by depositing or delivering into a tank, receptacle, or any other container, a liquid fuel, lubricating oils, greases or similar products, other than those intended to be stored therein and distributed therefrom, as indicated by the name of the manufacturer or distributor or the trade name, trademark or distinguishing mark, of the product displayed on the container itself or on the pump or other distributing device used in connection therewith, or shall by any other means, aid or assist another in the violation of any of the provisions of this act.

Added by 1933, c. 165, p. 382, § 6, emerg. eff. May 1, 1933.

§52-397. Violation of provisions - Misdemeanor.

Any person, firm or corporation, who violates any of the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction shall be punishable by a fine of not less than Fifty Dollars (\$50.00) nor more than Two Hundred Dollars (\$200.00) for the first offense or by imprisonment of not more than thirty (30) days, or both, and for a second or subsequent offense, by a fine of not less than Two Hundred Dollars (\$200.00), nor more than Five Hundred Dollars (\$500.00), or by imprisonment of not more than one (1) year, or by both such fine and imprisonment.

Added by 1933, c. 165, p. 383, § 7, emerg. eff. May 1, 1933.

§52-398. Definitions - Persons liable for violations by firm or corporation.

The term "person" as used in this act shall include every natural person; the term "firm" shall include co-partnerships and associations. If a firm or corporation shall commit a misdemeanor, according to the provisions of this act, every director, officer, agent, employee or member participating in, aiding or authorizing the act constituting such misdemeanor shall be guilty of having committed a misdemeanor hereunder and shall be subject to the penalties herein provided.

Added by 1933, c. 165, p. 383, § 8, emerg. eff. May 1, 1933.

§52-399. Partial invalidity - Effect.

The sections of this act and each part of such sections are hereby declared to be independent sections and parts of sections, and the holding of a section or part thereof or the application to any person or circumstances to be invalid or ineffective, or unconstitutional shall not affect any other section or part thereof or the application of any section or part thereof to other persons or circumstances.

Added by 1933, c. 165, p. 383, § 9, emerg. eff. May 1, 1933.

§52-420.1. Short title - Definitions.

A. The provisions of Chapter 8 of Title 52 of the Oklahoma Statutes shall be known and may be cited as the "Oklahoma Liquefied Petroleum Gas Regulation Act".

B. For purposes of the Oklahoma Liquefied Petroleum Gas Regulation Act:

1. "Administrator" means the State Liquefied Petroleum Gas Administrator;

2. "Board" means the Oklahoma Liquefied Petroleum Gas Board; and

3. "Liquefied petroleum gases", "LPG", or "LP-Gas" means and includes any material which is composed predominantly of any of the following hydrocarbons, or mixtures of the same: propane, propylene, normal butane and isobutane, and butylenes.

Added by Laws 1953, p. 219, § 1, emerg. eff. June 30, 1953. Amended by Laws 1999, c. 366, § 1, eff. July 1, 1999.

§52-420.2. State Liquefied Petroleum Gas Administrator - Deputies and enforcement officers.

A. There is hereby created a State Liquefied Petroleum Gas Administrator, to be appointed by the Governor from a list of nominees submitted by the Oklahoma Liquefied Petroleum Gas Board, hereinafter created. The appointment shall be subject to confirmation by the Senate. The Administrator shall:

1. Receive a salary to be established by the Oklahoma Liquefied Petroleum Gas Board;

2. Act in no other official or quasi-official capacity except as herein provided; and

3. Serve at the pleasure of the Governor.

B. The Administrator, subject to approval of the Board, shall appoint and fix the duties and compensation of employees necessary to perform the duties imposed upon the Oklahoma Liquefied Petroleum Gas Board by law.

C. 1. Persons appointed to the positions of Administrator, chief deputy administrator, deputy administrator or safety code enforcement officer shall:

a. be citizens of the United States,

b. be legal residents of this state,

c. be physically, mentally and morally capable of performing the duties imposed upon them pursuant to the Oklahoma Liquefied Petroleum Gas Regulation Act,

d. not have been convicted of a felony in this state or any other state as established by a national criminal history record check as defined in Section 150.9 of Title 74 of the Oklahoma Statutes, and

e. after the date of their appointment, not be engaged in any business in this state related to the production, manufacture, distribution, sale, installation or

transportation of any of the products or equipment covered by the Oklahoma Liquefied Petroleum Gas Regulation Act.

2. Each appointee shall, by education, training and experience, be qualified and competent to perform the duties imposed upon them pursuant to the Oklahoma Liquefied Petroleum Gas Regulation Act, which for:

- a. the Administrator shall include at least two (2) years' experience in positions of managerial responsibility or two (2) years' experience as a liquefied petroleum gas safety code enforcement officer,
- b. the chief deputy administrator and deputy administrators shall include at least one and one-half (1 1/2) years of such experience, and
- c. the safety code enforcement officers shall include at least two (2) years' experience in actual physical installation or inspection of liquefied petroleum gas systems, containers, apparatus or appliances, or installations thereof, and/or the ability to enforce the rules and regulations.

3. Before entering upon their duties, appointees shall take the constitutional oath of office.

D. In the event of a vacancy in the office of Administrator, or in the event of the absence or disability of the Administrator, the chief deputy administrator is hereby empowered and authorized to perform the duties of the Administrator during the time of such vacancy, absence or disability.

Added by Laws 1953, p. 219, § 2, emerg. eff. June 30, 1953. Amended by Laws 1975, c. 104, § 5, emerg. eff. May 2, 1975; Laws 1980, c. 347, § 3, emerg. eff. June 17, 1980; Laws 1999, c. 366, § 2, eff. July 1, 1999; Laws 2002, c. 202, § 1, eff. July 1, 2002; Laws 2006, c. 143, § 1, emerg. eff. May 10, 2006; Laws 2018, c. 177, § 1, emerg. eff. May 2, 2018.

§52-420.3. Oklahoma Liquefied Petroleum Gas Board.

A. There is hereby re-created the Oklahoma Liquefied Petroleum Gas Board, hereinafter sometimes referred to as "LP-Gas Board" or "Board". The Board shall be composed of seven (7) members, one each from the southeastern, northeastern, northwestern and southwestern quarters of the state, one from central Oklahoma, and two from the state at large. Each appointment shall be made by the Governor, from a list of three or more nominees who have certified in writing their willingness to serve, to be submitted to him by the persons, firms or corporations required to be registered pursuant to the provisions of Sections 420.1 through 420.15 of this title, or by their representatives, and shall be subject to confirmation by the Senate.

B. No person shall be appointed as a member of the Board unless at the time of his or her appointment he or she has been a legal resident of the State of Oklahoma for at least five (5) years preceding the date of his or her appointment and, except for the two members at large, shall have actively engaged in the retail distribution of liquefied petroleum gas in Oklahoma for a period of one (1) year, or more. One of the members at large shall be engaged in and representative of the container and appliance phases of the LPG business in Oklahoma, and the other shall have a general familiarity with the regulatory problems of the industry and the consuming public. Provided, however, that the appointment of such public member shall not be subject to the aforementioned list which is required to be submitted to the Governor. Members shall be eligible for reappointment for successive terms, and shall be removable for cause by the Governor. A member shall automatically be disqualified to hold such office in event he or she ceases to be a legal resident of the State of Oklahoma or ceases to be actively engaged in the LPG business in Oklahoma.

C. Re-creation shall not alter existing membership or terms of office. Members shall serve until their successors in office are duly appointed and qualified. Initial appointments of those members of the Board from the designated geographical areas of the state shall be for terms ranging from one (1) to five (5) years, the Governor to designate same, and the initial terms of office of the members at large on the Board shall be for one (1) and two (2) years, respectively, as designated by the Governor. Thereafter, the terms of all members shall be for four (4) years. In the event of the death, resignation, disqualification or incapacity of one or more members of the Board, a recess appointment for the unexpired term of each such member may be made by the Governor as hereinabove provided. Members of the Board shall be entitled to be reimbursed for necessary travel expenses as provided in the State Travel Reimbursement Act.

D. The Board shall organize by electing one of its members as chairman and one member as vice-chairman. The Board shall hold regular meetings. The date, time and place of any regular meeting shall be as designated by vote of the majority of the membership. Four members of the Board shall constitute a quorum for all purposes. The chairman or vice-chairman may, upon approval of a majority of the members present and voting at any meeting, designate the time, place and date of any scheduled special meeting, and the chairman or vice-chairman shall have the power to call an unscheduled special meeting of the Board upon not less than five (5) days' notice in writing to each member thereof.

E. The standards for the storage and handling of liquefied petroleum gases adopted by the National Fire Protection Association and published in Pamphlet No. 58 including current and subsequent editions and any subsequent changes and/or additions to the pamphlet,

and the standards for the installation of gas appliances and gas piping adopted by the National Fire Protection Association and published in Pamphlet No. 54 including the current and any subsequent editions and any subsequent changes and/or additions to the pamphlet shall be the accepted standards for this state. The Board is hereby empowered and authorized, and it shall be its duty to prescribe, adopt and promulgate, in the manner set forth in Section 420.1 et seq. of this title, rules relating to safety in the storage, distribution, dispensing, transporting and utilization of LPG in this state and in the manufacture, fabrication, assembly, sale, installation or use in this state of LPG systems, containers, apparatus or appliances, and reasonable rules governing the issuance of such permits and operations thereunder, and not inconsistent with the Oklahoma Liquefied Petroleum Gas Regulation Act, as it shall deem just and reasonable, and to revoke, amend or supersede such supplementary rules.

F. The Administrator shall administer and enforce all rules formulated and adopted by the Board and administer and enforce the safety rules prescribed, adopted or promulgated by the Board under and by virtue of the provisions of the Oklahoma Liquefied Petroleum Gas Regulation Act, and incur all necessary expenditures in effectuating the purposes of this subsection. The Administrator shall serve as secretary to the Board, and shall be subject to confirmation by the Senate.

G. Before any rules are revised, amended, adopted or promulgated hereunder, the Administrator, acting on behalf of the Board, shall give ten (10) days' notice to all Class I and Class II permit holders under the Oklahoma Liquefied Petroleum Gas Regulation Act, by mailing to the permit holders a written notice, signed by the Administrator, on behalf of the Board, containing either a statement of the terms or substance of the intended action, a description of the subjects and issues involved, or an accurate copy of the new, revised or amended rules which the Board proposes to adopt and promulgate, stating the date, time and place of a public hearing at which oral or written objections to such proposals shall be heard and considered. Notice shall also be given as required by the Administrative Procedures Act. Nothing in this subsection shall prevent the furnishing of such other or additional notice as the Board shall direct.

H. At any hearing held under this section, not less than a quorum of the Board shall be present and shall preside; provided, however, that by unanimous vote and resolution, the Board may authorize the Administrator to preside at any or all such hearings, and in such event no Board member need be present. After any such hearing the Board may, by majority vote, adopt any proposed new, revised or amended rules with such amendments and modifications thereof as the the Board shall deem just and reasonable, and a

certificate reciting such adoption and the effective date thereof shall be signed by the members comprising the majority of the Board. Added by Laws 1953, p. 220, § 3, emerg. eff. June 30, 1953. Amended by Laws 1957, p. 451, § 1; Laws 1963, c. 216, § 1, emerg. eff. June 11, 1963; Laws 1965, c. 127, § 1, emerg. eff. May 24, 1965; Laws 1971, c. 351, § 1; Laws 1975, c. 104, § 6, emerg. eff. May 2, 1975; Laws 1980, c. 236, § 1, eff. July 1, 1980; Laws 1983, c. 333, § 16, emerg. eff. June 29, 1983; Laws 1985, c. 178, § 24, operative July 1, 1985; Laws 1994, c. 330, § 1, emerg. eff. June 8, 1994; Laws 1997, c. 234, § 1, eff. Nov. 1, 1997; Laws 2018, c. 177, § 2, emerg. eff. May 2, 2018.

§52-420.3A. Liability of sellers, suppliers, handlers, or transporters of liquified petroleum gas.

A. A person is not liable for damages and no legal action shall be commenced or maintained against such person engaged in this state in the business of selling at retail, supplying, handling, or transporting liquefied petroleum gas if the alleged injury, damage, or loss was caused by:

1. The alteration, modification, or repair of liquefied petroleum gas equipment, containers, or a liquefied petroleum gas appliance if the alteration, modification, or repair was done without the knowledge and consent of the liquefied petroleum gas seller, supplier, handler, or transporter; and

2. The liquefied petroleum gas equipment, containers, or a liquefied petroleum gas appliance being used in a manner or for a purpose other than that for which the equipment or appliance was intended.

B. This section shall apply only to a person who complies with the approved standards and rules as outlined in subsection E of Section 420.3 of this title and who has not acted in a grossly negligent or willful and wanton manner.

Added by Laws 1994, c. 330, § 2, emerg. eff. June 8, 1994. Amended by Laws 1999, c. 366, § 3, eff. July 1, 1999; Laws 2006, c. 143, § 2, emerg. eff. May 10, 2006.

§52-420.4. Registration permits - Fees - Insurance requirements.

A. No person, firm or corporation shall manufacture, fabricate, assemble or install in this state any system, container, apparatus or appliance used or to be used in this state in or for the transportation, storage, dispensing or utilization of LPG, nor shall any transporter, distributor or retailer of LPG store, dispense or transport over the highways of this state any LPG intended for use in this state in any such system, container, apparatus or appliance, without having first applied for and obtained a registration permit to do so. A permit shall not be required by any person, firm or corporation engaged in the production or manufacture of LPG, or

selling or reselling LPG to transporters, processors, distributors or retailers, nor by any person, firm or corporation selling or delivering motor vehicles or tractors which are factory equipped with an LPG system, container, apparatus or appliance for the utilization of LPG as motor fuel. The provisions of this section shall not prevent an individual from installing in his or her own single-unit residence any system, container, apparatus or appliance which uses or will utilize LPG, provided that such individual has secured an inspection of the installation by the Administrator or someone designated by the Administrator or by a person duly licensed to make such an installation prior to the use of the system, container, apparatus or appliance. Applications for registration permits shall be in writing, on a form provided by the Board, and shall contain such pertinent information as is required by the Board. Upon approval of each application and receipt of the certificates of insurance or securities required by the provisions of this section, the Administrator shall issue to the applicant a permit to engage in the phase of the LPG industry in this state to which such permit applies. No permit other than the Class I Dealer Permit shall be transferable. The Board is authorized to establish a fee for the transfer of a Class I Permit. Nothing in Sections 420.1 through 420.15 of this title shall be construed to regulate the manufacturing, fabrication, assembling, selling or installing of any system, container, apparatus or appliance having a fuel container with a maximum individual water capacity of less than two and one-half (2 1/2) pounds.

B. 1. The Board is authorized to establish an annual permit fee for the issuance of each class of permit listed in subsection C of this section.

2. All such registration permits shall expire annually with no permit extending longer than one (1) calendar year. The expiration dates shall be set by the Board in the rules. The Administrator may issue a semiannual permit to applicants engaging in the business within six (6) months or less of the annual renewal date. A semiannual permit shall expire on the following annual expiration date. The fee for a semiannual permit shall be one-half (1/2) that of the fee of the annual permit. All registration permits required pursuant to the provisions of this section shall be renewed upon payment of the annual fees on or before the expiration of the registration permit, and upon fulfilling all insurance requirements. The Board is authorized to establish necessary penalty provisions required to ensure prompt payment of the annual fees.

3. The Board is authorized to establish specifications which set forth the scope of authority for each class of permits.

4. The Board is authorized to establish an initial permit fee for the issuance of Class I and Class II permits to any person, firm or corporation for the first time.

C. Persons, firms and corporations required to be registered pursuant to the provisions of Sections 420.1 through 420.15 of this title, at the time of issuance of each permit, shall pay to the Administrator the initial permit fee, if applicable, and any annual fee that is applicable to the following permit classes:

1. Class I - Dealer Permit;
2. Class II - Truck Transporter Permit;
3. Class III - DOT Cylinder Transporter Permit;
4. Class IV - Installer Permit;
5. Class IV-D - Driver/Installer Permit;
6. Class VI - DOT Cylinder and/or LPG Motor Fuel Station;
7. Class VI-A - LPG Dispensing Permit;
8. Class VII - Cylinder Exchange Program Permit;
9. Class IX - LPG Container Sales Permit;
10. Class IX-A - Manufactured Homes and Recreation Sales Permit;

and

11. Class X - Manager's Permit.

D. 1. Each person, firm or corporation holding a permit authorizing the use of an LPG bulk delivery truck or trailer shall pay at the time of inspection an annual inspection fee in an amount as established by the Board for each delivery truck or trailer belonging to the person, firm or corporation. Each person, firm or corporation who does not hold a permit issued by the Board authorizing the use of an LPG bulk delivery truck or trailer in the state shall pay an annual inspection fee in an amount as established by the Board for each such truck or trailer belonging to person, firm or corporation being used to dispense or transport LPG in the state.

2. The inspection fee shall increase to an amount established by the Board per vehicle if the inspection is not completed within sixty (60) days of the expiration date, or at a later date at the discretion of the Administrator.

E. Any LPG bulk delivery truck or trailer failing to be approved at its annual inspection shall be assessed a fee in an amount as established by the Board at the time that it is reinspected.

F. The fees provided for in this section shall be applicable to residents and nonresidents of Oklahoma.

G. The Board is authorized to approve or disapprove applications for registration permits to distributors and retailers of LPG and managers of LPG establishments. The Administrator is authorized to approve or disapprove all other applications for registration permits that may be issued pursuant to the provisions of this section.

1. No application shall be approved by the Administrator unless the Administrator is satisfied that the applicant by written examination has shown a working knowledge of the safety requirements provided by the rules of the Board.

2. No application shall be approved by the Board unless the Board is satisfied by adequate written examination of the applicant,

or the individual who is or shall be directly responsible for actively supervising the operations of such applicant which is a partnership, firm or corporation, that the applicant or such individual has a working knowledge of the safety requirements provided by the rules of the Board. The Board shall cause to be held public hearings on the second Monday in the months of January, April, July and October of each year on all applications for new registration permits required by the provisions of this section, or upon such other occasions as the Board may deem necessary. Notice of each hearing shall be mailed to each such applicant and shall be posted in a conspicuous place in the Office of the Administrator in Oklahoma City, Oklahoma, at least thirty (30) days prior to the date of the hearing. The notice shall include the name, address, permit class and business location of each applicant whose application is to be considered at the hearing. The applicant, or the individual who is or shall be directly responsible for and actively supervising the operations of the applicant, may be present at the hearing. If, after the public hearing, an applicant is found by the Board to have a working knowledge of the safety requirements provided by the rules and regulations of the Board, the Board shall cause an order to that effect to be entered upon its records and the application shall be approved. In the event an applicant fails to qualify, the fact shall be entered upon the Board's records.

3. The Board shall charge a fee, in an amount established by the Board, for testing materials and the expense of holding the examinations provided for in this section. The fee shall be paid upon filing an application for any permit.

H. A registration permit shall not be issued to any applicant unless the Administrator has received certificates of insurance or security as required by this section.

I. Except as otherwise provided for in this section, all persons, firms or corporations engaged in the business of manufacturing, fabricating, assembling or installing any LPG system, container, apparatus or appliance in this state, and required to be registered pursuant to the provisions of Sections 420.1 through 420.15 of this title, shall file with the Administrator a certificate indicating liability insurance coverage for the manufacturer and contractor. The Board is authorized to establish coverage amounts for each class of permit, provided coverage shall be for an amount of not less than Twenty-five Thousand Dollars (\$25,000.00) to Fifty Thousand Dollars (\$50,000.00) for bodily injury and limits of not less than Twenty-five Thousand Dollars (\$25,000.00) for property damage, and shall be in full force and effect, covering the plant, equipment and motor vehicles used in such business, and the operations of the business.

J. Except as otherwise provided for in this section, all transporters, distributors, or retailers of LPG in this state,

required to be registered pursuant to Sections 420.1 through 420.15 of this title, shall file with the Administrator a certificate indicating that public liability and property damage insurance coverage has been issued. The Board is authorized to establish coverage amounts for each class of permit, provided coverage shall be for an amount of not less than Twenty-five Thousand Dollars (\$25,000.00) to Fifty Thousand Dollars (\$50,000.00) for bodily injury and limits of not less than Twenty-five Thousand Dollars (\$25,000.00) for property damage has been issued, and is in full force and effect, covering the plant, equipment, and motor vehicles used in such business, and the operations of the business.

K. Insurance pursuant to the provisions of this section shall be maintained in full force and effect during the operation of the business for which the coverage was issued. Except as otherwise provided for in this section, no registration permit shall be issued until the certificate is filed with the Administrator. No insurance coverage shall be canceled or terminated without thirty (30) days prior written notice of cancellation or termination to the Administrator.

L. The Board is authorized, upon proof of or a satisfactory showing that any person, firm or corporation is financially able to pay or satisfy any judgment, claim or demand against the person, firm or corporation, to waive the insurance coverage required by this section. The Board, in lieu of the certificate, may require the deposit, with the Administrator, of securities, or satisfactory indemnity bond, in an amount and of a kind designated by the Board, to secure the liability of such person, firm or corporation to pay any judgment, claim or demand. The security shall not be in excess of the limits set forth in this section. If the Board deems the financial status of such person, firm or corporation to be impaired so as to reduce the ability of such person, firm or corporation to make payment or to satisfy any judgment, claim or demand, the Board may revoke the waiver and require the person, firm or corporation to file certificates required by this section within thirty (30) days after written notice is sent by the Board to the person, firm or corporation.

