

OKLAHOMA'S OIL & NATURAL GAS
PRODUCERS & ROYALTY OWNERS. **OERB**

OERB

- Formed in 1993 by the state legislature at the request of petroleum industry
 - Dedicated to educating all Oklahomans about the importance of the oil and natural gas industry
 - Committed to cleaning up Oklahoma's orphaned and abandoned well sites

Board

- Governed by unpaid, 21-member volunteer board (3-year term each)
 - 12 independent/6 major oil and natural gas producers
 - Appointed by Governor, House, and Senate leaders
 - 2 oil and natural gas purchasers and 1 royalty owner
 - Appointed by board

Funding

- Funded by a voluntary one-tenth of one percent (0.1%) assessment on the sale of oil and natural gas in Oklahoma
- Other states have followed our lead
- One of the most largely supported check-off programs in existence

FY-2019 5 YEAR BUDGET - PROPOSED

	FY-2019	FY-2020	FY-2021	FY-2022	FY-2023
Est. Average Oil Price	\$51.46 *	\$47.13 *	\$44.02 *	\$41.98 *	\$40.88 *
Est. Oil Volume	165,780,000	160,806,600 **	155,982,402 **	151,302,930 **	146,763,842 **
Est. Average Natural Gas Price	\$2.32 *	\$2.22 *	\$2.23 *	\$2.22 *	\$2.31 *
Est. Natural Gas Volume	2,513,389,000	2,437,987,330 **	2,364,847,710 **	2,293,902,279 **	2,225,085,210 **
Gross Assessments	\$14,362,101.28	\$12,991,146.93	\$12,139,955.73	\$11,444,160.06	\$11,139,652.70

*Prices used are based on 80% of NYMEX.

**After FY-19, production volumes decline by 3%

Budget	FY-2019	FY-2020	FY-2021	FY-2022	FY-2023
Revenue					
Previous Year Carry Forward (CF)	\$10,200,469.74	\$6,193,072.87	\$3,394,194.36	\$1,761,857.67	\$538,574.01
Assessment Revenue	\$14,362,101.28	\$12,991,146.93	\$12,139,955.73	\$11,444,160.06	\$11,139,652.70
Interest Revenue	\$153,007.05	\$92,896.09	\$50,912.92	\$26,427.87	\$8,078.61
Other Revenue	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00
Total Revenue and CF	\$24,735,578.07	\$19,297,115.90	\$15,605,063.00	\$13,252,445.59	\$11,706,305.32
Expenditure					
Admin Contract	\$1,361,190.00	\$1,429,249.50	\$1,500,711.98	\$1,575,747.57	\$1,654,534.95
Legal/Audit	\$22,000.00	\$20,000.00	\$17,000.00	\$17,000.00	\$17,000.00
Misc. Administrative	\$5,000.00	\$5,000.00	\$4,500.00	\$4,500.00	\$4,500.00
Refunds	\$2,154,315.19	\$1,948,672.04	\$1,820,993.36	\$1,716,624.01	\$1,670,947.90
Environmental	\$7,500,000.00	\$6,250,000.00	\$5,250,000.00	\$4,700,000.00	\$4,181,911.23
Education	\$7,500,000.00	\$6,250,000.00	\$5,250,000.00	\$4,700,000.00	\$4,181,911.23
Total Expenditures	\$18,542,505.19	\$15,902,921.54	\$13,843,205.33	\$12,713,871.58	\$11,710,805.32
Estimated Carry Forward Available	\$6,193,072.87	\$3,394,194.36	\$1,761,857.67	\$538,574.01	\$0.00
	%	%	%	%	%
	of Budget	of Budget	of Budget	of Budget	of Budget
	40.4%	39.3%	37.9%	37.0%	35.7%
	40.4%	39.3%	37.9%	37.0%	35.7%
	11.6%	12.3%	13.2%	13.5%	14.3%
	0.0%	0.0%	0.0%	0.0%	0.0%
	0.1%	0.1%	0.1%	0.1%	0.1%
	7.3%	9.0%	10.8%	12.4%	14.1%

FY-2019 SOER Budget

	FY-2018 Budget	FY-2019 Budget
Oil Assessment	\$0.00350	\$0.00350
Est. Oil Volume	157,768,000	165,780,000
Gas Assessment	\$0.00015	\$0.00015
Est. Gas Volume	2,499,081,000	2,513,389,000
Gross Assessments	\$927,050.15	\$957,238.35

Revenue	FY-2018 Budget	FY-2019 Budget
Previous Year Carry Forward (CF)	\$3,114,917.81	\$3,870,933.72
SOER Assessment	\$927,050.15	\$957,238.35
Program Revenue	\$300,000.00	\$420,000.00
Interest Revenue	\$35,000.00	\$58,064.01
Total Revenue and CF	\$4,376,967.96	\$5,306,236.08