Added by Laws 1953, p. 222, § 4, emerg. eff. June 30, 1953. Amended by Laws 1955, p. 285, § 1, emerg. eff. June 3, 1955; Laws 1957, p. 451, § 2; Laws 1959, p. 218, § 1; Laws 1963, c. 216, § 2, emerg. eff. June 11, 1963; Laws 1965, c. 127, § 2, emerg. eff. May 24, 1965; Laws 1971, c. 351, § 2; Laws 1975, c. 104, § 7, emerg. eff. May 2, 1975; Laws 1976, c. 101, § 5, emerg. eff. May 11, 1976; Laws 1980, c. 236, § 2, eff. July 1, 1980; Laws 1981, c. 118, § 26, eff. Oct. 1, 1981; Laws 1983, c. 216, § 5, operative July 1, 1983; Laws 1989, c. 369, § 114, operative July 1, 1989; Laws 1991, c. 215, § 19, eff. July 1, 1991; Laws 1994, c. 330, § 3, emerg. eff. June 8, 1994; Laws 1997, c. 234, § 2, eff. Nov. 1, 1997; Laws 2002, c. 202, § 2, eff. July 1,

2002; Laws 2003, c. 395, § 1, emerg. eff. June 5, 2003; Laws 2006, c. 143, § 3, emerg. eff. May 10, 2006; Laws 2015, c. 95, § 1, eff. Nov. 1, 2015; Laws 2018, c. 177, § 3, emerg. eff. May 2, 2018.

§52-420.5. Fees on sale, purchase, rental and/or use of refillable cylinders and containers - Penalties.

A. The Board is authorized to establish a fee, to be paid to the Administrator, upon the sale, purchase, rental and/or use in this state of liquefied petroleum gas refillable cylinders and all other liquefied petroleum gas containers.

B. Each manufacturer of LP-Gas containers in Oklahoma, each vendor of containers manufactured without the state, and each person, firm or corporation placing any LPG container or cylinder in use in this state shall pay the applicable fee. For vendors of containers manufactured without this state, the fee or fees shall apply and become due upon delivery to the vendors, or for their account, within the state, of containers or cylinders purchased without the state. In no event shall the fees herein levied be paid or become payable on any container or cylinder sold, rented, purchased or placed in use in this state prior to the effective date of this act, or more than once on any container or cylinder, or upon any container or cylinder resold, rerented, repurchased or reused in this state. The Administrator is authorized to refund or credit fees upon containers sold without the state upon which the fees have previously been paid, or any fees which have erroneously been paid, upon written application supported by affidavit setting forth the basis for such refund. The Administrator is authorized to adopt a system of identification of containers on which the fees herein levied have been paid.

C. No person, firm or corporation shall use or install in this state any container or cylinder upon which the applicable fee levied above applies and has not been paid. In case of failure to pay within the specified time, there shall be assessed a penalty of twenty-five percent (25%), which shall be added to the applicable fee.

Added by Laws 1953, p. 223, § 5, emerg. eff. June 30, 1953. Amended by Laws 1981, c. 247, § 6, emerg. eff. June 25, 1981; Laws 1993, c. 270, § 52, eff. Sept. 1, 1993; Laws 2003, c. 395, § 2, emerg. eff. June 5, 2003; Laws 2006, c. 143, § 4, emerg. eff. May 10, 2006.

§52-420.6. Suspension or revocation of registration permits - Appeals - Rules governing sale or transfer.

A. The State Liquefied Petroleum Gas Administrator is authorized to suspend or revoke any registration permit issued by the Oklahoma Liquefied Petroleum Gas Board or impose an administrative penalty, if it is found at a hearing on the matter, that the registrant has violated or is violating or has failed or is failing to comply with

any provisions of the Oklahoma Liquefied Petroleum Gas Regulation Act, any rules or specifications promulgated or any order issued thereto, or has delivered a lesser quantity of gas than the registrant bills the customer for with intent to defraud.

B. 1. Upon the motion of the Administrator, or upon the receipt of written complaint from any member of the Board, or from any deputy administrator or safety code enforcement officer, that a registrant has violated or is violating or has failed or is failing to comply with any of the provisions of the Oklahoma Liquefied Petroleum Gas Regulation Act, the rules, or specifications promulgated or any order issued thereto, the Administrator is authorized and it shall be the duty of the Administrator to hold an administrative hearing pursuant to Article II of the Administrative Procedures Act to consider such complaint.

2. The Administrator shall have the power to conduct investigations; to summon and compel the attendance at such hearing of witnesses; to require the production of any records or documents pertinent to the subject matter of any investigation or hearing; and to provide for the taking of depositions of witnesses.

3. Notice of the date, time and place of any such hearing shall be given by registered mail not less than ten (10) days, exclusive of the date of mailing, before the date thereof, addressed to the registrant complained against and to any other parties involved, each of whom shall have the right to file answer, to appear and be heard in person and by counsel, and to present evidence at such hearing.

C. If the Administrator finds at the hearing that the registrant has violated or is violating or has failed or is failing to comply with any provision of the Oklahoma Liquefied Petroleum Gas Regulation Act or such rules, specifications or any order issued thereto, the Administrator, if the findings justify such action, shall issue an order suspending the registrant's registration permit for a period not to exceed ninety (90) days, revoking the registration permit, or imposing an administrative penalty of not more than One Thousand Dollars (\$1,000.00) for each separate offense. Any administrative penalty imposed pursuant to this section shall be deposited into the Liquefied Petroleum Gas Fund, created pursuant to Section 420.11 of this title.

D. 1. The Administrator's findings, judgment and order shall be reduced to writing and be recorded in a permanent public record to be retained in the office of the Administrator. Copies shall be furnished to the registrant complained against and to the Board.

2. Any registrant who has been assessed an administrative penalty or whose registration permit is suspended or revoked by the Administrator may, pursuant to Section 317 of Title 75 of the Oklahoma Statutes, file for a rehearing, reopening or reconsideration by the Board. The registrant shall be given the opportunity to

request a de novo hearing by the Board. Such decision by the Board shall constitute final action by the Board.

3. Any registrant who has been assessed an administrative penalty or whose registration permit has been suspended or revoked upon review by the Board may, within thirty (30) days after such filing, suspension or revocation, file an appeal with the district court of Oklahoma County or in the county wherein the registrant resides or has its principal place of business in this state, pursuant to Article II of the Administrative Procedures Act.

E. 1. Except for an emergency as determined by the Board upon the filing of a request for a rehearing, reopening or reconsideration or as determined by the court upon an appeal for judicial review of the order, enforcement of the Administrator's order shall be stayed pending final disposition of such rehearing or appeal.

2. Upon affirmance, the order shall become final and conclusive and the stay of enforcement shall be vacated.

F. The Board shall promulgate reasonable rules governing the sale or transfer of business, facilities or a permit connected with or to be used in operations subject to regulation pursuant to the Oklahoma Liquefied Petroleum Gas Regulation Act.

Added by Laws 1953, p. 224, § 6, emerg. eff. June 30, 1953. Amended by Laws 1965, c. 127, § 3, emerg. eff. May 24, 1965; Laws 1971, c. 351, § 3; Laws 1997, c. 234, § 3, eff. Nov. 1, 1997; Laws 1998, c. 67, § 1, eff. July 1, 1998; Laws 1999, c. 366, § 4, eff. July 1, 1999; Laws 2002, c. 202, § 3, eff. July 1, 2002; Laws 2006, c. 143, § 5, emerg. eff. May 10, 2006; Laws 2018, c. 177, § 4, emerg. eff. May 2, 2018.

§52-420.7. Inspections - Proving metering systems - Display of permit - Complaints and arrests - Condemnation of systems and appliances - Duties of Attorney General.

A. It shall be the duty of the Administrator to inspect, or to provide for the inspection of, any LPG systems, containers, apparatus, or appliances installed in this state, and any LPG bulk-delivery trucks or trailers used in this state, whenever in the discretion of the Administrator, any deputy, or any safety code enforcement officer such inspection is necessary to effectuate the purposes of this act. The Administrator and any deputy or safety code enforcement officer are hereby severally empowered and authorized to enter upon any premises where any such installation is being or has been made to conduct such inspection.

B. The Administrator, under the direction of the Board, shall require proving of metering system to determine the accuracy to be within the manufacturer's tolerance not to exceed plus or minus one percent (1%) at any time. The LPG liquid meter system shall be designed and constructed to provide for applying lead-and-wire seals in such a manner that no modifications or adjustments which would

affect the accuracy of deliveries, can be made without mutilating the seal or seals.

C. Every person to whom the Board or the Administrator issues a registration permit as herein provided shall have immediate possession of the permit at all times when engaged in that phase of the LPG business for which the same was issued and shall display the same upon demand of the Administrator, the chief deputy administrator, or any deputy administrator or safety code enforcement officer.

D. The Administrator and the chief deputy administrator, and such deputies and safety code enforcement officers as the Administrator shall by appropriate written commission appoint, shall have all of the powers and authority of peace officers of this state in making arrests for violations of this act or the safety rules promulgated thereunder, or in serving any process, notice or order connected with the enforcement of this act issued by the Administrator.

E. The Administrator, the chief deputy administrator and any deputy administrator or safety code enforcement officer are hereby empowered and authorized to sign complaints against and to cause the arrest of any person charged with a violation or violations of this act or the safety rules promulgated thereunder. In the event the district attorney fails or refuses to draw or endorse any complaint submitted to the district attorney and the complainant, whether it be the Administrator, the chief deputy administrator or any deputy administrator or safety code enforcement officer, desires to secure prosecution of the complaint, then and in that event any court of competent jurisdiction shall be authorized to issue a warrant for the arrest of the person charged in the complaint and the complainant shall not be required to file with the court the bond provided to be filed with and approved by the court in Sections 231 through 233 of Title 22 of the Oklahoma Statutes.

F. The Administrator and any deputy or safety code enforcement officer are hereby severally empowered and authorized to condemn any liquefied petroleum gas system, container, apparatus or appliance in this state not manufactured, fabricated, assembled or installed in accordance with the safety rules adopted or promulgated under this act, and shall have the authority to forbid the use of any such system, container, apparatus or appliance unless and until the same have been made to comply in all respects with such safety rules.

G. The Administrator is hereby empowered and authorized to inspect or cause the inspection of the records of any person, firm or corporation pertaining to the installation by such person, firm or corporation of liquefied petroleum gas systems, containers, apparatus or appliances in this state.

H. The Attorney General of the State of Oklahoma shall appear and represent the Administrator and the Board and members thereof, or

any of them, in all litigation or other proceedings that may arise in the discharge of duties and shall, at the request of the Administrator, assist the district attorney in prosecuting charges of violations of this act.

Added by Laws 1953, p. 225, § 7, emerg. eff. June 30, 1953. Amended by Laws 1965, c. 127, § 4, emerg. eff. May 24, 1965; Laws 1971, c. 351, § 4; Laws 1980, c. 236, § 3, eff. July 1, 1980; Laws 1994, c. 330, § 4, emerg. eff. June 8, 1994; Laws 2002, c. 202, § 4, eff. July 1, 2002.

§52-420.8. Violations of law or rule.

Any person, firm or corporation violating any of the provisions of Section 420.1 et seq. of this title, or any rule promulgated thereunder, or installing in this state any liquefied petroleum gas system or appliance which does not comply with such safety rules shall be guilty of a misdemeanor, and upon conviction thereof such person or the responsible members of such firm, or the responsible officers of such corporation, shall, in addition to any fine imposed by the Administrator pursuant to Section 420.6 of this title, be punished by a fine of not less than Five Hundred Dollars (\$500.00) or imprisonment in the county jail for not more than thirty (30) days, or by both such fine and imprisonment.

Added by Laws 1953, p. 225, § 8, emerg. eff. June 30, 1953. Amended by Laws 1965, c. 127, § 5, emerg. eff. May 24, 1965; Laws 1971, c. 351, § 5; Laws 1994, c. 330, § 5, emerg. eff. June 8, 1994; Laws 1997, c. 234, § 4, eff. Nov. 1, 1997.

§52-420.9. Specifications for commercial propane, butane and mixtures - Identification of vehicles - Motor carriers - Transportation out of state - Retail deliveries.

A. All liquefied petroleum gases designated as commercial propane, commercial butane or mixtures thereof, sold for consumption in this state, shall, when subjected to the test methods of the Gas Processors Association of America, meet applicable specifications adopted as tentative standards by the Association for the particular product sold.

B. All vehicles used in hauling or transporting liquefied petroleum gases upon the highways of this state shall be identified in such manner as the Administrator may, by rule, prescribe.

C. The Department of Public Safety of the State of Oklahoma shall cooperate with the Administrator in the enforcement of the provisions of this section, and the rules promulgated thereunder.

D. Transport trucks transporting liquefied petroleum gases intrastate which are owned or operated by a person subject to and licensed by the Oklahoma Liquefied Petroleum Gas Regulation Act shall not be required to obtain or possess an intrastate motor carrier or

private carrier license issued by the Oklahoma Corporation Commission.

E. Containers shall be filled or used only upon authorization of the fee simple owner. The name of the fee simple owner, if other than the consumer, shall be conspicuously shown on the container.

F. At least one attendant shall remain close to the transfer connection from the time the connections are first made until they are finally disconnected, during the transfer of the product. During the actual transfer of liquids into containers at domestic type dwellings and installations, the attendant shall not enter into any type of enclosure including but not limited to truck cabs, dwellings and barns and shall maintain visual contact with the liquid level gauge at all times.

Added by Laws 1953, p. 225, § 9, emerg. eff. June 30, 1953. Amended by Laws 1955, p. 287, § 2, emerg. eff. June 3, 1955; Laws 1965, c. 127, § 6, emerg. eff. May 24, 1965; Laws 1994, c. 330, § 6, emerg. eff. June 8, 1994; Laws 1999, c. 366, § 5, eff. July 1, 1999; Laws 2018, c. 177, § 5, emerg. eff. May 2, 2018.

§52-420.10. Appointment of administrative staff.

The Administrator is empowered and authorized to appoint from time to time such administrative staff as the Administrator reasonably determines is necessary to assist the Administrator and the Board in the performance of their functions.

Added by Laws 1953, p. 226, § 10, emerg. eff. June 30, 1953. Amended by Laws 1998, c. 67, § 2, eff. July 1, 1998.

§52-420.11. Disposition of funds and fees - Annual report - Liquefied Petroleum Gas Fund - Expenditures.

A. All funds and fees, from whatsoever source derived, collected by the Administrator under the provisions of Section 420.1 et seq. of this title, shall be deposited into the Liquefied Petroleum Gas Fund, created in this section. Effective July 1, 2004, and for each fiscal year thereafter, the Administrator shall deposit ten percent (10%) of the total amount collected from fees and funds by the Administrator to the credit of the General Revenue Fund of the State Treasury. The Administrator and the Board are hereby vested and empowered with the authority to make any and all necessary expenditures from the fund that in their judgment are reasonable and required to effectuate the purposes of this act. The Administrator shall annually file with the Governor a report of all activities of the fund, which shall include a statement of all receipts and disbursements.

B. There is hereby created in the State Treasury a revolving fund for the Oklahoma Liquefied Petroleum Gas Board to be designated the Liquefied Petroleum Gas Fund. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Oklahoma Liquefied Petroleum Gas Board as provided for in this

section. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

C. Section 211 of Title 62 of the Oklahoma Statutes shall not apply to the funds and fees collected by the Liquefied Petroleum Gas Board.

Added by Laws 1953, p. 226, § 11, emerg. eff. June 30, 1953. Amended by Laws 1979, c. 47, § 20, emerg. eff. April 9, 1979; Laws 1984, c. 289, § 4, operative July 1, 1984; Laws 2003, c. 395, § 3, emerg. eff. June 5, 2003; Laws 2005, c. 349, § 1, emerg. eff. June 6, 2005; Laws 2012, c. 304, § 218.

§52-420.12. Repealed by Laws 1980, c. 68, § 1, emerg. eff. April 10, 1980.

§52-420.13. Repealed by Laws 1980, c. 68, § 1, emerg. eff. April 10, 1980.

§52-420.14. Nonresidents - Prohibition on storage or dispensing.

The State Liquefied Petroleum Gas Administrator shall not issue or renew any registration permit or license to any person, firm, or corporation who is a resident of, or whose principal place of business is located in, a state other than Oklahoma unless the laws of such other state, and the rules and regulations of the authority governing the storage and dispensing of liquefied petroleum gas permit the operation of such business by citizens, firms, or corporations of Oklahoma under the same or substantially similar terms and conditions as those required for such operation in this state.

Added by Laws 1963, c. 27, § 1, emerg. eff. March 26, 1963.

§52-420.15. Safety schools for liquefied petroleum dealers.

The LP-Gas Board shall provide for the holding of safety schools for the benefit of the liquefied petroleum gas dealers and employees in the State of Oklahoma, at such times and in such places as may be deemed advisable and may, by lawfully adopted rules, require attendance and successful completion of courses held as a condition precedent to retaining permits issued hereunder. The Administrator shall perform such duties in connection with those schools as the Board might direct.

Added by Laws 1967, c. 183, § 1, emerg. eff. May 1, 1967. Amended by Laws 1971, c. 351, § 6.

§52-420.16. Repealed by Laws 1975, c. 104, § 9, emerg. eff. May 2, 1975.

§52-420.17. Inspectors' uniforms - Maintenance and cleaning allowance.

An expense allowance of Fifty Dollars (\$50.00) per month for maintenance and cleaning of uniforms and other related expenses shall be paid to safety code enforcement officers. Nothing in this section regarding expense allowances shall be construed to mean that such employees shall receive any additional compensation beyond what is provided for maintenance and cleaning of uniforms and other related expenses by the Liquefied Petroleum Gas Board on the effective date of this act.

Added by Laws 1993, c. 185, § 2, eff. Sept. 1, 1993. Amended by Laws 2002, c. 202, § 5, eff. July 1, 2002.

§52-420.20. Short title.

This act shall be known and may be cited as the "Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act".

Added by Laws 1994, c. 146, § 1, eff. July 1, 1994.

§52-420.21. Definitions.

As used in the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act:

1. "Commission" means the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Commission;

2. "Cargo container" means any receptacle mounted on a transport vehicle, including a bobtail or semitrailer designed and used for the transportation or storage of liquefied petroleum gas, but shall not include the motor fuel tank of the vehicle;

3. "First sale" means the first transaction within the State of Oklahoma in which ownership of odorized liquefied petroleum gas transfers from seller to purchaser;

4. "Importer" means the owner of odorized liquefied petroleum gas (LP gas) at the time of entry into this state from another state or from outside the United States;

5. "Liquefied petroleum gas (LP gas)" means any material that is composed predominantly of any of the following hydrocarbons or mixtures of hydrocarbons: propane, propylene, normal butane, isobutane or butylenes;

6. "Loading rack" means any material handling facility where LP gas is loaded into cargo containers, including, but not limited to, gas processing plants, refineries, underground and aboveground bulk storage facilities, pipeline terminals and unattended LP gas dispensing facilities;

7. "Loading rack operator" means the owner or any person or entity controlling the day-to-day operations of the facility. When this person or entity is not the person or entity invoicing the first sale of odorized LP gas dispensed into a cargo container at a loading rack, the person or entity invoicing the first sale of odorized LP

gas dispensed into a cargo container at a loading rack shall be considered the loading rack operator;

8. "Person" means any individual, group of individuals, or any partnership, corporation, association, cooperative, or employee thereof, or any other entity; and

9. "Time of import" means the time of entry into the State of Oklahoma from another state or from outside the United States.

Added by Laws 1994, c. 146, § 2, eff. July 1, 1994. Amended by Laws 1995, c. 303, § 1, eff. July 1, 1995; Laws 1998, c. 91, § 1, eff. Nov. 1, 1998; Laws 2002, c. 202, § 6, eff. July 1, 2002.

§52-420.22. Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Commission - Creation.

A. There is hereby created until July 1, 2015, the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Commission which shall be subject to the provisions of the Oklahoma Sunset Law. The purpose of the Commission is to coordinate marketing and research activities of the LP gas industry and to promote safety through programs and education.

B. The Commission shall be subject to review and termination under the Oklahoma Sunset Law prior to July 1, 2012, if at least fifty-one percent (51%) of all Class I LP gas permit holders in the state sign a petition requesting such a review. The petition shall be submitted to the House of Representatives and State Senate committees responsible for sunset review.

Added by Laws 1994, c. 146, § 3, eff. July 1, 1994. Amended by Laws 2000, c. 22, § 1; Laws 2006, c. 41, § 1; Laws 2012, c. 273, § 1.

§52-420.23. Commission membership - Appointment - Qualifications - Geographical distribution - Employment - Term of office - Vacancies - Chairperson - Travel reimbursement.

A. The Liquefied Petroleum Gas Research, Marketing and Safety Commission shall be composed of at least twelve (12) members. The twelve members shall be LP gas dealers who are holders of a permit from the State Liquefied Petroleum Gas Administration; four to be appointed by the Governor, four to be appointed by the President Pro Tempore of the Senate and four to be appointed by the Speaker of the House of Representatives. The Governor, President Pro Tempore of the Senate and Speaker of the House of Representatives shall make appointments of the LP gas dealers from a list of names submitted by the Oklahoma Propane Gas Association.

B. The members of the Commission shall:

1. Be at least twenty-five (25) years of age;
2. Be a resident of the State of Oklahoma; and
3. Have at least five (5) years of active experience in the LP gas industry.

C. The membership of the Commission shall be distributed geographically so that each quadrant of the state is represented equally. Each appointing authority shall make one appointment from each quadrant of the state. The boundaries of the quadrants shall be Interstate 35 and Interstate 40. A person shall be considered as representing a quadrant of the state if the person's permanent residence is located in the quadrant.

D. Not more than two members of the Commission shall be employed by or represent the same person, business, corporation or entity or any subsidiary of an entity.

E. The initial term of office for members of the Commission shall be as follows: three members for one (1) year, three members for two (2) years and six members for three (3) years.

For the initial appointments which shall be made by September 1, 1994, each appointing authority shall make one appointment for a one-year term, one appointment for a two-year term and two appointments for three-year terms. Thereafter, the terms of the members shall be for three (3) years.

F. Vacancies shall be filled for the unexpired term of office in the same manner as the original appointment. The dealer members may be removed from office by a majority vote of the three appointing authorities in a manner as provided by law.

G. After October 1, 1994, the members of the Commission appointed pursuant to subsection A of this section may by majority vote appoint a maximum of three members representing companies which provide goods and services to propane dealers. These additional members shall have full voting rights and privileges and will serve three-year terms. They may be removed from the Commission by a majority vote of the LP gas dealer members of the Commission appointed pursuant to subsection A of this section.

H. The Commission shall at its first meeting elect one of its members as chairperson, who shall preside over meetings of the Commission and perform any other duties as may be required by the Commission.

I. No member of the Commission shall receive a salary or reimbursement for duties performed as a member of the Commission, however members are eligible to receive travel reimbursement as provided in the State Travel Reimbursement Act.

Added by Laws 1994, c. 146, § 4, eff. July 1, 1994.

§52-420.24. Commission powers and duties.

The Commission shall have the power and duty to:

1. Administer and enforce the provisions of the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act;
2. Establish an office for the Commission within the State of Oklahoma;

3. Elect a chairperson and whatever other officers may be necessary to direct operations of the Commission;
  4. Employ personnel as shall be deemed necessary to carry out the purpose and provisions of the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act and to prescribe their duties and fix their compensation;
  5. Establish and administer the LP Gas Research, Marketing and Safety Revolving Fund;
  6. Approve or disapprove the budget of the Commission;
  7. Promulgate rules as it deems necessary to carry out the provisions of the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act;
  8. Enter into contracts or agreements for studies, research projects, safety programs, experimental work, supplies or other services to carry out the purposes of the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act, and incur those expenses necessary to carry out those purposes. Any contract or agreement shall provide that:
    - a. the person entering the contract or agreement on behalf of the Commission shall develop and submit to the Commission a plan or project together with a budget that shows estimated costs to be incurred for the plan or project, and
    - b. the person entering the contract or agreement shall keep accurate records of all of its transactions, account for funds received and expended, and make periodic reports to the Commission of activities conducted, and any other reports as the Commission may require;
  9. Keep accurate records of all financial transactions performed pursuant to the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act. These records shall be audited annually by an independent auditor and an annual report shall be compiled and presented to the Governor;
  10. Cooperate with any private, local, state or national commission, organization, agency or group and to make contracts and agreements for joint programs beneficial to the LP gas industry;
  11. Accept donations, grants, contributions and gifts from any public or private source and deposit the money in the LP Gas Research, Marketing and Safety Revolving Fund;
  12. Approve or disapprove the investment of any monies in the LP Gas Research, Marketing and Safety Revolving Fund pursuant to Section 7 of this act; and
  13. Keep an accurate record of all assessments collected.
- Added by Laws 1994, c. 146, § 5, eff. July 1, 1994.

§52-420.25. Commission meetings - Appointment of Director.

A. There shall be an annual meeting of the Commission at which the annual report and proposed budget will be presented. The Commission shall, at the call of the chairperson, hold at least three other regular meetings each year. The chairperson shall establish the time, a manner and place of all meetings and shall provide notice of such meetings. A majority of the members of the Commission shall constitute a quorum for the transaction of any business. In addition, the Commission shall determine the circumstances under which additional meetings of the Commission may be held.

B. The Commission may appoint a Director who shall carry out the provisions of the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act. The Director shall not be one of the appointed Commission members.

Added by Laws 1994, c. 146, § 6, eff. July 1, 1994.

§52-420.26. LP Gas Research, Marketing and Safety Revolving Fund.

There is hereby created in the State Treasury a revolving fund for the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Commission to be designated the "LP Gas Research, Marketing and Safety Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations and shall consist of all monies received by the Commission from assessments received and collected pursuant to Section 420.27 of this title, and donations, grants, contributions and gifts from any public or private source and any monies appropriated by the Oklahoma State Legislature. The Commission may expend funds as provided for by law. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

Added by Laws 1994, c. 146, § 7, eff. July 1, 1994. Amended by Laws 1995, c. 277, § 3, emerg, eff. May 25, 1995; Laws 2012, c. 304, § 219.

§52-420.27. Assessment on first sale or import of odorized LP gas - Records of remitted fees - Entry upon business premises - Suspension or revocation of registration permit.

A. To fund the activities of the Commission an assessment shall be imposed on the first sale of odorized LP gas or at the time of import of odorized LP gas into the State of Oklahoma. Each operator of a loading rack on delivery into any cargo container shall collect from the person who purchases the odorized LP gas an assessment in an amount of one-half cent (\$0.005) per gallon. Each owner of odorized LP gas, at the time of import into this state, shall be responsible for the payment of the one-half cent (\$0.005) per gallon assessment on the volume of LP gas at the time of import.

B. The assessment shall be computed on the net amount of odorized LP gas delivered into a cargo container.

C. Loading rack operators and importers shall maintain sufficient records regarding their LP gas operations to enable the Commission to determine whether the loading rack operators and importers have remitted all fees due under the provisions of subsection A of this section. Loading rack operators and importers shall make such records available to the Commission for inspection and shall maintain such records for the minimum period of time that business records are required to be maintained by the Internal Revenue Service.

D. Upon a determination by a majority vote of the Commission that just cause exists, a representative of the Commission may, at reasonable times and after reasonable notice to the loading rack operator and importer, enter an office, premises or place of business of a loading rack operator or importer to inspect, examine and obtain copies of the LP gas operation records maintained pursuant to subsection C of this section, for the purpose of conducting an audit or investigation or enforcing or administering this act. The loading rack operator or importer or their representative is entitled to be present when the Commission representative enters to make inspections and examinations on the premises of the loading rack operator or importer.

E. The Commission shall serve notice to the Oklahoma Liquefied Petroleum Gas Administrator regarding any importer who fails to remit the assessment as required under the provisions of this section. Upon notice and hearing, the Oklahoma Liquefied Petroleum Gas Board may suspend or revoke any registration permit issued to the loading rack operator or importer by the Oklahoma Liquefied Petroleum Gas Board until all assessments and penalties are paid in full. Added by Laws 1994, c. 146, § 8, eff. July 1, 1994. Amended by Laws 1995, c. 303, § 2, eff. July 1, 1995; Laws 1998, c. 91, § 2, eff. Nov. 1, 1998; Laws 2002, c. 202, § 7, eff. July 1, 2002.

#### §52-420.28. Assessment collection - Penalties.

A. Each operator of a loading rack or owner of LP gas at the time of import shall, on or before the 25th day of the month following the end of each calendar month, file a report with the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Commission and remit the amount of assessments required to be collected or paid during the preceding month to the Commission, which shall be deposited in the LP Gas Research, Marketing and Safety Revolving Fund.

B. Loading rack operators or owners of LP gas at the time of import filing a report or remitting fees later than the 25th day of the month in which fees are due, but within thirty (30) days of the

deadline, shall remit a penalty in the amount of five percent (5%) of the amount of fees originally due and payable.

C. Loading rack operators or owners of LP gas at the time of import filing a report or remitting fees more than thirty (30) days after the deadline shall remit a penalty in the amount of ten percent (10%) of the fees originally due and payable.

D. An additional penalty of seventy-five percent (75%) of the amount of the fees and penalties due and payable will be added to penalties set forth in subsections B and C of this section if the failure to file a report or to remit the fees collected is determined by the Commission to be a result of fraud or an intent to evade the provisions of this act or the rules of the Commission.

E. The Commission shall be responsible for taking appropriate legal actions to collect any assessment which is not paid or is not properly paid. At the request of the Commission, the Attorney General is authorized to take any necessary action to collect any fees or penalties due under the provisions of this act.

Added by Laws 1994, c. 146, § 9, eff. July 1, 1994. Amended by Laws 1995, c. 303, § 3, eff. July 1, 1995; Laws 1998, c. 91, § 3, eff. Nov. 1, 1998; Laws 2002, c. 202, § 8, eff. July 1, 2002.

#### §52-420.29. Assessment refund.

A. Any person subject to the assessment levied by Section 420.27 of this title may request a refund, as provided for in this section, of the assessment paid on the first sale of odorized LP gas for the preceding calendar year. Upon compliance with the provisions of this section and rules promulgated by the Commission, the Commission shall refund to each person requesting a refund the amount of the assessment paid by or on behalf of such person during the preceding calendar year. Refunds made to persons subject to the assessment shall in turn be refunded by the person to each customer based on the percentage of the total volume of LP gas purchased by each customer. As used in this section, "customer" shall mean the end-user who consumes the LP gas.

B. The request for a refund of the assessment for the preceding calendar year must be made during the first calendar month following the calendar year for which the refund is requested. Failure to request a refund during this period shall terminate the right of any person to receive a refund for the assessment paid for the preceding calendar year. The Commission shall give notice of the availability of the refund through press releases or such other means as it deems appropriate.

C. Each person requesting a refund shall execute an affidavit showing the amount of refund requested and the volume of sales of LP gas made by the person to each customer. The Commission may require records to be submitted verifying the volume of sales and may verify the accuracy of the request for refund.

D. No person or company who requests a refund under this section shall be eligible to serve or have a representative serve as a member of the Commission.

Added by Laws 1994, c. 146, § 10, eff. July 1, 1994. Amended by Laws 1995, c. 303, § 4, eff. July 1, 1995.

§52-420.29-1. Exports exempted from assessment.

A. No fee shall be collected on any deliveries of odorized LP gas destined for export out of this state if the LP gas is in continuous movement to a destination outside of this state.

B. Purchasers or representatives of purchasers claiming an exemption under this section must complete a form, provided by the Commission, and return it to the loading rack operator making the exempt delivery. Any purchaser requesting an exemption for a particular load or for all LP gas purchased shall complete a form provided by the Commission. Each loading rack operator shall keep all exemptions forms filed with him or her on file and available for inspection by the Commission for a period of four (4) years.

Added by Laws 1995, c. 303, § 5, eff. July 1, 1995.

§52-420.29-2. Application for refund by purchaser.

Any purchaser who pays a fee to a loading rack operator or owner of LP gas at the time of import on a load of LP gas that is exempt under the provisions of this act may apply to the loading rack operator or owner of the LP gas at the time of import for a refund of the amount paid. To apply for a refund, the purchaser must complete a refund request form provided by the Commission, and return it to the loading rack operator or owner of the LP gas at the time of import who collected the fee. Any loading rack operator or owner of LP gas at the time of import required to refund a fee to a purchaser shall report the amount of the refund to the Commission. All amounts refunded and reported according to the provisions of this act may be deducted from the total amount of fees collected to arrive at the total amount of fees to be remitted to the Commission. All refund amounts reported must be supported by refund request forms kept on file by the loading rack operator and be available for inspection by the Commission for a period of four (4) years.

Added by Laws 1995, c. 303, § 6, eff. July 1, 1995. Amended by Laws 1998, c. 91, § 4, eff. Nov. 1, 1998.

§52-420.29-3. Petition to Commission for refund.

Any operator of a loading rack or owner of LP gas at the time of import may petition the Commission for a refund of fees remitted to the Commission in error by filing the proper form and returning to the Commission. The reason for the refund and supporting documentation must accompany the request.

Added by Laws 1995, c. 303, § 7, eff. July 1, 1995. Amended by Laws 1998, c. 91, § 5, eff. Nov. 1, 1998.

§52-420.30. Certain programs not preempted - Designation of funds for payment of certain programs.

Nothing in the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act may be construed to preempt or supersede any other program relating to LP gas promotion or marketing organized and operated under the law of the State of Oklahoma or the United States. The provisions of the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act applicable to the rules shall be applicable to amendments to the rules. In the event of the establishment of a national program for an assessment on propane sales, the Commission, by majority vote, may elect to designate up to a maximum of twenty percent (20%) of the funds collected pursuant to the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act to the national program in lieu of an additional assessment as may be required by the national program.

Added by Laws 1994, c. 146, § 11, eff. July 1, 1994.

§52-420.31. Oklahoma Propane Education and Safety Council - Powers and duties.

A. Effective November 1, 2015, the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Commission, created pursuant to Section 420.22 of Title 52 of the Oklahoma Statutes, shall be terminated and re-created as a private nonprofit successor organization herein referred to as the "Oklahoma Propane Education and Safety Council" or "Council". Members serving on the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Commission on November 1, 2015, shall serve as the governing board of the Oklahoma Propane Education and Safety Council and shall hold office until a successor is elected and qualified. Future members of the Council shall be elected by the membership of the organization pursuant to qualifications and procedures adopted by the Council.

B. The Oklahoma Propane Education and Safety Council shall perform the same duties and functions as required by the provisions of the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act, Section 420.20 et seq. of Title 52 of the Oklahoma Statutes, subject to modifications authorized by this act, and shall have the power and duty to:

1. Employ personnel deemed necessary by the Council, fix the amount and manner of their compensation, and incur other expenses that are necessary and proper to enable the Council to effectively carry out the purposes of the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act and the provisions of this act;

2. Adopt and amend bylaws as necessary to promptly and effectively administer the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act and the provisions of this act;
3. Retain legal counsel as required;
4. Sue and be sued;
5. Initiate prosecution and civil remedies necessary to collect any assessments due and owing to the Council;
6. Cooperate with local, state, national or international organizations, whether public or private, to promote the liquefied petroleum gas industry;
7. Make such reasonable expenditures of funds as are necessary to carry out the provisions of the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act and the provisions of this act;
8. Call and conduct such meetings and elections as may be necessary in carrying out the provisions of the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act and the provisions of this act;
9. Keep minutes of its meetings and other books and records that clearly reflect all acts and transactions of the Council, including an annual financial report in accordance with general accounting practices;
10. Set the rate of assessment and penalties to be assessed and collected in the same manner as provided in Sections 420.27 and 420.28 of Title 52 of the Oklahoma Statutes;
11. Deposit all monies received by the Council including, but not limited to, assessments, donations and grants in a bank selected by the Council and invest in securities of the state or federal government, certificates of deposit or certificates of any bank, trust company or savings and loan association insured by a federal agency;
12. Establish an office or headquarters as necessary;
13. Purchase, lease, sell, exchange or dispose of real or personal property;
14. Formulate general policies and programs for the education, discovery, promotion and development of markets and industries for the utilization of liquefied petroleum gas;
15. Hire or retain legal counsel to represent the Council in any matter;
16. Borrow money for any lawful purpose;
17. Act separately or in cooperation with any person in developing, carrying out and participating in programs of research, education and promotion designed to encourage the production, marketing and use of liquefied petroleum gas; and
18. Exercise such other powers as necessary to carry out the purpose of the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act and the provisions of this act.

C. 1. The Oklahoma Propane Education and Safety Council is authorized to receive assessments as provided for in the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act and the provisions of this act and donations and grants from any source.

2. Money received by the Council may be expended for the purpose of implementing the provisions of the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act and the provisions of this act.

3. The Council shall follow the assessment requirements and procedures established in the statutory provisions of the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act and the provisions of this act.

D. Funds assessed and collected under this act shall not be expended for use directly or indirectly to promote or oppose the election of any candidate for public office.

E. The Council may investigate conditions that relate to the prompt remittance of the assessment. If the Council determines that a person or company has failed to remit to the Council the required assessment, the Council may independently institute proceedings for recovery of the amount due to the Council or for injunctive or other appropriate relief.

F. A violation of any provision of the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act or the provisions of this act is unlawful and may be enjoined by a district court of competent jurisdiction. In any action brought by the Council which results in an injunction against a person and the court determines that such person has violated any provision of the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act or the provisions of this act, the court shall award costs and attorney fees to the Council.

G. 1. All funds accredited to the LP Gas Research, Marketing and Safety Revolving Fund, established pursuant to Section 420.26 of Title 52 of the Oklahoma Statutes, including any encumbered assessments due to the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Commission, equipment and all other property shall transfer from the possession and control of the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Commission created pursuant to Section 420.22 of Title 52 of the Oklahoma Statutes to the possession and control of the private nonprofit organization, Oklahoma Propane Education and Safety Council, created pursuant to subsection A of this section.

2. All funds, equipment and other property so transferred shall no longer be considered state funds or state property and may be transferred or disposed of by the Council without regard to state surplus property laws.

3. Contracts and financial obligations of the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Commission in effect

upon the effective date of this act shall remain in effect until fulfilled.

Added by Laws 2015, c. 369, § 1, eff. Nov. 1, 2015.

§52-420.51. Renumbered as § 130.11 of Title 74 by Laws 1991, c. 235, § 24, eff. July 1, 1991.

§52-420.52. Renumbered as § 130.12 of Title 74 by Laws 1991, c. 235, § 24, eff. July 1, 1991.

§52-420.53. Renumbered as § 130.13 of Title 74 by Laws 1991, c. 235, § 24, eff. July 1, 1991.

§52-420.54. Renumbered as § 130.14 of Title 74 by Laws 1991, c. 235, § 24, eff. July 1, 1991.

§52-420.55. Renumbered as § 130.15 of Title 74 by Laws 1991, c. 235, § 24, eff. July 1, 1991.

§52-420.56. Renumbered as § 130.16 of Title 74 by Laws 1991, c. 235, § 24, eff. July 1, 1991.

§52-420.57. Renumbered as § 130.17 of Title 74 by Laws 1991, c. 235, § 24, eff. July 1, 1991.

§52-420.58. Renumbered as § 130.18 of Title 74 by Laws 1991, c. 235, § 24, eff. July 1, 1991.

§52-420.59. Renumbered as § 130.19 of Title 74 by Laws 1991, c. 235, § 24, eff. July 1, 1991.

§52-420.60. Renumbered as § 130.20 of Title 74 by Laws 1991, c. 235, § 24, eff. July 1, 1991.

§52-420.61. Renumbered as § 130.21 of Title 74 by Laws 1991, c. 235, § 24, eff. July 1, 1991.

§52-420.62. Renumbered as § 130.22 of Title 74 by Laws 1991, c. 235, § 24, eff. July 1, 1991.

§52-420.63. Renumbered as § 130.23 of Title 74 by Laws 1991, c. 235, § 24, eff. July 1, 1991.

§52-420.64. Renumbered as § 130.24 of Title 74 by Laws 1991, c. 235, § 24, eff. July 1, 1991.

§52-421. Repealed by Laws 1953, p. 227, § 14.

§52-421.1. Liquefied petroleum gas emergency - Declaration by Governor.

A. The Governor of Oklahoma is hereby authorized, for and on behalf of the state, to join with the governor of any other state in declaring a liquefied petroleum gas emergency. When the declaration is issued, trucks and operators carrying liquefied petroleum gas and meeting all certification, permit, and licensing requirements of the federal government and their home state shall be permitted to transport liquefied petroleum gas in and through Oklahoma without obtaining any license, permit, or certification required by this state.

B. This exception and waiver of Oklahoma licensing, permitting, and certification requirements regarding trucks and operators transporting liquefied petroleum gas shall be valid only during the period of the declared emergency.

Added by Laws 1991, c. 46, § 1, emerg. eff. April 9, 1991.

§52-422. Repealed by Laws 1953, p. 227, § 14.

§52-423. Repealed by Laws 1953, p. 227, § 14.

§52-424. Repealed by Laws 1953, p. 227, § 14.

§52-425. Repealed by Laws 1953, p. 227, § 14.

§52-426. Repealed by Laws 1953, p. 227, § 14.

§52-427. Repealed by Laws 1953, p. 227, § 14.

§52-428. Repealed by Laws 1953, p. 227, § 14.

§52-429. Repealed by Laws 1953, p. 227, § 14.

§52-430. Repealed by Laws 1953, p. 227, § 14.

§52-431. Repealed by Laws 1949, p. 373, § 10.

§52-432. Repealed by Laws 1953, p. 227, § 14.

§52-433. Repealed by Laws 1953, p. 227, § 14.

§52-434. Repealed by Laws 1953, p. 227, § 14.

§52-435. Repealed by Laws 1953, p. 227, § 14.

§52-436. Repealed by Laws 1953, p. 227, § 14.

§52-437. Repealed by Laws 1953, p. 227, § 14.

§52-438.1. Repealed by Laws 1953, p. 227, § 14.

§52-438.2. Repealed by Laws 1953, p. 227, § 14.

§52-438.3. Repealed by Laws 1953, p. 227, § 14.

§52-438.4. Repealed by Laws 1953, p. 227, § 14.

§52-438.5. Repealed by Laws 1953, p. 227, § 14.

§52-438.6. Repealed by Laws 1953, p. 227, § 14.

§52-438.7. Repealed by Laws 1953, p. 227, § 14.

§52-438.8. Repealed by Laws 1953, p. 227, § 14.

§52-438.9. Repealed by Laws 1953, p. 227, § 14.

§52-438.10. Repealed by Laws 1953, p. 227, § 14.

§52-441.1. Repealed by Laws 1953, p. 227, § 14.

§52-441.2. Repealed by Laws 1953, p. 227, § 14.

§52-441.3. Repealed by Laws 1953, p. 227, § 14.

§52-441.4. Repealed by Laws 1953, p. 227, § 14.

§52-441.5. Repealed by Laws 1953, p. 227, § 14.

§52-441.6. Repealed by Laws 1953, p. 227, § 14.

§52-441.7. Repealed by Laws 1953, p. 227, § 14.

§52-441.8. Repealed by Laws 1953, p. 227, § 14.

§52-451. Repealed by Laws 1961, p. 433, § 1.

§52-452. Repealed by Laws 1961, p. 433, § 1.

§52-453. Repealed by Laws 1961, p. 433, § 1.

§52-471. Short title.

This act shall be known and may be cited as the "Standard Gas Measurement Law."

Added by Laws 1951, p. 133, § 1, emerg. eff. May 26, 1951.

§52-472. Terms defined - Pressure - Conversion to standard conditions.

The term "cubic foot of gas" or "standard cubic foot of gas" means the volume of gas, including both natural gas and casing head gas, contained in one cubic foot of space at a standard pressure base and at a standard temperature base. The standard pressure base shall be fourteen and sixty-five hundredths (14.65) pounds per square inch absolute and the standard temperature base shall be sixty (60) degrees Fahrenheit. Whenever the conditions of pressure and temperature differ from the above standard, conversion of the volume from these conditions to the standard conditions shall be made in accordance with the Ideal Gas Laws corrected for deviation from Boyle's Law, which correction must be made unless the pressure at the point of measurement is two hundred (200) pounds per square inch gauge or less; all in accordance with methods and tables generally recognized by and commonly used in the natural gas industry.

Added by Laws 1951, p. 133, § 2, emerg. eff. May 26, 1951.

§52-473. Determination of factors by Commission - Determination and report of volumes.