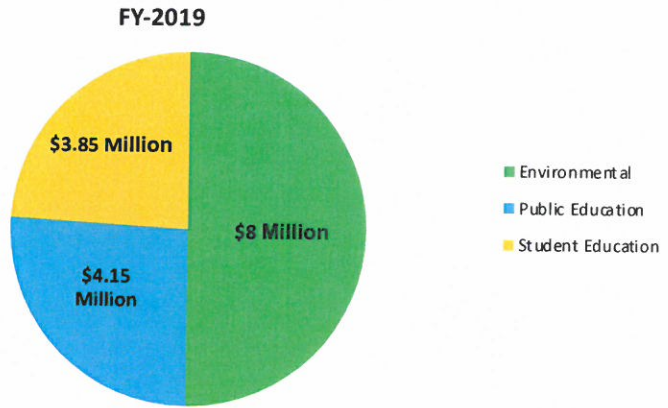
Expenditure	FY-2018 Budget	FY-2019 Budget
Admin Contract	\$302,412.35	\$315,677.63
Misc. Admin	\$7,000.00	\$10,000.00
Refunds	\$9,035.50	\$9,572.38
Workshops	\$50,000.00	\$40,000.00
Expos & Conferences	\$375,000.00	\$380,000.00
Misc. Education	\$37,500.00	\$65,000.00
Research & Technology	\$250,000.00	\$200,000.00
Total Expenditures	\$1,030,947.85	\$1,020,250.01

Carry Forward Available	\$3,114,917.81	\$4,285,986.06
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Refunds are estimated at 1% of assessments

Budget

- By statute, at least 50 percent of funding (after refunds and administrative costs) allocated to environmental restoration



Environmental Cleanup

- The majority of sites addressed by the OERB occurred 1910's - 1960's
- The OERB restores orphaned/abandoned sites with no responsible party
- Our goal - place properties back into a useful and productive state

Environmental Cleanup

- The OERB restores ~750 sites annually (2 to 3 sites a day)
- 400 to 600 sites in various stages at any given time
- Projects are competitively bid and awarded, which in turn pumps revenue into local communities

Environmental Cleanup

- Sites must be referred by the Oklahoma Corporation Commission (except in Osage County)
- Not responsible for plugging
- Surface damages only
 - Removing or burying lease roads and location pads.
 - Removing equipment, concrete, trash and debris.
 - Repairing erosion and saltwater "scars" left on the land.
 - Treating hydrocarbons and closing pits.