(a) It shall be the duty of the Corporation Commission and said Commission is hereby authorized, empowered and directed to determine the average temperature of gas, as produced in each oil and gas field in Oklahoma, and to determine the other variable factors necessary to calculate the metered volumes in accordance with the Ideal Gas Laws and the variable factors to correct for deviation from the Ideal Gas Laws in each of the oil and gas fields in the State of Oklahoma. Upon request of any interested party the Corporate Commission shall give notice and hold a public hearing before making such determination. Promptly upon such determinations the Corporation Commission shall make and publish such findings and promulgate such reasonable field rules as may be necessary to effectuate the provisions of this act.

Any person, association of persons, or corporations shall be permitted to use the findings and field rules of the Commission for all purposes under this act, but if such findings or field rules are not so used in determining volumes under this act, the volumes so otherwise determined shall be corrected to the basis of the "standard cubic foot of gas" as defined in Section 2 of this act.

(b) Any person required to report volumes of gas under the laws of this state, shall report such volumes in number of standard cubic feet calculated and determined under the provisions of this act.

Added by Laws 1951, p. 133, § 3, emerg. eff. May 26, 1951.

§52-474. Sales, purchases and deliveries - Adjustment of contract prices.

Each and every sale, and each and every purchase, delivery and receipt of gas by volume hereafter made in this state by, for or on behalf of an oil and gas lease owner, royalty owner thereunder, or other mineral interest owner, shall be made and such gas shall be measured, calculated, purchased, delivered and accounted for on the basis of "a standard cubic foot of gas" as defined in Section 2, and as determined under this act. Whenever the provisions of this act operate to change the basis of measurement provided for in existing contracts, then the price for gas, including royalty gas, provided for in such contracts shall, if either the purchaser or seller so desires, be adjusted to compensate for the change in the method of measuring the volume of gas delivered thereunder. This provision is intended to protect parties to contracts now in existence, so that after this act becomes effective the total amount of money paid for a volume of gas purchased, or required to be accounted for, under existing contracts shall remain unaffected by this act.

Nothing in this section shall affect or apply to purchases or sales made on any basis other than a volume basis.

Added by Laws 1951, p. 133, § 4, emerg. eff. May 26, 1951.

§52-475. Penalty for violations - Civil actions.

Any person, association of persons, or corporation who, as purchaser thereof, shall knowingly fail or refuse to so measure, calculate or account for any such gas so purchased, shall be subject to a penalty of not less than Ten Dollars (\$10.00) nor more than Five Hundred Dollars (\$500.00) for each offense recoverable in the name of the state in any district court in Oklahoma County, wherein service may be had by the Corporation Commission, and each day of such violation shall constitute a separate offense. But it shall be a defense to any claim for such penalty that the Corporation Commission has not made and published the findings provided for in Section 3a, as to the particular field in question.

Nothing herein shall prevent an aggrieved party from maintaining a civil suit for damages in the county or counties in which the gas is produced.

Added by Laws 1951, p. 134, § 5, emerg. eff. May 26, 1951.

§52-476. Partial invalidity.

Subject to the provisions to Section 4, hereof, if any part, section, subsection, paragraph, sentence, clause, phrase, or word contained in this act shall be held by the courts to be unconstitutional or invalid, such holding shall not affect the validity of the remaining portions of this act, and the Legislature hereby declares that it would have been enacted, and does here now enact, such remaining portions despite any such invalidity.

Added by Laws 1951, p. 134, § 6, emerg. eff. May 26, 1951.

§52-477. Jurisdiction of Commission not restricted.

Nothing in this act shall in any wise limit or restrict the jurisdiction of the Corporation Commission of the State of Oklahoma to fix the price of natural gas in any common source of supply in the State of Oklahoma or the terms and conditions of the sale and purchase of natural gas in any common source of supply in the State of Oklahoma.

Added by Laws 1951, p. 134, § 7, emerg. eff. May 26, 1951.

§52-501. Repealed by Laws 1984, c. 164, § 32, eff. Nov. 1, 1984.

§52-502. Repealed by Laws 1984, c. 164, § 32, eff. Nov. 1, 1984.

§52-503. Repealed by Laws 1984, c. 164, § 32, eff. Nov. 1, 1984.

§52-504. Repealed by Laws 1972, c. 208, § 12, eff. Oct. 1, 1972.

§52-505. Repealed by Laws 1972, c. 208, § 12, eff. Oct. 1, 1972.

§52-521. Leasing of mineral interests of owners who cannot be located.

In an action filed by any person, firm or corporation owning an interest in the minerals in any tract or tracts of land in the State of Oklahoma or owning an oil and gas lease on such an interest wherein it is made to appear that the defendant or defendants in such action own or appear to own in the aggregate a minority interest in said minerals thereunder but that the residence, business address or whereabouts of one or more of the defendants cannot be ascertained, the district court of the county wherein such tract or tracts of land are situated shall have the power to appoint a receiver over the mineral interest of such defendants whose residence, business address, or whereabouts are unknown, upon compliance with the procedure set forth in Section 2 hereof.

Added by Laws 1968, c. 264, § 1, emerg. eff. April 29, 1968.

§52-522. Procedure.

(a) The plaintiff shall file a verified petition setting forth the following: (1) the interest of the plaintiff in the tract or tracts of land described in said petition; (2) the apparent interest of the defendant or defendants as appears from the record of the county clerk and from such other sources, identifying same, as plaintiff has investigated; (3) the last-known address, business, residence, or otherwise which plaintiff may have been able to ascertain for each of said defendants and the sources of information which plaintiff has checked in an attempt to locate the present

address or whereabouts of said defendant or defendants, and further stating that plaintiff has exercised due diligence and cannot by any means within his control ascertain the present address or whereabouts of said defendant or defendants; (4) that there are persons or corporations who are willing to purchase an oil and gas lease upon the interest of the defendant or defendants and that the existence of these unleased mineral interests is detrimental to and impairs the enjoyment of the interest of the plaintiff; (5) that the plaintiff has acquired or has good reason to believe that he can acquire operating rights covering all mineral interests other than the interest of said defendants in said tract or tracts.

(b) Upon the filing of such petition the court shall set same for hearing upon a date certain, which date must be at least fifteen (15) days from the date of filing said petition. Notice of the hearing, the nature of the hearing and relief requested shall be given by publication one time in a newspaper of general circulation in the county and by mailing to the last-known address, if any, of the defendant or defendants as set forth in said petition. The publication and mailing of notice shall all be done at least seven (7) days prior to the date of hearing.

(c) On the date set for said hearing the court shall dismiss the action as to all defendants who answer and request such dismissal, and as to all other defendants the court shall require proof that the requirements of Section 2(b) have been satisfied, shall take evidence and hear testimony as to the matters set forth in plaintiff's petition, and at said hearing shall determine the bonus value for oil and gas leases on lands in said vicinity and the prevailing rental and royalty rate; and if it appears to the court that the requirements of Section 2(b) have been satisfied, that the matters set forth in plaintiff's petition are true, that it is probable that a purchaser can be secured for an oil and gas lease on the unleased mineral interests of the defendant or defendants, that the existence of such unleased interests is detrimental to and impairs the interest of the plaintiff, the court shall appoint a receiver for the purpose of selling an oil and gas lease upon the interest of said defendant or defendants, and said order appointing the receiver and authorizing the sale of such lease shall set forth the minimum bonus which may be accepted and the minimum royalty and rental rate. The court, in its discretion, may require the receiver to give bond.

Added by Laws 1968, c. 264, § 2, emerg. eff. April 29, 1968.

§52-523. Negotiations by receiver - Deposit of funds - Discharge - Costs.

Such receiver shall proceed immediately to enter into negotiations with prospective purchasers and shall sell an oil and gas lease on the interest of the defendant or defendants, said lease to be for a primary term of not to exceed five (5) years from date

and as long thereafter as oil and gas, or either of them, is produced in paying quantities from said land by the lessee. Said lease shall not be sold for less than the minimum bonus, rentals and royalties specified in the order of the court. All monies paid to the receiver shall be by him deposited in the registry of the court for the use and benefit of the defendants and thereupon the court shall immediately discharge such receiver, and any future payments paid under said oil and gas lease shall be paid directly into the registry of the court and held for the use and benefit of the defendant or defendants. The cost of the receiver and the court cost shall be affixed by the court and shall be paid by the plaintiff.

Added by Laws 1968, c. 264, § 3, emerg. eff. April 29, 1968. Amended by Laws 1969, c. 114, § 1.

§52-524. Natural gas - Preferred use.

The use of natural gas, on the premises in which it is produced or in gathering pipelines located on lands in a proven gas field, to pump water to the surface for irrigation on such premises, is a preferred use, prior in order to all other uses to which such gas may be devoted.

Added by Laws 1977, c. 38, § 1.

§52-525. Agricultural use of natural gas - Price - Installation of lines - Cessation of delivery.

Subject to prior contractual rights, every person, firm or corporation owning or operating any gas well from which natural gas is produced, sold or used off the premises on which such well is located shall make available, upon request, to any person engaged in agricultural activities upon such premises, sufficient gas from the production of such well for the operation of pumps necessary for the pumping of such amount of water, produced from wells on such premises, as may be necessary and proper for the irrigation of such portion of said premises as may be devoted to the growth of agricultural products or to pasture or orchard uses. The person at whose request the gas is furnished shall receive the gas at the wellhead and pay therefor the price not to exceed that at which the gas is sold at the wellhead. All cost of installation, including the gas meter, shall be borne by the person at whose request the gas is furnished. Provided, however, that the owner or operator of the well may cease deliveries of gas upon fifteen (15) days' written notice if the person requesting delivery fails to make payments for delivered gas within forty-five (45) days after billing is made by the owner or operator. The owner or operator shall be permitted a reasonable surcharge for the cost of meter maintenance, determination of volumes, accounting and other operational costs incurred by the owner and operator in connection with the furnishing of the gas.

Added by Laws 1977, c. 38, § 2.

§52-526. Irrigation pumps - Providing natural gas - Price - Installation of lines - Cessation of delivery.

Subject to prior contractual rights, every person, firm or corporation owning or operating a natural gas gathering pipeline located on lands in a proven natural gas field, shall furnish to owners or operators of natural gas engines used for pumping irrigation water on such lands and to these same owners or operators of irrigation wells, if requested to do so, natural gas for the operation of engines used for pumping irrigation water. The price charged to the owner or operator of such irrigation wells shall not be more than twenty-five percent (25%) above the prevailing wellhead price. The owners or operators of such gathering line shall make connection and furnish the gas meter, but all costs of installation, including this cost of the gas meter, shall be borne by the owner or operator of such irrigation well. Provided, however, that the owner or operator of the pipeline may cease deliveries of gas upon fifteen (15) days' written notice if the person requesting delivery fails to make payments for delivered gas within forty-five (45) days after billing is made by the owner or operator. The owner or operator shall be permitted a reasonable surcharge for the cost of meter maintenance, determination of volumes, accounting and other operational costs incurred by the owner and operator in connection with the furnishing of the gas.

Added by Laws 1977, c. 38, § 3.

§52-527. Method of measuring amount of gas.

It shall be permissible, when agreeable to all parties mentioned in Sections 2 and 3 of this act, to substitute an hour meter on such engine in lieu of a natural gas meter as a method of measuring the amount of the gas so used.

Added by Laws 1977, c. 38, § 4.

§52-528. State Corporation Commission - Powers and duties - Duty of Operators.

The State Corporation Commission is hereby vested with jurisdiction over the sales of natural gas pursuant to this section, and may adopt such rules and regulations as may be necessary with respect thereto, but nothing in this act shall create in any manner an obligation or duty on the part of the operator of any well or gathering pipeline, who furnishes gas under the provisions of this act, to assume in any way public utility duties to the public at large, except as such duties may arise from such operator's acts separate and apart from any performance of obligations imposed under this act.

Added by Laws 1977, c. 38, § 5.

§52-529. Liability of operators - Jurisdiction - Venue.

Any owner or operator of a well who fails to comply with any duty imposed by this act shall be liable to the person or persons aggrieved for all damages suffered as a result thereof, including any diminution in yield from said land which may arise from inability to irrigate the same because of or arising out of the failure to perform such duty. Any person entitled to rights under the provisions of this act may bring an action or proceeding in the district court of the county wherein the natural gas well or natural gas gathering pipeline is situated to protect and enforce any or all such rights. Added by Laws 1977, c. 38, § 6.

§52-540. Renumbered as § 570.10 of this title by Laws 1992, c. 190, § 28.

§52-540.1. Repealed by Laws 1992, c. 190, § 27, eff. Sept. 1, 1992.

§52-541. Renumbered as § 581.2 of this title by Laws 1992, c. 190, § 29.

§52-542. Renumbered as § 581.6 of this title by Laws 1992, c. 190, § 29.

§52-543. Renumbered as § 581.5 of this title by Laws 1992, c. 190, § 29.

§52-544. Renumbered as § 581.7 of this title by Laws 1992, c. 190, § 29.

§52-545. Renumbered as § 581.8 of this title by Laws 1992, c. 190, § 29.

§52-546. Renumbered as § 581.9 of this title by Laws 1992, c. 190, § 29.

§52-547. Renumbered as § 581.10 of this title by Laws 1992, c. 190, § 29.

§52-548. Short title.

Sections 1 through 7 of this act shall be known and may be cited as the "Oil and Gas Owners' Lien Act".

Added by Laws 1988, c. 194, § 1, emerg. eff. June 8, 1988.

§52-548.1. Repealed by Laws 2010, c. 142, § 13, emerg. eff. April 19, 2010.

§52-548.2. Repealed by Laws 2010, c. 142, § 13, emerg. eff. April 19, 2010.

§52-548.3. Repealed by Laws 2010, c. 142, § 13, emerg. eff. April 19, 2010.

§52-548.4. Repealed by Laws 2010, c. 142, § 13, emerg. eff. April 19, 2010.

§52-548.5. Repealed by Laws 2010, c. 142, § 13, emerg. eff. April 19, 2010.

§52-548.6. Repealed by Laws 2010, c. 142, § 13, emerg. eff. April 19, 2010.

§52-549.1. Short title.

#### SHORT TITLE

This act shall be known and may be cited as the "Oil and Gas Owners' Lien Act of 2010".

Added by Laws 2010, c. 142, § 1, emerg. eff. April 19, 2010.

§52-549.2. Definitions.

#### DEFINITIONS

As used in the Oil and Gas Owners' Lien Act of 2010:

1. "Affiliate" means any person:

- a. who is controlled, directly or indirectly, by a first purchaser, or
- b. who controls, directly or indirectly, a first purchaser.

"Control" or "controlled by" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through ownership, by contract, or otherwise;

2. "Agreement to sell" means any enforceable agreement, whether express or implied, whether oral or written, by which an interest owner, either directly or through a representative, agrees to sell or is deemed by applicable contract or law to have agreed to sell oil or gas upon or after severance to a first purchaser;

3. "Article 9" means Article 9 of the Oklahoma Uniform Commercial Code in effect as of the relevant date or a comparable article under the uniform commercial code of another state to the extent applicable;

4. "First purchaser" means the first person that purchases oil or gas from an interest owner, either directly or through a representative, under an agreement to sell;

5. "Gas" means natural gas and casinghead gas and all constituent parts thereof both before and after processing but prior

to the time at which a first purchaser transfers title, possession or control thereof to a purchaser;

6. "Interest owner" means a person owning an interest of any kind or nature in oil and gas rights before the acquisition thereof by a first purchaser. Interest owner includes a representative and a transferee interest owner;

7. "Oil" means oil and condensate and all constituent parts thereof whether before or after processing but prior to the time at which a first purchaser transfers title, possession or control thereto to a purchaser;

8. "Oil and gas lien" means the lien granted by this act;

9. a. "Oil and gas rights" means, as to any lands within the State of Oklahoma, any right, title or interest, whether legal or equitable, in and to:

- (1) oil,
- (2) gas,
- (3) proceeds,
- (4) an oil and gas lease,
- (5) a pooling order, and
- (6) an agreement to sell.

b. By way of illustration and not limitation, oil and gas rights include, but are not limited to:

- (1) oil or gas in place prior to severance,
- (2) oil or gas production, or the right to receive a portion of the proceeds, upon severance,
- (3) any interest or estate in, by, through or under an oil and gas lease,
- (4) rights acquired under a pooling order insofar as such rights relate to: ownership of oil and gas, the right to proceeds, or the right to enter into an agreement to sell,
- (5) a legal or equitable right to receive consideration of whatsoever nature under an agreement to sell, or
- (6) a mortgage lien or security interest in any of the foregoing;

10. "Operator" means a person engaged in the severance of oil or gas for that person alone, for other persons only, or for that person and others;

11. "Permitted lien" means any of the following liens or security interests:

- a. a mortgage lien or security interest granted by a first purchaser in favor of a person not an affiliate of the first purchaser which mortgage lien or security interest secures payment under a written instrument of indebtedness signed by the first purchaser and accepted in writing by the payee thereof prior to the effective

date of this act with a principal amount and a fixed maturity stated therein; provided, however, a permitted lien does not include a mortgage lien or security interest which:

- (1) secures payment of any indebtedness incurred from and after the effective date of this act,
  - (2) secures payment under a written instrument of indebtedness not signed by a first purchaser and accepted in writing by the payee thereof prior to the effective date of this act,
  - (3) secures payment under a written instrument of indebtedness modified, amended or restated from or after the effective date of this act which modification, amendment or restatement increases the principal amount which was owing at the effective date of this act,
  - (4) secures payment under a written instrument of indebtedness modified, amended or restated from or after the effective date of this act which modification, amendment or restatement extends the stated maturity thereof which was in effect at the effective date of this act, or
  - (5) is not validly perfected with a first priority against the claims of all persons under applicable law other than persons holding a statutory or regulatory lien as to which first priority is granted by statute or regulation, or
- b. a validly perfected and enforceable lien created by statute or by rule or regulation of a governmental agency for storage or transportation charges, including terminal charges, tariffs, demurrage, insurance, labor or other charges, owed by a first purchaser in relation to oil or gas originally purchased under an agreement to sell; provided, however, a permitted lien does not include any such lien:
- (1) which is in favor of an affiliate of a first purchaser unless such lien is authorized by the statute, rule or regulation creating such lien, or
  - (2) which is for charges in excess of ninety (90) days from the time the first purchaser delivers such oil or gas for such storage or transportation;

12. "Person" means any individual, executor, administrator, estate, agent, trust, trustee, institution, receiver, business trust, firm, corporation, partnership, limited liability company, cooperative, joint venture, governmental entity or agency, association or any other group or combination acting as a unit;

13. "Pooling order" means an order issued by the Corporation Commission that requires the owners of the right to drill for oil or gas in a drilling and spacing unit to pool their interests for the development of such drilling and spacing unit;

14. "Proceeds" means any of the following when paid or to be paid in consideration of, or as a consequence of, the sale of oil or gas under an agreement to sell: oil or gas on or after severance; inventory of raw, refined or manufactured oil or gas after severance; rights to or products of any of the foregoing; cash proceeds; accounts; chattel paper; instruments; documents; or payment intangibles with respect to any of the foregoing;

15. "Purchaser" means a person which is not an affiliate of a first purchaser and which takes, receives or purchases oil or gas from a first purchaser;

16. "Representative" means any person who is authorized, either expressly or by implication, including, without limitation, an operator or a broker so authorized, to sell oil or gas on behalf of, or for the benefit of, an interest owner under an agreement to sell or to receive on behalf of an interest owner the consideration under an agreement to sell;

17. "Sales price" means the proceeds a first purchaser agrees to pay an interest owner or representative under an agreement to sell;

18. "Security interest" means a security interest governed by Article 9;

19. "Severance" means that point in time at which oil or gas is reduced to possession at the mouth of the wellbore of an oil and gas well;

20. "Transferor interest owner" means an interest owner that transfers or conveys oil and gas rights, in whole or in part; and

21. "Transferee interest owner" means a person that acquires oil and gas rights from a transferor interest owner.

Added by Laws 2010, c. 142, § 2, emerg. eff. April 19, 2010.

### §52-549.3. Oil and gas lien.

#### NATURE, EXTENT AND DURATION OF OIL AND GAS LIEN

A. To secure the obligations of a first purchaser to pay the sales price, each interest owner is hereby granted an oil and gas lien to the extent of the interest owner's interest in oil and gas rights. The oil and gas lien granted by this act is granted and shall exist as part of and incident to the ownership of oil and gas rights.

B. An oil and gas lien:

1. Exists in and attaches immediately to all oil and gas on the effective date of this act;

2. Continues uninterrupted and without lapse in all oil and gas upon and after severance; and

3. Continues uninterrupted and without lapse in and to all proceeds.

C. An oil and gas lien exists until the interest owner or representative first entitled to receive the sales price has received the sales price. Notwithstanding the immediately preceding sentence, as between an interest owner and a representative of an interest owner or any person claiming adversely to such interest owner or representative, such interest owner's oil and gas lien continues uninterrupted and without lapse in proceeds in the possession or control of a representative until the interest owner on whose behalf such representative acts receives such proceeds in full. When a first purchaser, in good faith, pays the sales price to an interest owner or a representative otherwise apparently entitled to receive the sales price and the first purchaser is without actual knowledge that such interest owner or representative is not entitled to receive the sales price so paid, then such first purchaser takes free of the oil and gas lien otherwise applicable to the oil or gas for which such payment was made. Notwithstanding the immediately preceding sentence, the oil and gas lien will continue uninterrupted in the proceeds paid to or otherwise due the interest owner or representative.

D. The validity of an oil and gas lien shall not be dependent on possession of the oil or gas by an interest owner or representative. No oil and gas lien shall become or be deemed to be void or expired by reason of a change or transfer of the actual or constructive possession of or title to the oil or gas from the interest owner or representative to a first purchaser or purchaser.

E. On the conveyance or transfer of any oil and gas rights by a transferor interest owner, the oil and gas lien vested in the transferor interest owner immediately before the conveyance or transfer shall remain with the transferor interest owner to the extent of any oil and gas rights retained by the transferor interest owner.

F. On the conveyance or transfer of any oil and gas rights by a transferor interest owner, the oil and gas lien vested in the transferor interest owner immediately before the conveyance or transfer shall be transferred to and attach automatically to the oil and gas rights acquired by the transferee interest owner uninterrupted and without lapse and as part of and incident to the oil and gas rights so transferred or conveyed.

Added by Laws 2010, c. 142, § 3, emerg. eff. April 19, 2010.

§52-549.4. Perfection of oil and gas lien.

#### PERFECTION OF OIL AND GAS SECURITY INTEREST

An oil and gas lien is granted and exists as part of and incident to the ownership of oil and gas rights and is perfected automatically without the need to file a financing statement or any other type of

documentation. An oil and gas lien exists and is perfected from the effective date of this act.

Added by Laws 2010, c. 142, § 4, emerg. eff. April 19, 2010.

§52-549.5. Oil and gas commingling.

#### COMMINGLING

If oil or gas in which there exists more than one oil and gas lien is commingled with other oil or gas in such a manner that the identity of the specific oil or gas is lost, then the oil and gas lien continues without interruption into and attaches to any such resulting commingled product and is perfected automatically as of the date of its original perfection but only as to volumes out of the commingled product equal to the volume of product to which the oil and gas lien originally attached. In such event, the oil and gas lien in the commingled product has priority over any security interest or other lien that is not an oil and gas lien or permitted lien, whether or not the security interest or other lien has been properly perfected. If more than one oil and gas lien attaches to the commingled product, then the oil and gas liens rank equally in the proportion that the respective sales prices secured by each oil and gas lien bears as a percentage of the total of the sales prices secured by all oil and gas liens applicable to the production at the time the production was commingled. This section is intended to recognize the continuation of oil and gas lien rights of an interest owner in the commingled product stream only as to a volume of oil or gas proportionate to the volume of oil or gas that originated from such interest owner, with that volume of the commingled product being considered to have maintained a distinct identity as being available for sale or transportation under the specific contractual arrangements applicable to the production at the time it entered the commingled product stream.

Added by Laws 2010, c. 142, § 5, emerg. eff. April 19, 2010.

§52-549.6. Rights of purchaser.

#### RIGHTS OF PURCHASERS

A purchaser takes free of any oil and gas lien otherwise applicable to the oil or gas so purchased, and shall be relieved of any obligations created by subsection A of Section 570.10 of Title 52 of the Oklahoma Statutes, only in the event that either of the following occur:

1. The purchaser is deemed to be a buyer in the ordinary course of the first purchaser's business as defined in Article 9; or
2. The purchaser has paid all of the consideration due the first purchaser, including by exchange of oil or gas, net-out or set-off, under all applicable enforceable contracts in existence at the time of the payment.

Notwithstanding the foregoing, the oil and gas lien will continue uninterrupted in the proceeds paid to or otherwise due the first purchaser.

Except as specifically set forth in this section, an oil and gas lien has priority over the rights of any purchaser.  
Added by Laws 2010, c. 142, § 6, emerg. eff. April 19, 2010.

§52-549.7. Relative priority of oil and gas lien.

PRIORITY RELATIVE TO OTHER LIENS OR SECURITY INTERESTS

Except for a permitted lien, an oil and gas lien is a lien that takes priority over any other lien, whether arising by contract, law, equity or otherwise, or any security interest.

Added by Laws 2010, c. 142, § 7, emerg. eff. April 19, 2010.

§52-549.8. Not affected by act.

TITLE

The provisions of this act shall not affect:

1. The time at which legal title to oil and gas may pass by agreement or operation of law subject to an oil and gas lien;
2. The right of a first purchaser to take or receive oil and gas under the terms of a division order, provided that such division order shall not modify, waive or abrogate in any respect the rights of an interest owner under this act; or
3. Subject to the provisions of Section 9 of this act, the right of a first purchaser to take or receive oil and gas under an agreement to sell.

Added by Laws 2010, c. 142, § 8, emerg. eff. April 19, 2010.

§52-549.9. Waiver, relinquishment, release.

WAIVER

No interest owner shall be required, as a condition or term of an agreement to sell or otherwise, to waive, relinquish or release any oil and gas lien or any rights under this act other than upon payment in full of the sales price or agree to any provision that would apply the law of any state other than the State of Oklahoma insofar as the same relates to rights under this act, and any such purported waiver, relinquishment, release, or provision shall be void as a matter of the public policy of this state. Notwithstanding the preceding sentence, any interest owner or a representative acting on behalf of an interest owner, may waive, relinquish or release any oil and gas lien or any rights under this act or agree to a provision that would apply the law of any state other than the State of Oklahoma insofar as the same relates to rights under this act only as to such interest owner's oil and gas rights provided the first purchaser either:

1. Posts a letter of credit in form and amount satisfactory to the interest owner, or a representative acting on behalf of an interest owner; or

2. Agrees to a binding contractual arrangement satisfactory in form and substance to the interest owner, or a representative acting on behalf of an interest owner to prepay or escrow the sales price under an agreement to sell in form and substance satisfactory to the interest owner and performs all of the first purchaser's obligations thereunder.

Added by Laws 2010, c. 142, § 9, emerg. eff. April 19, 2010.

§52-549.10. Expiration of oil and gas lien - Enforcement of lien.

EXPIRATION OF LIEN - ENFORCEMENT - JOINDER AND CONSOLIDATION - COSTS - PERSONAL ACTIONS - OTHER RIGHTS AND REMEDIES

A. An oil and gas lien shall expire, as to an interest owner, one (1) year after the last day of the month following the date proceeds from the sale of oil or gas subject to such lien are required by law or contract to be paid to such interest owner but only as to the oil or gas sold during such month, unless an action to enforce the oil and gas lien is commenced within such time in a court of competent jurisdiction. In addition to any other court of competent jurisdiction, an action to enforce the oil and gas lien may be commenced in the district court of the county in which there is located the oil and gas well from which the oil or gas is produced, or wherever the oil or gas unpaid for or the proceeds may be found. Notwithstanding the foregoing, the commencement of any proceeding by or against any person claiming an interest in any property subject to the oil and gas lien seeking to adjudicate such person as bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of such person or such person's debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for such person or for any substantial part of such person's property shall toll the foregoing one (1) year period in which to commence an action to enforce the oil and gas lien for an additional period of ninety (90) days from the earlier of:

1. The final conclusion or dismissal of such proceedings; or

2. The date final relief is obtained from the applicable tribunal authorizing the commencement of such action.

Proceedings to enforce oil and gas liens involving more than one oil and gas well in one county can be joined by an interest owner in the same action. Any number of persons claiming oil and gas liens with respect to the oil or gas from the same oil and gas well or wells may join in the same action and where separate actions are commenced, the district court may consolidate them. The district court shall allow as part of the costs of the action all costs of collection including, without limitation, reasonable attorney fees for the prevailing party in the trial and appellate tribunals.

B. Nothing in this act shall be construed to impair or affect the right of any interest owner to maintain a personal action to recover the debt against any person liable for payment of the sales price or to exercise any other rights and remedies available at law or in equity.

Added by Laws 2010, c. 142, § 10, emerg. eff. April 19, 2010.

§52-549.11. Rights of operator.

RIGHTS OF OPERATOR NOT IMPAIRED

This act does not impair an operator's right to be paid, set-off or withhold funds from another interest owner as security for or in satisfaction of any debt or security interest. In case of a dispute between an operator and another interest owner, a good-faith tender of funds by anyone operates as a tender of the funds to both in any of the following circumstances:

1. To the person who the operator and other interest owner jointly direct the first purchaser in writing to pay;
2. To a person who otherwise shows himself or herself to be the one entitled to the funds; or
3. To a court of competent jurisdiction in the event of litigation or bankruptcy.

Added by Laws 2010, c. 142, § 11, emerg. eff. April 19, 2010.

§52-549.12. Cumulative rights.

RIGHTS CUMULATIVE

A. The provisions of this act and the rights granted under this act are intended to be cumulative with all other rights an interest owner may otherwise have at law or in equity. To the extent that there is a conflict between the provisions of this act and any other rights an interest owner has at law or in equity, then the rights of the interest owner are to be liberally construed to the end that those rights which afford the interest owner the most comprehensive protection to secure the receipt by the interest owner of the sales price shall be given preference.

B. The rights of any interest owner accrued under the provisions of Section 548.1 et seq. of Title 52 of the Oklahoma Statutes prior to the effective date of this act shall be preserved to the extent not in conflict with the provisions of this act.

Added by Laws 2010, c. 142, § 12, emerg. eff. April 19, 2010.

§52-551. Definitions.

As used in this act:

1. "Holder" means any person in possession of property subject to this act, when said property belongs to another person; and
2. "Persons" means any individual, partnership, joint stock association, trust, cooperative, unincorporated association or corporation.

Added by Laws 1983, c. 320, § 1, eff. July 1, 1984.

§52-552. Escrow accounts.

A. The Corporation Commission shall require the establishment of an escrow account by each holder of monies in each case where:

1. Royalties, bonus payments, or other monies are directed to be paid under a pooling order, issued under the provisions of Section 87.1 of Title 52 of the Oklahoma Statutes; and

2. Persons entitled to the receipt of such monies are unknown or cannot be located after exercise of due diligence.

B. The escrow account shall be for the benefit of the rightful recipient of the monies. Any person showing to the holder sufficient proof of identity and proof of ownership of the property shall be promptly paid the sum accumulated for his benefit in the escrow account.

C. The Corporation Commission shall require reports of each such account be filed within one (1) year after the pooling order. The reports shall include, but not be limited to:

1. The name and last-known address of the property owner;

2. The legal description of the property interest subject to the pooling order;

3. The location and account number of the escrow account;

4. The person authorized to order withdrawals from the account;

5. The date of the pooling order; and

6. Such other information as the Commission may require.

D. If any holder of monies is required to establish more than one escrow account by operation of any section of this act, then the monies accruing may all be commingled in a single account. Separate records of each deposit and withdrawal on behalf of specific persons shall be maintained.

E. One (1) year after the date of the pooling order, the holder shall submit the report of funds that have been held in escrow, and shall transmit to the Corporation Commission the funds that have been so held. If additional monies covered by this act are subsequently generated from mineral interests included in a pooling order, they shall likewise be held in escrow and transmitted annually by the holder, along with the names of mineral owners who have in the intervening year submitted proper claims of ownership to mineral interests covered by this act.

Provided, however, that payment of such monies shall be optional with the holder if the amount held for any one person is One Hundred Dollars (\$100.00) or less. This exemption does not relieve the holder of filing the required reports, regardless of the amount.

Added by Laws 1983, c. 320, § 2, eff. July 1, 1984.

§52-553. Mineral Owner's Fund.

There is hereby created in the State Treasury the "Mineral Owner's Fund" the principal of which shall constitute a trust fund for persons claiming any interest in monies delivered to this state under this act. The fund shall be invested and shall not be expended except as provided in this act. All monies received under this act shall be promptly deposited into the Mineral Owner's Fund. Added by Laws 1983, c. 320, § 3, eff. July 1, 1984.

§52-554. Transmission of funds - Escrow report - Claims against Mineral Owner's Fund.

A. The Corporation Commission shall, by the close of the second working day following the day on which the funds are received from holders, transmit the funds to the State Treasurer, who shall hold the funds in trust for the mineral owners in the Mineral Owner's Fund.

B. The Corporation Commission shall, within ninety (90) days of receipt, provide copies of escrow reports required by Section 551 et seq. of this title to the State Treasurer. The State Treasurer shall include these names in the regular annual process to locate the owners of unclaimed property.

C. Claims against the Mineral Owner's Fund shall be submitted to the State Treasurer, and upon sufficient proof of ownership, the State Treasurer shall pay monies to the rightful owner or to the rightful owner's heirs, devisees or assigns from the Unclaimed Property Fund, to be reimbursed quarterly from the Mineral Owner's Fund, for such claim.

D. The Corporation Commission shall retain ten percent (10%) of each amount of funds transferred to the State Treasurer to cover the Corporation Commission's cost of administration of the requirements of Section 551 et seq. of this title.

Added by Laws 1983, c. 320, § 4. Amended by Laws 1999, c. 10, § 35, eff. July 1, 1999; Laws 2003, c. 468, § 6, eff. July 1, 2003.

§52-555. Investment of funds - Apportionment of interest.

The State Treasurer shall invest the monies in the Mineral Owner's Fund and shall annually apportion the interest earned as follows:

1. Twenty-five percent (25%) to the Corporation Commission to be used for plugging abandoned oil and gas wells, pursuant to Sections 308 et seq. of this title, not to exceed Three Hundred Thousand Dollars (\$300,000.00) per year; provided, that any amount that would cause funds available for that purpose to exceed Five Hundred Thousand Dollars (\$500,000.00) in any one (1) year shall remain in the Mineral Owner's Fund;

2. Fifty percent (50%) to the State Treasurer but not more than Two Hundred Thousand Dollars (\$200,000.00) per year, to be spent for advertising, personnel and other expenses incurred to search for the

rightful owners of unclaimed intangible property generated by mineral interests; and

3. Any remaining interest shall be added to the principal of the Mineral Owner's Fund.

Added by Laws 1983, c. 320, § 5. Amended by Laws 1999, c. 10, § 36, eff. July 1, 1999; Laws 2003, c. 468, § 7, eff. July 1, 2003.

§52-556. Custody of Mineral Owner's Fund - Transfer of monies to Unclaimed Property Fund.

The State Treasurer shall retain custody of the Mineral Owner's Fund and annually on a date established by the Treasurer shall transfer to the Unclaimed Property Fund those monies which have been in escrow accounts and the Mineral Owner's Fund five (5) years or more after the date of pooling. After that time, such monies shall be subject to the Uniform Unclaimed Property Act.

Added by Laws 1983, c. 320, § 6, eff. July 1, 1984. Amended by Laws 1991, c. 331, § 53, eff. Sept. 1, 1991; Laws 2000, c. 136, § 3, eff. July 1, 2000.

§52-557. Conditions for oil well plugging approval.

The Corporation Commission shall not finally approve the plugging of any well until the designated operator of such well files an affidavit stating that all monies arising out of the production or operation of such well:

1. have been paid to the rightful recipients over which said operator exercises control; or

2. are being held in escrow; or

3. have been transmitted to the Corporation Commission pursuant to the provisions of Sections 551 through 558 of this title.

If any monies have not been paid as a result of being unable to locate the owner of such monies after the exercise of due diligence, or if any monies remain in escrow accounts, such monies shall be deposited immediately into the Mineral Owner's Fund. If any plugging bond has been submitted by the designated operator to the Corporation Commission, it shall not be released until the requirements of this section are met.

Added by Laws 1983, c. 320, § 7, eff. July 1, 1984. Amended by Laws 1984, c. 212, § 1, emerg. eff. May 21, 1984.

§52-558. Implementation of act - Rules - Prospective operation.

A. The Corporation Commission and the State Treasurer are to establish, administer and enforce rules and shall establish procedures for the full coordinated implementation of Section 551 et seq. of this title.

B. The operation of Section 551 et seq. of this title shall be prospective only and shall apply only to pooling proceedings filed after July 1, 1984. Any person holding monies described in Section

551 et seq. of this title on July 1, 1984, may transmit such monies to the Corporation Commission for the Mineral Owner's Fund, and be relieved of liability as provided by Section 551 et seq. of this title.

Added by Laws 1983, c. 320, § 8, eff. July 1, 1984. Amended by Laws 2001, c. 133, § 6, emerg. eff. April 24, 2001.

§52-567. Repealed by Laws 1989, c. 241, § 2, eff. July 1, 1989.

§52-568. Repealed by Laws 1989, c. 241, § 2, eff. July 1, 1989.

§52-569. Renumbered by Laws 1987, c. 189, § 7, operative Nov. 1, 1987.

§52-570.1. Short title.

Sections 1 through 15 of this act shall be known and may be cited as the "Production Revenue Standards Act".

Added by Laws 1992, c. 190, § 1, eff. Sept. 1, 1992.

§52-570.2. Definitions.

As used in the Production Revenue Standards Act:

1. "Owner" means a person or governmental entity with a legal interest in the mineral acreage under a well which entitles that person or entity to oil or gas production or the proceeds or revenues therefrom;

2. "Produce", "Producing" and "Production" mean the physical act of severance of oil and gas from a well by an owner and includes but is not limited to the sale or other disposition thereof;

3. "Producing owner" means an owner entitled to produce who during a given month produces oil or gas for its own account or the account of subsequently created interests as they burden its interest;

4. "Proportionate production interest" means that interest in production which a working interest owner is entitled to produce in order to adjust for shifting of royalty burdens among working interest owners under the royalty payment provisions of this act, and is equal to the quotient of:

- a. the sum of that working interest owner's net revenue interests plus the net revenue interests of any subsequently created interests as they burden such owner's working interest,
- b. divided by the remainder of one (1) less the royalty share;

5. "Proportionate royalty share" means the percentage of the royalty share owned by a royalty interest owner calculated by dividing such owner's royalty interest in a well by the royalty share;

6. "Royalty interest" means the entirety of the percentage interest in production or proceeds therefrom:
- a. reserved or granted by a mineral interest owner exclusive of any interest defined as a working interest or a subsequently created interest, or
  - b. otherwise provided or ascribed to a mineral interest owner by statute, rule, order or operation of law.

The interest of a participating mineral interest owner shall be designated in part as a royalty interest and in part as a working interest as set forth in Section 87.1 of Title 52 of the Oklahoma Statutes;

7. "Royalty interest in a well" means an owner's royalty interest multiplied by the quotient of:
- a. the gross mineral acres under the well attributable to such interest, divided by
  - b. the total mineral acres under the well;
8. "Royalty proceeds" means the share of proceeds or other revenue derived from or attributable to any production of oil and gas attributable to the royalty share, but shall not include payments of bonus, delay rentals, shut-in royalties or any additional royalty payable to the Commissioners of the Land Office or other governmental entity, pursuant to and valued according to the terms of its oil and gas lease, which is calculated separately from the royalty portion of actual proceeds from the sale of oil or gas;
9. "Royalty share" means the percentage of the well equal to the sum of all royalty interests in a well;
10. "Subsequently created interest" means any interest carved from a working interest other than a royalty interest. In addition to the royalty interest contained in a lease, a nonparticipatory interest created by a working interest owner for the benefit of a mineral interest owner in excess of a one-eighth (1/8) royalty interest may, by separate agreement other than the oil and gas lease, be a subsequently created interest and thereby not be communitized under the terms of the Production Revenue Standards Act only if there is clear and unambiguous language expressing that intent in the creating document. The additional royalty payable to the Commissioners of the Land Office or other governmental entity, pursuant to and valued according to the terms of its oil and gas lease, which is calculated separately from the royalty portion of actual proceeds from the sale of oil or gas shall also be a subsequently created interest and thereby shall not be communitized under the Production Revenue Standards Act;
11. "Well" means an oil or gas well, and shall include:
- a. a well having uniform ownership as to all producing zones,

- b. a drilling and spacing unit having uniform ownership wherein multiple wells producing gas are commonly metered, and
- c. each separately metered producing zone within a single wellbore wherein ownership varies by zone; and

12. "Working interest" means the interest in a well entitling the owner thereof to drill for and produce oil and gas, including but not limited to the interest of a participating mineral owner to the extent set forth in Section 87.1 of Title 52 of the Oklahoma Statutes.

Added by Laws 1992, c. 190, § 2, eff. Sept. 1, 1992.

§52-570.3. Application of act.

The Production Revenue Standards Act shall apply to all owners and shall apply to all producing wells, regardless of the date pooled, drilled or of the date of the underlying leases; provided, however, that Sections 4, 5, 6, 7 and 8 of this act shall not apply to wells in common sources of supply under unitized management pursuant to Section 287.1 of Title 52 of the Oklahoma Statutes or where royalty remittance is otherwise provided by written agreement among all owners in a well.

Added by Laws 1992, c. 190, § 3, eff. Sept. 1, 1992.

§52-570.4. Sharing of and payment of proceeds - Operator's capacity and duties - Alternative royalty disbursement procedure.

A. In each month, each royalty interest owner shall share in all proceeds derived from the sale of gas production from a well to the extent of such owner's royalty interest in that well without regard to the identity of the producing owners during that period.

B. Each producing owner shall pay or cause to be paid to the operator the royalty share of its gas sales proceeds, valued according to such producing owner's lease terms or Corporation Commission forced pooling order, from all gas produced from the well by such owner during any month. The operator shall thereupon pay or cause to be paid such royalty proceeds to each royalty interest owner in the well in accordance with the proportionate royalty share owned by each royalty interest owner. The payment of such proceeds shall be accompanied by the information set out in Section 12 of this act.

C. The operator shall act solely in a ministerial capacity when performing functions on behalf of others pursuant to this act. The operator shall have discharged its duties to pay royalty proceeds under this act when it remits to the royalty interest owner such royalty proceeds that the operator has received from an owner pursuant to this act. In the absence of a division order signed by a royalty interest owner, an operator in distributing or causing to be distributed the royalty proceeds on gas production to that royalty interest owner shall be entitled to rely on royalty ownership and

remittance information provided by the working interest owner burdened by such royalty interest. Working interest owners shall be solely liable for mispayments caused by their errors in or omissions of royalty ownership and remittance information on the royalty interests burdening them. When collecting and disbursing royalty funds and reporting pursuant to Section 12 of this act, the operator shall be entitled to rely on information provided to it by or on behalf of another producing owner.

D. As an alternative to the royalty disbursement procedure set forth in subsection B of this section, a producing owner shall have the right to pay or cause to be paid the royalty share of its gas sales from gas produced by such owner during any month directly to all royalty interest owners according to their proportionate royalty shares in such well, contingent upon the following:

1. Such producing owner shall be solely liable for all errors in and omissions of payment that it makes of royalty proceeds;

2. Such producing owner shall make written report to the operator within thirty (30) days of the date of such payment of all information relating to such payments, including the information specified by Section 12 of this act;

3. Such producing owner shall give to the operator not less than sixty (60) days' written notice prior to initiating or terminating this alternate royalty disbursement procedure; provided, however, any owner terminating this alternate royalty disbursement procedure may not reinitiate such procedure for twelve (12) months from the effective date of such termination;

4. Such producing owner shall solely bear all additional costs incurred by the operator or itself because of its initiation, utilization or termination of this alternative royalty payment procedure; and

5. Such producing owner shall provide or cause to be provided to the royalty interest owners for each month such producing owner's proportionate production interest, and the information required under Section 12 of this act.

Added by Laws 1992, c. 190, § 4, eff. July 1, 1993.

§52-570.5. Designation of person for certain royalty, accounting and remittance functions.

A. The owners owning a majority in interest of the working interest in a well or the Corporation Commission for cause upon proper application by any working interest owner and notice to all working interest owners in a well may designate a person other than the operator, which person is defined for purposes of this section to include, but not be limited to, a bank or a trust company, to perform the royalty accounting and remittance functions assigned to the operator pursuant to the Production Revenue Standards Act, upon consent to and assumption by that person of:

1. Any costs thereby incurred; and
2. An obligation to furnish to the operator such information necessary to the operator for the discharge of its duties.

B. Any person designated pursuant to this section shall assume all rights and duties of and shall be held to the same standards of care as the operator as set forth in this section and Sections 4, 6, 7 and 13 and subsections A and G of Section 8 and subsections C and E of Section 10 of this act. Any person designated pursuant to this section who is not a working interest owner in the well, a first purchaser of production from the well or a bank or trust company shall be bonded or post other surety in an amount equal to Fifty Thousand Dollars (\$50,000.00). Except as provided by private agreement or Corporation Commission order derived from other statutory authority, such person shall not thereby assume other rights or duties of the operator.

Added by Laws 1992, c. 190, § 5, eff. July 1, 1993.

§52-570.6. Selling royalty gas in kind - Consumption and accounting for royalty gas.

A. A royalty interest owner who has a right to sell royalty gas in kind may do so as described in the agreement creating such right, but in no event upon less than sixty (60) days' prior written notice to its lessee or lessees and the operator. Solely for purposes of revenue allocation under the Production Revenue Standards Act, the interest of a royalty interest owner selling gas and the working interest burdened thereby shall each be regarded as part royalty interest and part working interest, in the same percentages that the royalty and working interests are provided in the lease. A royalty interest owner selling gas shall remit the royalty share of its gas sales to the operator in the same manner as any other producing owner.

B. If metered, consumption of gas from a well by a royalty interest owner or surface owner wherein there is no sale of such gas shall be deemed production by the working interest owner burdened by the contractual right to consume gas and shall be accounted for at the average price, weighted by volume, of gas from that well sold by such working interest owner during that month. In the absence of a sale by such working interest owner, the average price, weighted by volume, of gas from that well sold by all producing owners during that month, shall be used.

C. A burdened working interest owner and the operator shall have the right to accomplish the accounting required pursuant to this section by offset or adjustment.

D. Royalty gas taken in kind by the Commissioners of the Land Office shall be considered consumption of gas from a well by a royalty interest owner and shall be deemed production by the working interest owner burdened by the contractual right of the Commissioners

of the Land Office to take such gas in kind. Such gas shall be accounted for by the working interest owner so burdened at the average price, weighted by volume, of gas from that well sold by such working interest owner during that month. In the absence of a sale by such working interest owner, the average price, weighted by volume, of gas from that well sold by all producing owners during that month shall be used. The Commissioners of the Land Office shall account to such working interest owner for such royalty gas taken in kind at the average price, weighted by volume, of gas from that well sold by all producing owners during that month.

Added by Laws 1992, c. 190, § 6, eff. July 1, 1993.

#### §52-570.7. Out-of-balance wells.

A. For purposes of the Production Revenue Standards Act a well is out of balance when cumulative gas sales on a volumetric basis for the account of all owners in a well have not been made in proportion to the respective net revenue interest of each owner.

B. In a well wherein the cumulative gas production accounts of royalty interest owners are out of balance, producing owners in that well may agree to have the distribution of gas royalty proceeds among the royalty interest owners made in a manner other than according to their proportionate royalty shares, provided that:

1. Such variance shall only be permitted to the extent required to balance the cumulative gas production accounts of the royalty interest owners; and

2. Prior notice thereof is given to the royalty interest owners affected thereby, and to the operator along with any ongoing information necessary for the operator to discharge its duties.

C. Nothing in this section shall be construed to impair any rights to balancing which may exist by contract or law.

Added by Laws 1992, c. 190, § 7, eff. July 1, 1993.

#### §52-570.8. Working interest owner's statement to operator - Nomination of gas for producing owner's account - Producing owner's report - Gas meter owner's statement - First purchaser's or shipper's statement - Records to be maintained - Operator's rights and remedies for noncompliance - Elections and notices - Other remedies.

A. Within sixty (60) days after receiving a written request from the operator, each working interest owner in a well producing gas shall furnish or cause to be furnished to the operator a written statement showing the name, address, royalty interest, taxpayer identification number and payment status of owners of royalty interest to which such working interest is subject. Thereafter, each working interest owner shall furnish or cause to be furnished to the operator a written statement showing:

1. Changes in the above specified information within sixty (60) days of receipt of notification thereof; or

2. Changes in its working interests within sixty (60) days of the receipt of notice of the change.

B. Each producing owner of gas from a well shall provide to the operator no later than five (5) business days prior to the month in which the nomination is to be effective, but earlier if required by the first purchaser or transporter, the name of the first purchaser or shipper and the volumes of gas nominated for production for such producing owner's account. The term "shipper", as used in this section, shall include any entity who contracts with a transporter to move gas through the transporter's system. The owner of the gas meter shall confirm all nominations with the operator of the well no later than the last business day prior to the month in which production occurs.

C. Within sixty (60) days after the end of the month of production, each producing owner shall report and account to the operator of the well, the identity of the first purchaser or shipper of the gas and the information specified in Section 570.12 of this title. Within thirty (30) days after receiving notice of any retroactive gas volume adjustment, each producing owner shall furnish, or cause to be furnished, notice of such retroactive adjustment to the operator of the well.

D. Within fifteen (15) days after the end of the month of production, each owner of a gas meter taking gas solely from a gathering system shall provide upon first request by the owner of such gathering system and thereafter, the gross volume of gas measured by such meter both in MCF and British Thermal Unit equivalent.

Within twenty (20) days after the end of the month of production, each owner of a gas meter shall provide or cause to be provided in writing to the operator of the well, the gross volume of gas measured by such meter, both in MCF and British Thermal Unit equivalent, and the volume of gas allocated at the meter to each first purchaser or shipper and each contracted producing owner that sold gas to the owner of the gas meter. Each meter owner shall, within the same time period, furnish each first purchaser or shipper the volume of gas allocated at the meter to that first purchaser or shipper. However, in the event a gas processing plant operator is performing the allocations, within ten (10) days after the end of the production month, the pipeline residue gas meter owner shall provide, upon first request by the processing plant operator and thereafter, the volume and British Thermal Unit equivalent measured through its meter as required by the gas processing plant operator for its allocations under this subsection.

The owner of a gas meter who has a gas contract, whether one or more, with one or more producing owners covering all of the gas flowing through its gas meter, may, as an alternative to supplying the operator with the information stated in this subsection, furnish

monthly volume statements to the operator of the well, provided it has already furnished the operator with the names of the producing owners and the decimal interest owned by each such producing owner or any method other than by decimal interest then in effect for allocating gas among the producing owners. Thereafter, the owner of the gas meter shall only be required to supply the operator with changes to the name of a producing owner, the decimal interest owned by a producing owner or the method, other than by decimal interest, for allocating gas among the producing owners within thirty (30) days after receiving notice of such change.

Within thirty (30) days after receiving notice of any retroactive gas volume adjustment, each owner of a gas meter shall furnish notice of such retroactive adjustment to the operator of the well.

E. Within thirty-five (35) days after the end of the month of production each first purchaser or shipper of gas from a gas meter shall furnish or cause to be furnished to the operator of the well, a volume allocation statement showing the volume of gas purchased from or shipped for each contracted producing owner. Within thirty (30) days after making any retroactive gas volume adjustment for such well, the first purchaser or shipper shall furnish notice of such retroactive gas volume adjustment to the operator of the well.

F. Any owner of a gas meter, first purchaser, or any gas shipper that does not provide the information required under subsection D or E of this section shall subject the producing owner or owners contracted to such entity to the same remedies available to the operator under subsection H of this section, as if such producing owner or owners are in noncompliance with subsections A and C of this section.

G. For production occurring after August 31, 1992, each person distributing proceeds to a royalty interest owner shall maintain for a period of not less than five (5) years:

1. Copies of information furnished to the operator pursuant to the Production Revenue Standards Act; and

2. A record of receipts and payments of proceeds which have occurred pursuant to the Production Revenue Standards Act.

Such records shall be available for inspection upon reasonable notice by any affected royalty interest owner in the well.

H. The Production Revenue Standards Act shall not supersede or limit the operator's right to control gas nominations and allocations pursuant to the provisions of any joint operating agreement, gas balancing agreement or other agreement then in effect between the operator of the well and any producing owner, or any order of the Oklahoma Corporation Commission. If the operator of the well is not provided with the information set forth in subsections A and C of this section within the sixty-day period set forth in each said subsection, the operator of the well shall have the right, but not the obligation, to confirm zero volume of gas sales for such

noncomplying producing owner and to make available for nomination and sale to the producing owners in the well then in compliance with the provisions of subsections A and C of this section, all of the noncomplying producing owner's share of production for the next subsequent calendar month of production and for each and every month thereafter during which such producing owner is in noncompliance with provisions of subsections A and C of this section. If the operator elects to make the noncomplying producing owner's share of production available for nomination and sale, the operator shall immediately notify the noncomplying producing owner, by certified mail, that it shall no longer have the right to nominate any volume of gas until it is in compliance with the provisions of subsections A and C of this section, or its first purchaser, shipper or owner of the gas meter are in compliance with subsections D and E of this section. Such notice shall contain the following information:

1. Lease or well identification;
2. Legal location; and
3. Production months of noncompliance with subsections A, C, D or E of this section.

The operator shall then immediately notify each producing owner then in compliance with subsections A and C of this section that additional gas may be available for nomination and sale. The operator shall also immediately notify in writing the noncomplying producing owner's first purchaser or shipper and the owner of the gas meter that the producing owner, first purchaser, shipper or owner of the gas meter is in noncompliance with the provisions of subsections A, C, D or E of this section and thus does not have the right to nominate and sell or transport any volume of gas until it is in compliance with this section.

The first purchaser or shipper and the owner of the gas meter shall be entitled to rely on and shall incorporate on a prospective basis any nomination or allocation changes pursuant to such notification from the operator under this section. Changes pursuant to such notification can be made on a retroactive basis if so agreed to by the operator, owner of the meter, and first purchaser or shipper.

As soon as a noncomplying party is in compliance with the provisions of this section, but no sooner than the next production month unless otherwise agreed to, the operator of the well shall give the affected producing owner the opportunity to nominate and sell gas subject to existing agreements or by common practice within the oil and gas industry.

Any noncomplying party that disagrees with the information contained in the operator's written notice required under this subsection shall have the right to challenge the operator's actions pursuant to the provisions of subsection J of this section.

I. All elections and notices given pursuant to the provisions of the Production Revenue Standards Act shall become effective as of the first day of the month following the end of any time period specified in the Production Revenue Standards Act.

J. The remedies provided for in this section shall not preclude any party from pursuing the remedies available to it through the district courts, as provided by existing law, including the right to offset.

K. Nothing contained in the Natural Gas Market Sharing Act shall change the obligations of a purchaser under an existing gas contract unless otherwise agreed to by the parties.

Added by Laws 1992, c. 190, § 8, eff. Sept. 1, 1992. Amended by Laws 1993, c. 340, § 2, emerg. eff. June 9, 1993.

§52-570.9. Production rights of owner - Ownership and payment of proceeds - Working interest owner's rights, duties and liability - Effect of act.

A. Each owner entitled to produce shall at a minimum have the right to produce separately its proportionate production interest in monthly production, subject to balancing restrictions created by statute, rule, agreement or operation of law; provided, however, no provision of the Production Revenue Standards Act shall create a new right for any owner to produce in excess of its proportionate production interest share of the total recoverable reserves from a well. As used herein, an owner is entitled to produce when by right of contract, lease, mineral ownership, Corporation Commission order or operation of law, such owner has acquired or retained a current right to separately contract for, dispose of or sell oil or gas from a well. Nothing in the Production Revenue Standards Act shall prevent any owner having the right to take production in kind, including a royalty interest owner, from so taking its share of production in kind or create a right to take in kind or use production, which right did not previously exist.

B. Except as otherwise provided by statute, rule, agreement or operation of law, proceeds from production, after deduction of royalty proceeds, shall be separately owned by the producing owner and any subsequently created interests attributable to the interests of such owner. A working interest owner shall be responsible for payment and reporting to any subsequently created interest which burdens its working interest.

C. All rights, burdens, duties and undertakings attributable to working interest other than the duty to pay royalty proceeds shall remain with such working interest and shall not be communitized pursuant to the Production Revenue Standards Act.

D. Notwithstanding any other provisions of the Production Revenue Standards Act, any working interest owner that pays or causes to be paid royalty proceeds for gas production in accordance with the

Production Revenue Standards Act valued according to the terms of such working interest owner's lease shall be relieved from all liability to royalty interest owners for any further payment of proceeds from such production.

E. Nothing in the Production Revenue Standards Act shall:

1. Prevent any working interest owner entitled to produce gas from receiving the price agreed upon by contract;

2. Eliminate or otherwise affect the rights and remedies available to any operator or working interest owner against any other working interest owner, including but not limited to an operator, that defaults or fails to pay its proportionate share of the well cost; or

3. Set the price, terms or conditions under which a purchaser takes the production or set any restrictions, limitations, floor or ceiling on the price to be paid for such production.

Added by Laws 1992, c. 190, § 9, eff. July 1, 1993.

§52-570.10. Payment of proceeds from sale of oil and gas production.

A. All proceeds from the sale of production shall be regarded as separate and distinct from all other funds of any person receiving or holding the same until such time as such proceeds are paid to the owners legally entitled thereto. Any person holding revenue or proceeds from the sale of production shall hold such revenue or proceeds for the benefit of the owners legally entitled thereto. Nothing in this subsection shall create an express trust.

B. Except as otherwise provided in this section:

1. Proceeds from the sale of oil or gas production from an oil or gas well shall be paid to persons legally entitled thereto:

a. commencing not later than six (6) months after the date of first sale, and

b. thereafter not later than the last day of the second succeeding month after the end of the month within which such production is sold.

2. Notwithstanding paragraph 1 of this subsection, royalty proceeds from the sale of gas production from an oil or gas well remitted to the operator pursuant to subsection B of Section 570.4 of this title shall be paid to persons legally entitled thereto:

a. commencing not later than six (6) months after the date of first sale, and

b. thereafter not later than the last day of the third succeeding month after the end of the month within which such production is sold; provided, however, when proceeds are received by the operator in its capacity as a producing owner, the operator may pay the royalty share of such proceeds to the royalty interest owners legally entitled thereto at the same time that it pays the royalty proceeds received from other producing

owners for the same production month, but not later than the last day of the third succeeding month after the end of the month within which such production was sold.

3. a. Proceeds from production may be remitted to the persons entitled to such proceeds annually for the twelve (12) months accumulation of proceeds totaling at least Ten Dollars (\$10.00) but less than One Hundred Dollars (\$100.00). Amounts less than Ten Dollars (\$10.00) may be held but shall be remitted when production ceases or by the payor upon relinquishment of payment responsibility.
- b. Proceeds totaling less than One Hundred Dollars (\$100.00) but more than Twenty-five Dollars (\$25.00) shall be remitted monthly if requested by the person entitled to the proceeds. Amounts less than Ten Dollars (\$10.00) shall be remitted annually if requested by the person entitled to the proceeds.
- c. Before proceeds greater than Twenty-five Dollars (\$25.00) may be accumulated, payor shall provide notice to the person owning interest as defined in Section 570.2 of this title, entitled to such proceeds that there is an option to be paid monthly for proceeds greater than Twenty-five Dollars (\$25.00). Such notice to the person shall also provide directions for requesting monthly payment, and constitutes notice to all heirs, successors, representatives, and assigns of the person.

4. Any delay in determining the persons legally entitled to proceeds from production caused by unmarketable title shall not affect payments to persons whose title is marketable, or that portion of a person's interest which is marketable.

C. 1. A first purchaser that pays or causes to be paid proceeds from production to the producing owner of such production or, at the direction of the producing owner, pays or causes to be paid royalty proceeds from production to:

- a. the royalty interest owners legally entitled thereto, or
- b. the operator of the well,

shall not thereafter be liable for such proceeds so paid and shall have thereby discharged its duty to pay those proceeds on such production.

2. A working interest owner that pays or causes to be paid royalty proceeds from production to:

- a. the royalty interest owners legally entitled thereto, or
- b. the operator of the well,

shall not thereafter be liable for such proceeds so paid and shall have thereby discharged its duty to pay those proceeds on such production.

3. An operator that pays or causes to be paid royalty proceeds from production, received by it as operator, to the royalty interest owners legally entitled thereto shall not thereafter be liable for such proceeds so paid and shall have thereby discharged its duty to pay those proceeds on such production.

4. Where royalty proceeds are paid incorrectly as a result of an error or omission, the party whose error or omission caused the incorrect royalty payments shall be liable for the additional royalty proceeds on such production and all resulting costs or damages incurred by the party making the incorrect payment.

D. 1. Except as otherwise provided in paragraph 2 of this subsection, where proceeds from the sale of oil or gas production or some portion of such proceeds are not paid prior to the end of the applicable time periods provided in this section, that portion not timely paid shall earn interest at the rate of twelve percent (12%) per annum to be compounded annually, calculated from the end of the month in which such production is sold until the day paid.

2. a. Where such proceeds are not paid because the title thereto is not marketable, such proceeds shall earn interest at the rate of (i) six percent (6%) per annum to be compounded annually for time periods prior to November 1, 2018, and (ii) the prime interest rate as reported in the Wall Street Journal for time periods on or after November 1, 2018, calculated from the end of the month in which such production was sold until such time as the title to such interest becomes marketable or the holder has received an acceptable affidavit of death and heirship in conformity with Section 67 of Title 16 of the Oklahoma Statutes, or as set forth in subparagraph b of this paragraph. Marketability of title shall be determined in accordance with the then current title examination standards of the Oklahoma Bar Association.

b. Where marketability has remained uncured, or the holder has not been provided an acceptable affidavit of death and heirship in conformity with Section 67 of Title 16 of the Oklahoma Statutes, for a period of one hundred twenty (120) days from the date payment is due under this section, any person claiming to own the right to receive proceeds which have not been paid because of unmarketable title may require the holder of such proceeds, or the holder of such proceeds may elect, to interplead the proceeds and all accrued interest into court for a determination of the persons legally

entitled thereto. Upon payment into court the holder of such proceeds shall be relieved of any further liability for the proper payment of such proceeds and interest thereon.

E. 1. Except as provided in paragraph 2 of this subsection, a first purchaser or holder of proceeds who fails to remit proceeds from the sale of oil or gas production to owners legally entitled thereto within the time limitations set forth in paragraph 1 of subsection B of this section shall be liable to such owners for interest as provided in subsection D of this section on that portion of the proceeds not timely paid. When two or more persons fail to remit within such time limitations, liability for such interest shall be shared by those persons holding the proceeds in proportion to the time each person held such proceeds.

2. When royalty proceeds on gas production are remitted pursuant to subsection B of Section 570.4 of this title:

- a. A first purchaser that causes such proceeds to be received by the operator or by a producing owner in the well for distribution to the royalty interest owner legally entitled thereto within the first month following the month in which such production was sold shall not be liable for interest on such proceeds.
- b. A producing owner receiving royalty proceeds that causes such proceeds to be received by the royalty interest owner legally entitled thereto or by the operator for distribution to the royalty interest owner legally entitled thereto not later than the end of the first month following the month in which proceeds for such production was received by the producing owner from the purchaser shall not be liable for interest on such proceeds.
- c. An operator receiving royalty proceeds that causes such proceeds to be received by the royalty interest owner legally entitled thereto, not later than the end of the first month following the month in which proceeds for such production was received by the operator from the purchaser or producing owner, shall not be liable for interest on such proceeds.
- d. Liability for interest provided in subsection D of this section shall be borne solely by the person, or persons, failing to remit royalty proceeds within the time limitations set forth in subsection B of this section. When two or more persons fail to remit within such time limitations, liability for such interest shall be shared by such persons in proportion to the time each person held such proceeds.

F. Nothing in this section shall be construed to impair or amend existing or future contractual rights provided for in gas balancing agreements or other written agreements which expressly provide for the taking, sharing, marketing or balancing of gas or the proceeds therefrom. Any proceeds to be paid pursuant to any such agreement shall not commence to earn interest until the sooner of the time provided in such agreement for the payment of such proceeds or ninety (90) days from the date of the depletion of the well. Nothing herein shall be deemed to alter or limit the payment of royalty proceeds as provided in the Production Revenue Standards Act.

G. All payments under the Production Revenue Standards Act to owners or any other person or governmental entity legally entitled to the payment may be made by electronic means including but not limited to electronic funds transfer, Automated Clearing House (ACH), direct deposit, wire transfer, or any other similar form of transfer, upon the mutual written consent of the payor and payee.

Added by Laws 1980, c. 205, § 1, eff. July 1, 1980. Amended by Laws 1985, c. 141, § 1; Laws 1989, c. 241, § 1, eff. July 1, 1989; Laws 1992, c. 190, § 10, eff. July 1, 1993. Renumbered from § 540 of this title by Laws 1992, c. 190, § 28. Amended by Laws 1993, c. 337, § 2, eff. July 1, 1993; Laws 1995, c. 146, § 1; Laws 2010, c. 152, § 1, emerg. eff. April 20, 2010; Laws 2018, c. 6, § 1, eff. Nov. 1, 2018.

#### §52-570.11. Division orders.

A division order is an instrument for the purpose of directing the distribution of proceeds from the sale of oil, gas, casinghead gas or other related hydrocarbons which warrants in writing the division of interest and the name, address and tax identification number of each interest owner with a provision requiring notice of change of ownership. A division order is executed to enable the first purchaser of the production or holder of proceeds to make remittance of proceeds directly to the owners legally entitled thereto and does not relieve the lessee of any liabilities or obligations under the oil and gas lease. Terms of a division order which conflict with the terms of any oil and gas lease are invalid, unless previously agreed to by the affected parties. This subsection shall only apply to division orders executed on or after July 1, 1989.

Added by Laws 1992, c. 190, § 11, eff. Sept. 1, 1992.

#### §52-570.12. Information to be included with payments to interest owner - Calculation of revenue decimals - Measurement of gas volume reported - Electronic dissemination.

A. The following information for each property and month of sale shall be included with each payment made to an interest owner from the sale of oil or gas:

1. Lease or well identification;

2. Month and year of sales included in the payment;
3. Total barrels or MCF attributed to such payment;
4. Price per barrel or MCF, including British Thermal Unit adjustment of gas sold;
5. Total amount attributed to such payment of severance and other production taxes, with the exception of windfall profit tax;
6. Net value of total sales attributed to such payment after taxes are deducted;
7. Owner's interest, expressed as a decimal, in production from the property;
8. Owner's share of the total value of sales attributed to such payment prior to any deductions;
9. Owner's share of the sales value attributed to such payment less owner's share of the production and severance taxes; and
10. A specific listing of the amount and purpose of any other deductions from the proceeds attributed to such payment due to the owner upon request by the owner.

B. For purposes of the Production Revenue Standards Act:

1. All revenue decimals shall be calculated to not less than the nearest sixth decimal place, which is the nearest part in one million; and
2. Gas volumes reported to any owner shall be measured as required by Section 474 of this title.

C. All information required to be included under subsection A of this section may be provided or made available to an owner by electronic means including but not limited to electronic mail or a website or database accessible to the owner, upon the mutual written consent of the information provider and the owner.

Added by Laws 1992, c. 190, § 12, eff. Sept. 1, 1992. Amended by Laws 2010, c. 152, § 2, emerg. eff. April 20, 2010.

#### §52-570.13. Promulgation of rules.

The Corporation Commission shall promulgate rules, as needed, in furtherance of the purposes of the Production Revenue Standards Act, including but not limited to a schedule of equitable fees and expense reimbursements from working interest owners sufficient to cover the actual costs incurred by the operator to perform duties required by the Production Revenue Standards Act not assumed by private agreement.

Added by Laws 1992, c. 190, § 13, eff. Sept. 1, 1992.

#### §52-570.14. Jurisdiction of district courts - Rulemaking power of Corporation Commission - Right of action of injured owner and costs of suit - Statute of limitations.

A. The district courts within this state shall have the sole and exclusive jurisdiction to determine the entitlement of any owner in a well to:

1. Its share of proceeds from production; or
2. Damages, interest, court costs, attorneys' fees or allowable litigation expenses incurred as a result of the violation of this act.

B. Any rulemaking power granted to the Corporation Commission by the Production Revenue Standards Act shall neither preclude nor impair the right of any owner to obtain through the district courts remedies available under existing law or additional remedies herein granted to any owner injured in business or property by reason of any action in violation of the provisions of the Production Revenue Standards Act.

C. Any owner injured in business or property by reason of any action in violation of the provisions of the Production Revenue Standards Act shall have the right to:

1. Recover actual damages so sustained; and
2. Obtain specific performance where equitable.

The prevailing party in any court proceeding brought pursuant to the Production Revenue Standards Act shall be entitled to recover the costs of the suit, including but not limited to reasonable attorney and expert witness fees.

D. For purposes of the Production Revenue Standards Act, the statute of limitations on actions brought pursuant to the provisions of the Production Revenue Standards Act shall be five (5) years from the date the cause of action shall have accrued, provided however, nothing shall create, limit or expand any statute of limitations applicable to production occurring prior to September 1, 1992. Added by Laws 1992, c. 190, § 14, eff. Sept. 1, 1992.

§52-570.15. Performance pursuant to act - Satisfaction of duties and obligation.

Notwithstanding the effective dates of various provisions of the Production Revenue Standards Act, performance under the terms of the Production Revenue Standards Act which causes proper payment of proceeds to owners legally entitled thereto for sales of gas production subsequent to the date of enactment but prior to the effective date of the Production Revenue Standards Act will satisfy duties or obligations pertaining to such sales under Sections 87.1 and 540 of Title 52 of the Oklahoma Statutes in effect on or before the effective date of the Production Revenue Standards Act. Added by Laws 1992, c. 190, § 15, eff. Sept. 1, 1992.

§52-581.1. Short title.

Sections 18 through 26 of this act and Section 546 of Title 52 of the Oklahoma Statutes shall be known and may be cited as the "Natural Gas Market Sharing Act". Added by Laws 1992, c. 190, § 18, eff. Sept. 1, 1992.

§52-581.2. Purpose and intent of act.

It is the purpose and intent of the Natural Gas Market Sharing Act to protect the rights and correlative rights of all owners in wells producing natural gas including but not limited to casinghead gas and to afford all such owners an equal opportunity to produce and market their share of gas and to receive the proceeds derived therefrom. It is further the intent of the Natural Gas Market Sharing Act to protect such owners against discrimination in purchases in favor of one owner as against another.

Added by Laws 1983, c. 77, § 1, emerg. eff. May 3, 1983. Amended by Laws 1992, c. 190, § 19, eff. Sept. 1, 1992. Renumbered from § 541 of this title by Laws 1992, c. 190, § 29.

§52-581.3. Definitions.

As used in the Natural Gas Market Sharing Act:

1. "Designated marketer" means the operator of the well or a producing owner substituted for the operator as provided in Section 22 of this act;
2. "Electing owner" means any owner who elects to produce and market its share of production pursuant to the provisions of this act;
3. "Nonexempt sales" means those gas sales which are subject to the provisions of this act and do not qualify for exemptions as set forth in Section 21 of this act;
4. "Overproduced owner" means an owner who has produced and sold a volume of gas in excess of his working interest percentage of cumulative sales from a well;
5. "Owner" means a person or persons who own a working interest in a well;
6. "Producing owner" means an owner who produces and sells gas from a well for its own account; and
7. "Working interest" means the interest in a well, calculated prior to deduction for royalty, overriding royalty and other non-cost-bearing interests burdening production, entitling the owner thereof to drill for and produce oil and gas, including the interest of a participating mineral owner to the extent set forth in Section 87.1 of Title 52 of the Oklahoma Statutes.

Added by Laws 1992, c. 190, § 20, eff. Sept. 1, 1992.

§52-581.4. Exemptions - Owners ineligible to elect to market share.

A. The following sales are exempt from the provisions of the Natural Gas Market Sharing Act:

1. Sales pursuant to contracts for an initial term of more than one (1) year entered into prior to January 1, 1985, or any successor, replacement, or rollover contract thereto entered into prior to January 1, 1990. This subsection shall not apply to participating mineral owners who were sharing in any contract on January 1, 1992

and continue to share in such contract on September 1, 1992. Such participating mineral owners shall be subject to all other provisions of this act;

2. Sales pursuant to contracts which provide for:
  - a. an initial term of more than three (3) years,
  - b. a guarantee or warranty for delivery of fixed volumes of gas without limitation to specified wells or reserves, and
  - c. delivery of such volumes;

3. Sales of natural gas liquids extracted as a result of mechanical processing of the natural gas stream for the removal of liquid components other than methane.

B. Owners in a well shall not be entitled to elect to market share pursuant to the provisions of the Natural Gas Market Sharing Act if in such well, such owners:

1. Are subject to a balancing agreement or other written agreement which expressly provides for the taking, sharing, marketing or balancing of gas in a manner other than as provided for in the Natural Gas Market Sharing Act;

2. Have terminated their contract with a purchaser for value received, until the expiration of the remainder of the term provided in such contract;

3. Have terminated market sharing within the previous twelve (12) months; or

4. Are currently overproduced owners.

Added by Laws 1992, c. 190, § 21, eff. Sept. 1, 1992.

§52-581.5. Election to market share - Procedure.

A. For wells producing natural gas or casinghead gas, any owner not having a gas sales contract shall be entitled to elect to share in the sale of production, to the extent set forth in the Natural Gas Market Sharing Act.

An electing owner shall give written notice of his election to the designated marketer. An election shall constitute a warranty that gas production attributable to such electing owner's interest is not covered by an existing gas purchase contract, and an indemnification of any designated marketer sharing market with such electing owner from losses arising from breach of such warranty. Market sharing shall become effective as to sales commencing on the first day of the month following the expiration of sixty (60) days from receipt of such election by the designated marketer. Termination of a market sharing shall become effective on the first day of the month following expiration of sixty (60) days from receipt of written notice of said termination by the designated marketer. Copies of all elections and notices required shall also be sent to the operator if the operator is not the designated marketer.

B. The operator shall serve as designated marketer until such time as a substituted designated marketer is elected by a numerical majority of the eligible electing owners. No election of a substituted designated marketer shall occur within twelve (12) months of the prior election.

C. Upon receipt of the notice of election to market share, the designated marketer shall secure an independent nonaffiliated purchaser for gas production of such electing owner or shall produce and sell for the account of such electing owner gas attributable to the working interest of such electing owner and account to such electing owner at the same average price, weighted by volume, received by the designated marketer for all of its nonexempt gas sales from that well during each month, net of all reasonable marketing and post-production costs and expenses required to render the gas marketable and to sell and deliver the gas to market. The volumetric allocation of sales between a designated marketer and an electing owner shall be in proportion to their respective working interests in such well.

D. If all of a designated marketer's sales of gas are exempt, it may so notify the electing owners and the operator in writing whereupon the electing owners shall select another designated marketer pursuant to subsection B of this section by written notice thereof to the operator and the new designated marketer.

E. If the gas sales of the designated marketer are subject to a contract of a duration in excess of one (1) year, the designated marketer may require such electing owners' written agreement to be bound by the terms of such contract. If the contract does not contain a confidentiality provision preventing the furnishing of a copy to the electing owners, the designated marketer shall then furnish them a copy of the gas sales contract, and upon receipt of a copy of such contract and notice setting forth the provisions of this section, each electing owner shall have thirty (30) days within which in writing to either:

1. Elect a new designated marketer pursuant to subsection B of this section, notwithstanding the twelve-month limitation contained therein;

2. Agree to be bound by the terms of such contract; or

3. Terminate market sharing.

Failure by any electing owner to return such written agreement shall be deemed an election to not market share and shall relieve that producing owner of any further obligation to market share or otherwise secure a market for such electing owner's share of production under this section for the duration of that contract.

F. Any administration fees established by the Corporation Commission which are payable to a designated marketer by an electing owner who has elected to market share may be deducted from proceeds.

G. The election to market share under the provisions of the Natural Gas Market Sharing Act shall not result in the electing owner becoming a party to any contract under which the electing owner's gas is marketed, and neither the electing owner nor any person owning a royalty or other non-cost-bearing interest burdening the interest of the electing owner shall acquire any third-party beneficiary rights in such contract. Further, the election to market share under the Natural Gas Market Sharing Act shall not result in the designated marketer having any fiduciary or other duties to the electing owner, or to any persons having a royalty or other nonoperating interest burdening the interest of the electing owner with respect to the marketing of the electing owner's gas except those expressly provided in the Natural Gas Market Sharing Act. In no event shall any designated marketer be liable to any electing owner for any losses sustained or liabilities incurred in the absence of bad faith, gross negligence or willful misconduct.

H. If by statute an owner's percentage entitlement to produce and market gas in a well is other than its working interest percentage, such percentage calculated pursuant to statute shall be utilized in lieu of the working interest percentage for purposes of the Natural Gas Market Sharing Act.

Added by Laws 1983, c. 77, § 3, emerg. eff. May 3, 1983. Amended by Laws 1992, c. 190, § 22, eff. Sept. 1, 1992. Renumbered from § 543 of this title by Laws 1992, c. 190, § 29.

§52-581.6. Election to market share - Effect.

An election to market share pursuant to the terms of the Natural Gas Market Sharing Act grants to any producing owner thereby required to share its market the authority to market its proportionate share of gas attributable to the working interest of such electing owner during the term of that election without further notice or consent. Nothing in the Natural Gas Market Sharing Act shall be construed to:

1. Prevent any owner from receiving the price agreed upon by contract or to prevent any owner from taking its share of production in kind or separately disposing of its share;

2. Eliminate or otherwise affect the rights and remedies available to any operator or any other owner against any owners, including operators, who either default or fail to pay their proportionate share of the well or operating costs; or

3. Diminish the existing rights of each owner to ultimately receive its share of gas disposed or sold from the well.

Added by Laws 1983, c. 77, § 2, emerg. eff. May 3, 1983. Amended by Laws 1992, c. 190, § 23, eff. Sept. 1, 1992. Renumbered from § 542 of this title by Laws 1992, c. 190, § 29.

§52-581.7. Amount of gas produced from well.

On and after the effective date of the Natural Gas Market Sharing Act, an owner of a well producing natural gas or casinghead gas may produce from the well that amount of gas which may be lawfully produced therefrom; however, the foregoing shall not diminish the rights of each owner against an overproduced owner by reason of such production, such as the right to an accounting as among co-owners and the right to balance in cash or in kind, as those rights may otherwise be established by law or contract. Added by Laws 1983, c. 77, § 4, emerg. eff. May 3, 1983. Amended by Laws 1992, c. 190, § 24, eff. Sept. 1, 1992. Renumbered from § 544 of this title by Laws 1992, c. 190, § 29.

§52-581.8. Distribution of revenues from sale of production.

Proper distribution of revenues from the sale of production from the well shall be made pursuant to the provisions of Section 540 of this title and the Production Revenue Standards Act, Sections 1 through 15 of this act. Added by Laws 1983, c. 77, § 5, emerg. eff. May 3, 1983. Amended by Laws 1992, c. 190, § 25, eff. Sept. 1, 1992. Renumbered from § 545 of this title by Laws 1992, c. 190, § 29.

§52-581.9. Construction and application of act.

Nothing in this act shall be construed as setting the price, terms or conditions under which a purchaser takes the production of a well or setting any restrictions, limitations, floor or ceiling on the price to be paid for such production, nor shall anything in this act require any purchaser to connect any well that such purchaser is not already obligated to connect and nothing contained in this section shall be construed as altering or changing the definition of the terms common purchaser and common carrier as defined by law. Added by Laws 1983, c. 77, § 6, emerg. eff. May 3, 1983. Renumbered from § 546 of this title by Laws 1992, c. 190, § 29.

§52-581.10. Enforcement powers of Corporation Commission - Promulgation of rules - Administration fees - Judicial remedies - Costs and expenses - Statute of limitations - Jurisdiction of district courts.

A. The Corporation Commission is herein empowered to promulgate rules by which the purpose of the Natural Gas Market Sharing Act shall be administered, including the power to establish and enforce penalties for violations thereof. The Corporation Commission shall establish a schedule of reasonable administration fees sufficient to cover the actual costs incurred by the designated marketer to perform duties required by the Natural Gas Market Sharing Act and not assumed by private agreement. Such power shall supplement the existing authority of the Corporation Commission to provide for a ratable taking of gas to protect the correlative rights of those entitled to

take from a common reservoir or common source of supply. Such power shall not preclude the remedies available through the district courts as provided by existing law nor preclude the right, herewith granted, of any owner who is injured in business or property by any other owner in the well by reason of any action in violation of the provisions of the Natural Gas Market Sharing Act to sue in the courts of this state and to recover actual damages so sustained and obtain specific performance where equitable. The prevailing party in any court proceeding brought pursuant to the Natural Gas Market Sharing Act shall be entitled to recover court costs, attorneys' fees and allowable litigation expenses. The statute of limitations on actions brought pursuant to the provisions of the Natural Gas Market Sharing Act shall be five (5) years from the date of violation of the Natural Gas Market Sharing Act.

B. In any action brought pursuant to the provisions of the Natural Gas Market Sharing Act, the district courts of this state shall have the sole and exclusive jurisdiction to determine the entitlement of any working interest owner in a well to its share of proceeds from production or any damages, interest, court costs, attorneys' fees and allowable litigation expenses incurred as a result of a nonpayment of such working interest owner's share of proceeds from production or as a result of any action brought to enforce the right to receive any such payment.

Added by Laws 1983, c. 77, § 7, emerg. eff. May 3, 1983. Amended by Laws 1992, c. 190, § 26, eff. Sept. 1, 1992. Renumbered from § 547 of this title by Laws 1992, c. 190, § 29.

§52-601. Short title.

This act shall be known as the "Energy Resources Conservation Act".

Added by Laws 1985, c. 2, § 1, emerg. eff. Feb. 13, 1985.

§52-602. Legislative intent.

The Legislature recognizes that hydrocarbons are a limited natural resource and that their exploration, production and development contribute significantly to the general welfare of the people of the State of Oklahoma through the creation of jobs, the development of economic growth and stability, and the collection of gross production taxes, petroleum excise taxes, and other sources of revenue.

Therefore, the Legislature finds it is in the public interest to protect its energy resource assets from transfers that may retard the timely and efficient development of such assets, or transfers that may interfere with the production, sale, purchase, refining or processing, delivery, transportation or transmission of hydrocarbons or hydrocarbon products gathered or produced for sale, purchase, refining or processing, delivery, transport, transmission or use

pursuant to existing contracts within this state. The Legislature further finds it is in the public interest to encourage orderly future exploration, development, production, refining, processing, transportation, or transmission of hydrocarbons and hydrocarbon products gathered or produced within the state, to conserve and prevent waste of energy resource assets, to protect correlative rights in underground mineral resources, and to protect and preserve sources of tax revenue derived from the orderly and efficient development, management and production of the state's energy resource assets.

Added by Laws 1985, c. 2, § 2, emerg. eff. Feb. 13, 1985.

§52-603. Definitions.

As used in this act:

1. "Commission" means the Corporation Commission of Oklahoma;
2. "Energy resource assets" means assets located in this state which consist of oil, gas, coal and other hydrocarbons in solid, liquid or gaseous form or any combinations of such forms, any rights for the exploration, development or production of such assets, and any tangible assets used in the exploration, development, production, refining, processing, transportation or transmission by pipeline or other common carrier of any of the foregoing;
3. "Person" means and includes natural persons, firms, partnerships, companies, corporations, associations, common law trusts, statutory trusts and other concerns by whatever name known or howsoever organized, formed or created;
4. "Transfer" means a disposition for value of:
  - a. any energy resource assets, or
  - b. any ownership interest in any person, other than a natural person, directly or indirectly owning or controlling any such asset;
5. "Transferee" means a person, and any person or persons acting in concert or participating with or controlling such a person, who offers or agrees to acquire in a transfer, or who acquires in a transfer, energy resource assets, or an ownership interest in any person, other than a natural person, directly or indirectly owning or controlling energy resource assets; and
6. "Transferor" means a person who owns or controls, directly or indirectly, energy resource assets proposed to be acquired in a transfer, as defined in subparagraph a of paragraph 4 of this section, or a person who owns or controls energy resource assets in which an ownership interest is proposed to be acquired in a transfer as defined in subparagraph b of paragraph 4 of this section.

Added by Laws 1985, c. 2, § 3, emerg. eff. Feb. 13, 1985.

§52-604. Transfers prohibited.

No person shall effect, aid or assist in effecting a transfer in violation of this act.

Added by Laws 1985, c. 2, § 4, emerg. eff. Feb. 13, 1985.

§52-605. Exempted transfers.

The following transfers are exempted from the provisions of this act:

1. Transfers in the ordinary course of business. For the purposes of this act, transfers in the ordinary course of business shall include but not be limited to:

- a. the granting of a lease to explore and produce an energy resource asset,
- b. the assignment of a lease or leases to explore and produce an energy resource asset by or to a person engaged in the business of buying and selling such leases,
- c. the sale by a natural person of fee mineral rights,
- d. the transfer by conveyance or decree pursuant to a private trust, gift, will, or intestate succession,
- e. any transfer pursuant to a compulsory pooling order of the Commission,
- f. any transfer of hydrocarbons pursuant to a contract for the purchase, sale, or delivery of such hydrocarbons at or beyond the wellhead or other point of production,
- g. the transfer, sale, condemnation or conveyance of surface use rights for the purposes of ingress, egress, easement and right-of-ways, and
- h. sales in the ordinary course of business of pipeline equipment, oil and gas equipment and mineral equipment as defined in Section 371 of Title 52 of the Oklahoma Statutes;

2. The granting or assignment of a mortgage, security interest or other contractual lien in an energy resource asset as security for an indebtedness or the foreclosure, enforcement or realization thereof;

3. The granting or assignment of a royalty interest, overriding royalty interest, production payment, or other nonworking interest form of right to receive hydrocarbon production, or proceeds therefrom;

4. A transfer, as defined in subparagraph b of paragraph 4 of Section 3 of this act, where, after giving effect to the proposed transfer, the transferee would beneficially own less than ten percent (10%) of the ownership interest in the transferor;

5. A transfer, as defined in subparagraph a of paragraph 4 of Section 3 of this act, where the value of the energy resource assets

at date of transfer is less than Seventy-five Million Dollars (\$75,000,000.00);

6. A transfer, as defined in subparagraph b of paragraph 4 of Section 3 of this act, where the value at date of transfer of the energy resource assets owned by the transferor is less than Seventy-five Million Dollars (\$75,000,000.00);

7. A transfer of a "domestic public utility" or an ownership interest in a "domestic public utility", as defined in Section 191.1 of Title 17 of the Oklahoma Statutes; and

8. Any other exemptions as may be granted pursuant to the rules, regulations and orders of the Commission reasonably prescribed in the furtherance of this act.

Added by Laws 1985, c. 2, § 5, emerg. eff. Feb. 13, 1985.

§52-606. Valid transfers - Application for approval of transfer - Standards for approval - Waiver - Hearings, adjudications and appeals - Contracts for certain services.

A. A transfer shall not be valid or effective unless exempted under Section 5 of this act or approved by the Commission.

B. Prior to or simultaneous with the making of an offer, solicitation of an offer, or agreement to effect a transfer, the transferee shall file with the Commission an application for approval in compliance with subsection C of this section, and the transferor shall have received a copy of such application not later than two (2) business days after the filing date of the application.

C. The application for approval of transfer shall be filed on forms prescribed by rule of the Commission, and shall contain, as applicable, the following information:

1. As to the transferor: The full name, state of residence or jurisdiction and date of organization, form of organization, address and telephone number of principal executive office, address and telephone number of the principal place of business within the State of Oklahoma, the name and address of any person who holds a partnership or other managing interest in the transferor or who directly or indirectly owns five percent (5%) or more of any class of any outstanding equity securities of transferor, the name and address of any agent of transferor for service of process within the State of Oklahoma, a valuation and description, insofar as practicable, of the energy resource assets owned by transferor and the business operations conducted by transferor in the State of Oklahoma relating to such energy resource assets, information as to any existing contractual obligations of transferor to explore, produce, purchase, sell, gather, refine, process, deliver, transport, or transmit hydrocarbons or hydrocarbon products gathered or produced within the state, and information as to current financial condition of transferor; and

2. As to the transferee: Full name, state of residence or year, form, and jurisdiction of organization, address and telephone number of principal executive office, address and telephone number of principal place of business within the State of Oklahoma, the name and address of any person who holds a partnership or other managing interest in the transferee or who directly or indirectly owns five percent (5%) or more of any class of any outstanding equity securities of transferee, a description of any and each class of equity securities or long-term debt of transferee, the extent of any equity or creditor position transferee holds as to transferor, the name and address of any agent of transferee for service of process within the State of Oklahoma, a description of the business operations of transferee and any material changes therein during the past three (3) years, a description of any material pending legal or administrative proceedings in which transferee is a party, information as to the manner and financing of the proposed transfer and the financial condition of the transferee, the names of any and all directors, executive officers, or partners of the transferee and their material business activities and affiliations during the past three (3) years, a description of transferee's relevant experience and familiarity with the management of energy resource assets, a description of transferee's future business plans for management of the energy resource assets owned by transferor including any plans for the further disposition or division of such assets, or any plans to make material changes in the organization of transferor or to materially alter transferor's relationships with suppliers, customers, or other businesses with which it conducts business, information as to the background, business experience, character and integrity of the transferee and persons proposed to be responsible for future management and development of such assets, and evidence of transferee's ability following the proposed transfer to meet any contractual obligations assumed by transferee as a result of the proposed transfer.

D. A transfer shall be approved only if the Commission determines that the transfer satisfies the following standards:

1. That it is reasonable to expect that the proposed transfer will not adversely impact or retard the timely and efficient development of the energy resource assets proposed to be transferred;

2. That the proposed transfer will not, as a result of changes in managing personnel, policy or practices, or financial ability, adversely affect the public interest in orderly future exploration, development, production, refining, processing, transportation or transmission of hydrocarbons or hydrocarbon products gathered or produced within the state;

3. That it is reasonable to expect that transferee will manage and develop such energy resource assets in compliance with all

applicable statutes, and the rules and regulations of the Commission governing the management and development of such assets;

4. That the proposed transfer will not interfere with or impair any contractual obligations to explore, produce, sell, purchase, gather, refine or process, deliver, transport or transmit hydrocarbons or hydrocarbon products gathered or produced within the state; and

5. That the proposed transfer will not impede conservation of energy resource assets, promote or result in waste or inefficient use of energy resource assets, interfere with correlative rights in underground mineral resources, or disrupt collection or realization of state tax revenues derived from the orderly and efficient development, management and production of the state's energy resource assets.

E. 1. The Commission shall waive the requirements of this act relating to application and hearing if:

- a. the transferee and transferor file affidavits with the Commission attesting their belief that there are no substantial issues requiring an application and hearing; and
- b. the Commission determines on the basis of the affidavits and any accompanying supporting data that there are no substantial issues requiring an application and hearing.

The Commission shall act within seven (7) calendar days of the filing of such affidavits.

2. In all other cases, a hearing shall be held within ten (10) calendar days of the date a filing is made pursuant to this section. Unless otherwise specified in this act, all hearings and proceedings shall be conducted in accordance with the rules and regulations of the Commission.

3. Any person aggrieved by any order of the Commission made pursuant to this act may appeal therefrom to the Supreme Court of Oklahoma upon the same conditions, within the same time, and in the same manner, as is provided in Sections 86.1 to 135, inclusive, of Title 52 of the Oklahoma Statutes, for the taking of appeal from the orders of the Commission made thereunder.

F. Final adjudications made pursuant to this section shall be made within twenty (20) calendar days after filing of the application. Upon request of either the transferor or the transferee and a showing that no significant harm to the public interest or to either party to the transfer will result, the hearing and adjudication process may be expedited. The hearing and adjudication process may be extended upon agreement of both parties to the transfer.

G. If, upon initial review of the application, or immediately following the hearing on the application, the Commission shall

determine that a substantial likelihood exists that the proposed transfer will not meet the standards set forth in subsection D of this section, or that the application is materially deficient in some respect, the public interest in the protection of the energy resource assets is significantly threatened by the proposed transfer and that such threat substantially outweighs the interest of the parties in effecting such a transfer, the Commission may order either party to defer, cease and desist from taking any action to effect such a transfer, pending final determination or additional hearings on the application.

H. If, upon hearing, the Commission finds that the proposed transfer does not or reasonably cannot be expected to meet the standards of subsection D of this section, the Commission shall so adjudicate. If the Commission finds that the proposed transfer would comply with subsection D of this section if amended in certain respects, including personnel qualifications and policies and practices affecting the exploration, development and production of energy resource assets, the Commission may approve the transfer subject to certain conditions. If the Commission finds that the proposed transfer meets the standards of subsection D of this section the Commission shall approve the transfer.

I. For the purposes of complying with and performing its responsibilities within the time limits prescribed by this act, the Commission may contract for such professional and technical services as are necessary to complete the hearing and determination process in accordance with the provisions of the act. In contracting for such necessary services the Commission shall be exempt from the competitive bidding requirements of Section 85.7 of Title 74 of the Oklahoma Statutes.

Added by Laws 1985, c. 2, § 6, emerg. eff. Feb. 13, 1985.

#### §52-607. Fees and costs.

A. Upon filing an application with the Commission for approval of a transfer under Section 6 of this act, the transferee shall pay to the Commission:

1. A nonrefundable fee of Five Thousand Dollars (\$5,000.00); and
2. After the hearing, the additional costs actually incurred in excess of the fee.

B. All payments received from the transferee shall be paid into an agency special account and any unexpended portion other than the nonrefundable fee shall be refunded from the account pursuant to the provisions of Sections 7.1 et seq. of Title 62 of the Oklahoma Statutes.

Added by Laws 1985, c. 2, § 7, emerg. eff. Feb. 13, 1985.

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§52-608. Hearing relating to act or enforcement - Entities that may initiate - Jurisdiction - Time and place - Notice.

Any transferee, transferor, the Attorney General on behalf of the state, or the Commission on its own motion may institute proceedings or apply for a hearing before the Commission upon any question relating to this act or its enforcement. Jurisdiction is hereby conferred upon the Commission to hear and determine the same. The Commission shall set a time and place when and where the hearing shall be had and give reasonable notice to all interested persons or classes by publication in a newspaper or newspapers having general circulation in the state, and in addition, shall serve reasonable notice in writing to any person complained against.

Added by Laws 1985, c. 2, § 8, emerg. eff. Feb. 13, 1985.

§52-609. Powers and authority of Commission.

In all matters pertaining to the making, issuing and enforcing of its orders, rules and regulations made under the provisions of this act, the Commission shall have and exercise, without limitation, all of the following additional powers and authority:

1. To enforce the provisions of this act, and compliance with any of its orders, rules, regulations or adjudications, by appropriate process and by orders otherwise necessary or proper, to carry into effect its orders, rules and regulations which may, without limitation, include the issuance of orders of restraint against any person participating in or about to participate in any violation of this act or any related orders, rules or regulations of the Commission; and

2. To appoint a receiver to affect a rescission of a transfer made in violation of this act.

Added by Laws 1985, c. 2, § 9, emerg. eff. Feb. 13, 1985.

§52-610. Violations - Fines and penalties - Collection of fines.

Any person who shall disobey or violate any of the provisions of this act or any of the orders, rules, regulations or adjudications of the Commission made pursuant to this act shall be punished for contempt. Punishment by the Commission in proceedings for contempt shall be imprisonment in the county jail of Oklahoma County for not more than one (1) year and/or a fine not to exceed Fifty Thousand Dollars (\$50,000.00). Each day the disobedience or violation continues shall constitute a separate and additional contempt and shall be punished by separate and additional fines each in an amount not to exceed Fifty Thousand Dollars (\$50,000.00). Any fine or penalty assessed under the provisions of this act shall constitute a lien upon all the property of the offender within the state, except the homestead of the offender. Before any fine or penalty shall become a lien upon any property of the offender as against third persons, a copy of the order or adjudication of the Commission

assessing the fine or penalty, certified by the Secretary of the Commission, shall be filed in the offices of the court clerk and the county clerk of the county where the property of the offender is located and entered on the judgment docket of the court of said county. If the fine is not paid to the Commission within thirty (30) days after the final order or judgment of the Commission imposing the same, the Commission shall issue an execution directed to the Director of the Commission's Oil and Gas Conservation Division to levy upon any property of the offender found within the state, and to sell and dispose of the same in the manner now provided by law and required of sheriffs in this state in the levy upon and sale of property under an execution upon a judgment of a district court of the state. All costs incurred in the issuance, execution and sale under such levy shall be taxed against the offender and collected in the same manner provided herein for the collection of such fine. All monies collected as fines or penalties under the provisions of this act shall, when paid into or received by the Commission, be paid to the State Treasurer to be deposited to the credit of the Corporation Commission Revolving Fund.

Added by Laws 1985, c. 2, § 10, emerg. eff. Feb. 13, 1985.

#### §52-611. Injunctions.

The Attorney General of the State of Oklahoma or any person entitled to institute proceedings or apply for a hearing under Section 8 of this act may in the name of the state bring an action in the district courts of this state for an injunction, enjoining and prohibiting any person from violating the provisions of this act or any order, rule or regulation of the Commission promulgated pursuant to this act. An action for an injunction instituted under this section shall not suspend or prohibit any proceedings instituted by the Commission pursuant to this act.

Added by Laws 1985, c. 2, § 11, emerg. eff. Feb. 13, 1985.

#### §52-612. Nonresident transferees - Service of process.

A transferee who is a nonresident of this state, and any persons acting in concert or participating with or controlling such transferee, who makes or solicits an offer to effect a transfer, or who makes an agreement to effect a transfer, shall be deemed:

1. To have agreed to be subject to the jurisdiction of the Commission and the courts of the state with respect to any action or proceeding commenced under this act;
2. To have designated the Secretary of State as the lawful agent for receipt of service of process with respect to any action or proceeding commenced under this act, if no such agent has previously been designated; and
3. To have agreed that any summons or other notice of suit or proceeding served on the Secretary of State as agent for service of

process shall have the same legal force and validity as if personally served in this state, provided that the addresses of the transferee, or persons acting in concert or participating with or controlling such transferee, are known to the Commission or the Secretary of State, and the Secretary of State promptly sends notice of service and a copy of the process by registered mail to the transferee, and persons acting in concert or participating with or controlling such transferee, on or before the return day of the process, or within such further time as the Commission may allow.

Added by Laws 1985, c. 2, § 12, emerg. eff. Feb. 13, 1985.

§52-613. Statute of limitations.

No action or other proceeding shall be commenced under this act challenging the validity or effectiveness of any transfer later than three (3) years after the effective date of such transfer.

Added by Laws 1985, c. 2, § 13, emerg. eff. Feb. 13, 1985.

§52-614. Application of act.

This act shall apply to any transfer consummated after the effective date of this act.

Added by Laws 1985, c. 2, § 14, emerg. eff. Feb. 13, 1985.

§52-700. Repealed by Laws 2013, c. 199, § 6, eff. July 1, 2013.

§52-701. Repealed by Laws 2013, c. 199, § 6, eff. July 1, 2013.

§52-702. Repealed by Laws 2013, c. 199, § 6, eff. July 1, 2013.

§52-703. Renumbered as Title 52, § 288.5D by Laws 2013, c. 199, § 7, eff. July 1, 2013.

§52-704. Renumbered as Title 52, § 288.5E by Laws 2013, c. 199, § 7, eff. July 1, 2013.

§52-705. Repealed by Laws 2013, c. 199, § 6, eff. July 1, 2013.

§52-706. Repealed by Laws 2013, c. 199, § 6, eff. July 1, 2013.

§52-707. Repealed by Laws 2013, c. 199, § 6, eff. July 1, 2013.

§52-801. Exploration Rights Act of 2011.

Sections 3 through 7 of this act shall be known and may be cited as the "Exploration Rights Act of 2011".

Added by Laws 2011, c. 197, § 3.

§52-802. Definitions.

As used in the Exploration Rights Act of 2011:

1. "Act" means the Exploration Rights Act of 2011;
2. "Minerals" means oil, natural gas and other minerals of similar type or character that may be produced or associated with the oil or natural gas, regardless of whether title to, or ownership of, the minerals is severed from the fee simple or absolute fee as defined by Section 23 of Title 60 of the Oklahoma Statutes;
3. "Mineral estate" means, as to any lands within the State of Oklahoma, the minerals underlying a tract of real property, or the right to capture the minerals underlying a tract of real property, together with the right to make reasonable use of the surface estate, including the right of ingress and egress therefor, for the purpose of exploring, severing, capturing and producing the minerals, as such rights both have been historically articulated at common law and also included within the surface damage statutes, regardless of whether title to, or ownership of, the minerals is severed from the fee simple or absolute fee as defined by Section 23 of Title 60 of the Oklahoma Statutes;
4. "Mineral owner" means a person owning the mineral estate or a right to explore, sever, capture and produce the minerals, whether such right is derived from ownership of the mineral estate, from an oil and gas lease or from a force pooling order issued by the Corporation Commission, and includes the operator;
5. "Surface damages statutes" means Sections 318.2 through 318.9 of Title 52 of the Oklahoma Statutes, as the same now exists or may hereafter be amended;
6. "Oil and gas operations" means, for purposes of this act only, (a) conducting drilling, completion and operation of a well or wells for the purpose of exploring, severing, capturing and producing minerals, or (b) conducting seismic exploration;
7. "Operator" means a person engaged in the exploration, severance, capture or production of the minerals for that person alone, for other persons only, or for that person and others;
8. "Person" means any individual, executor, administrator, estate, agent, trust, trustee, institution, receiver, business trust, firm, corporation, partnership, limited liability company, cooperative, joint venture, governmental entity or agency, association or any other group or combination acting as a unit;
9. "Surface estate" means, as to any lands within the State of Oklahoma, the fee simple or absolute fee ownership of a tract of real property, as defined by Sections 5 and 23 of Title 60 of the Oklahoma Statutes, less and excluding the mineral estate;
10. "Wind energy developer" means a person who is developing or constructing, pursuant to rights granted by a wind or solar energy agreement, a wind energy facility, or has constructed and is now operating a wind energy facility;
11. "Wind energy facility" means an electrical generation facility consisting of one or more wind turbines, substations,

meteorological data towers, aboveground and underground electrical transmission lines, transformers, control systems, and other buildings or facilities under common ownership or operating control used to support the operation of the facility, and whose primary purpose is to supply electricity to an off-site customer or customers. Wind energy facility shall not include either:

- a. a wind energy facility located entirely on property held in fee simple absolute estate by the owner of the wind energy facility, or
- b. substations, transmission lines, transformers, and control systems which:
  - (i) are owned and operated by an electric utility regulated by the Oklahoma Corporation Commission, the Grand River Dam Authority, the Oklahoma Municipal Power Authority or an Oklahoma rural electric cooperative, and
  - (ii) which are not constructed or placed pursuant to rights granted through a wind or solar energy agreement; and

12. "Wind or solar energy agreement" means the same as defined in Section 820.1 of Title 60 of the Oklahoma Statutes.

Added by Laws 2011, c. 197, § 4.

§52-803. Surface estate - Interference with solar energy agreement - Notice

A. Unless specifically provided otherwise in an instrument transferring or retaining title to the mineral estate separate from the surface estate, and subject to, and consistent with, the provisions of the surface damages statutes and all other applicable laws, rules and regulations, within a tract of real property, the mineral owner has had, and shall hereafter continue to have, the right to make reasonable use of the surface estate, including the right of ingress and egress therefor, for the purpose of exploring, severing, capturing and producing the minerals underlying the tract of real property or lands spaced or pooled therewith.

B. Notwithstanding any provision in a wind or solar energy agreement in effect on, or entered into after, May 10, 2011, or the provisions of the Oklahoma Wind Energy Development Act, as the same is in effect or hereafter amended, the lessee of a wind or solar energy agreement or the wind energy developer shall not unreasonably interfere with the mineral owner's right to make reasonable use of the surface estate, including the right of ingress and egress therefor, for the purpose of exploring, severing, capturing and producing the minerals.

C. It is the intent of the Exploration Rights Act of 2011 to confirm the mineral owner's historical right to make reasonable use of the surface estate, including the right of ingress and egress

therefor, for the purpose of exploring, severing, capturing and producing the minerals, and nothing in this act is intended to expand or diminish those historical rights. Further, nothing in this act shall amend or modify the surface damages statutes or be interpreted to grant, expand or diminish any person's rights therein.

D. For any alleged breach or violation of the Exploration Rights Act of 2011, any affected person may petition the district court in the county in which the real property is located for either declaratory relief pursuant to Sections 1651 through 1657 of Title 12 of the Oklahoma Statutes, or injunctive relief pursuant to Sections 1381 through 1397 of Title 12 of the Oklahoma Statutes, or both, in addition to any other remedies at law or in equity that may otherwise be available.

Added by Laws 2011, c. 197, § 5. Amended by Laws 2017, c. 45, § 3, emerg. eff. April 17, 2017.

§52-804. Eminent domain.

Notwithstanding any other provision of law to the contrary, whether expressly or by implication, except as specifically authorized by Section 36.3 of Title 52 of the Oklahoma Statutes, no mineral estate shall be subject to or taken by eminent domain proceedings, unless the owner of the mineral estate expressly consents to the mineral estate being included in an eminent domain proceeding.

Added by Laws 2011, c. 197, § 6.

§52-805. Cumulative rights.

The provisions of the Exploration Rights Act of 2011, and the rights granted under the act, are intended to be cumulative with all other rights a person may otherwise have at law or in equity.

Added by Laws 2011, c. 197, § 7.

§52-901. Short title.

Sections 1 through 3 of this act shall be known and may be cited as the "Energy Litigation Reform Act".

Added by Laws 2012, c. 201, § 1, emerg. eff. May 8, 2012.

§52-902. Construction of oil and gas contracts, statutes and governmental orders.

The sanctity of private agreements, and the consistent and predictable application and interpretation of statutes, governmental orders and common law, being essential to the oil and gas industry, the following are declared to be paramount rules of construction to be applied by the courts of this state in the construction of private agreements, statutes and governmental orders relating to the exploration for, operations for, producing of, or marketing oil or gas, or disbursing proceeds of production of oil or gas:

1. A person is bound as a reasonably prudent operator to operate the well on behalf of all owners in the well and perform any duties owed to any person under a private agreement, statute, governmental order or common law relating to the exploration for, operations for, producing of, or marketing oil or gas, or disbursing proceeds of production of oil or gas, and performance of the duties described herein is that performance which an operator acting reasonably would have undertaken given the circumstances at the time, without being required to subordinate its own business interests, but with due regard to the interests of all affected parties, including the operator; and

2. There shall not be implied in the duties in paragraph 1 of this section or otherwise any fiduciary duty, quasi-fiduciary duty or other similar special relationship in any private agreement, statute or governmental order or common law relating to the exploration for, operations for, producing of, or marketing oil or gas, or disbursing proceeds of production of oil or gas.

Nothing in this section shall either prohibit the parties to a private agreement from expressly agreeing in writing otherwise or prohibit the Legislature from expressly providing otherwise in any statute subsequently enacted or prohibit any governmental order from expressly providing otherwise to the extent within the power or authority of the issuer of such order. However, the provisions of paragraph 2 of this section shall not apply to Sections 287.1 through 287.15 of Title 52 of the Oklahoma Statutes and nothing in this act shall be interpreted to relieve an operator or owner from any obligation or duty set forth expressly in the Production Revenue Standards Act or the Natural Gas Market Sharing Act; provided the performance of such obligations or duties shall be subject to the same reasonably prudent operator standard set forth in paragraph 1 of this section.

Added by Laws 2012, c. 201, § 2, emerg. eff. May 8, 2012.

§52-903. Failure to pay proceeds from production - Remedies.

Except for the right to enforce lien rights under private agreement or under Sections 548 through 549.12 of Title 52 of the Oklahoma Statutes and except where specific remedies are provided by private agreement, and as long as paragraph 1 of subsection D of Section 570.10 of Title 52 of the Oklahoma Statutes provides for an interest rate equal to or greater than twelve percent (12%) compounded annually, the Production Revenue Standards Act shall provide the exclusive remedy to a person entitled to proceeds from production for failure of a holder to pay the proceeds within the time periods required for payment. The interest amounts set forth in subsection D of Section 570.10 and the remedies set forth in subsection C of Section 570.14 of Title 52 of the Oklahoma Statutes, with the term "actual damages" as used therein being limited to the

proceeds due and the interest as provided in subsection D of Section 570.10 of Title 52 of the Oklahoma Statutes, are deemed to be adequate remedies for failure to pay proceeds within the time periods required for payment and no other penalty or damages shall be recoverable in any litigation involving a claim for unpaid or underpaid proceeds from production including, without limitation, punitive or exemplary damages or disgorgement damages, unless there shall be a determination by the finder of fact upon clear and convincing evidence that the holder who failed to pay such proceeds did so with the actual, knowing and willful intent: (a) to deceive the person to whom the proceeds were due, or (b) to deprive proceeds from the person the holder knows, or is aware, is legally entitled thereto.

Added by Laws 2012, c. 201, § 3, emerg. eff. May 8, 2012.