Before



After

OKLAHOMA'S OIL & NATURAL GAS PRODUCERS & ROYALTY OWNERS. **OERB**



Before



After

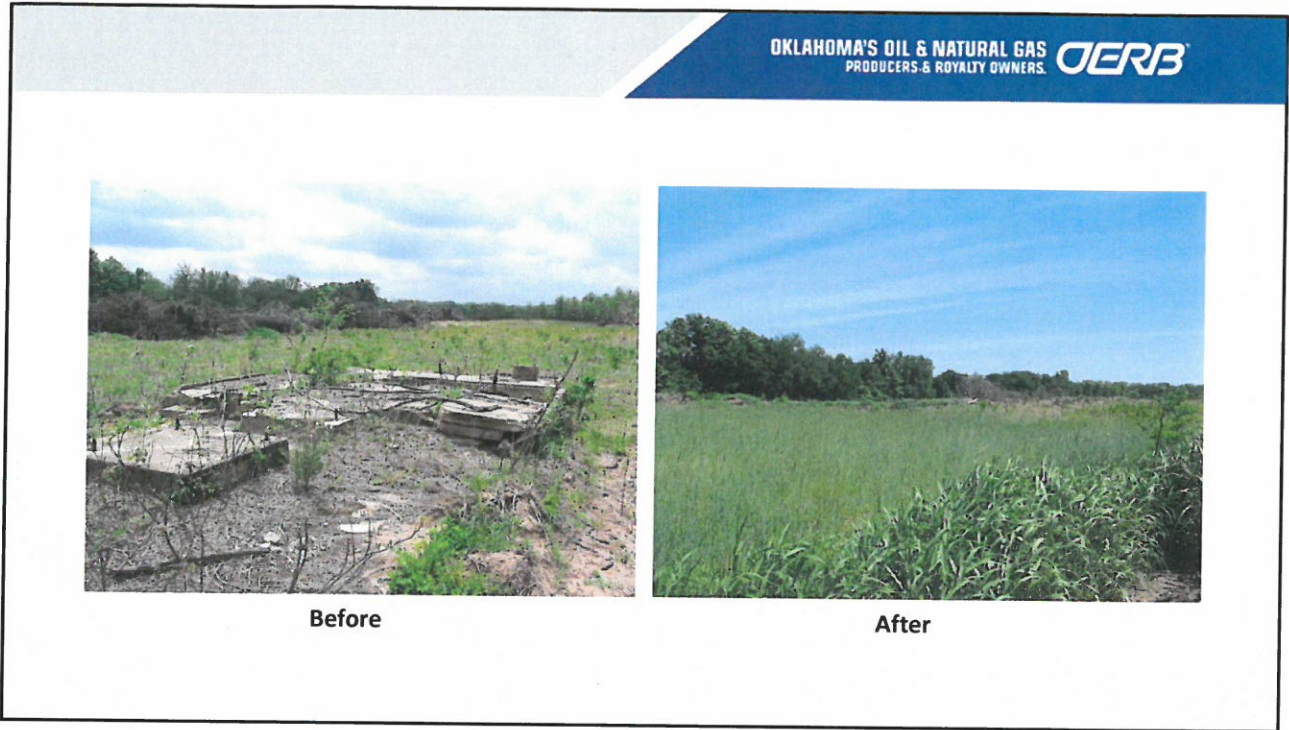
OKLAHOMA'S OIL & NATURAL GAS PRODUCERS & ROYALTY OWNERS. **OERB**



Before



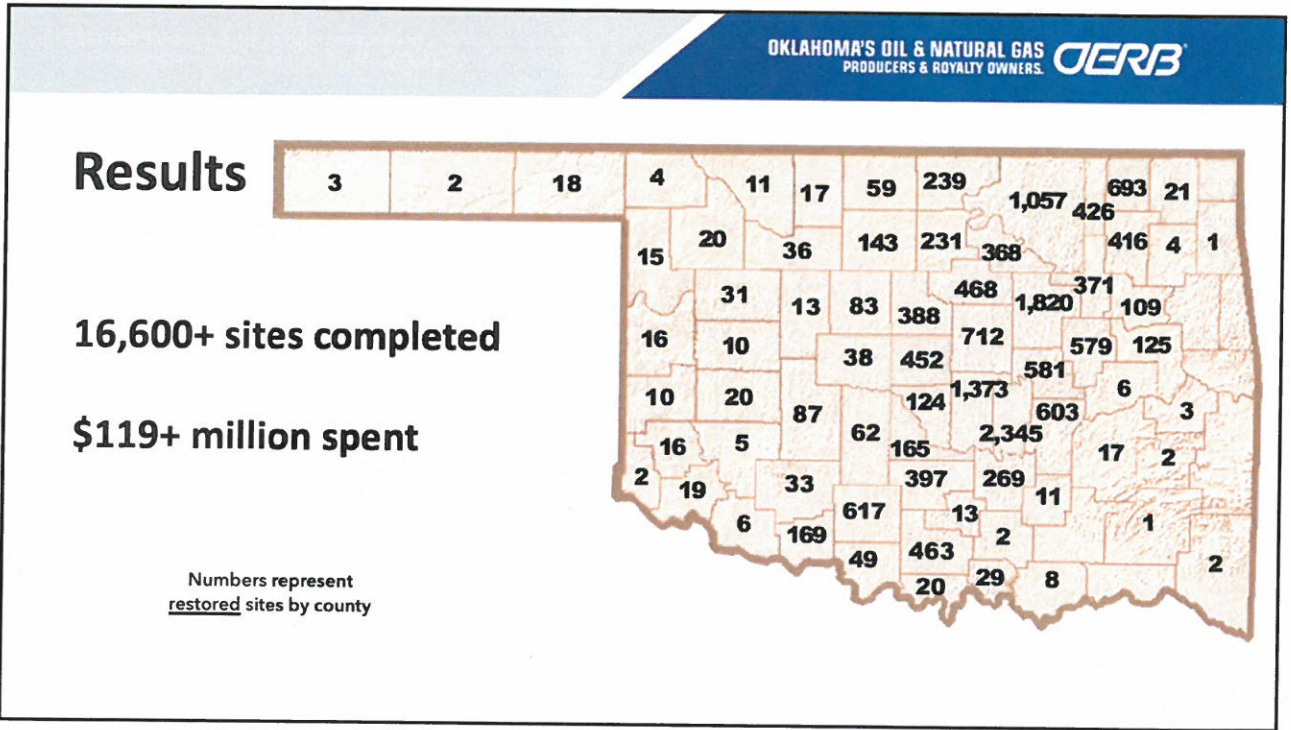
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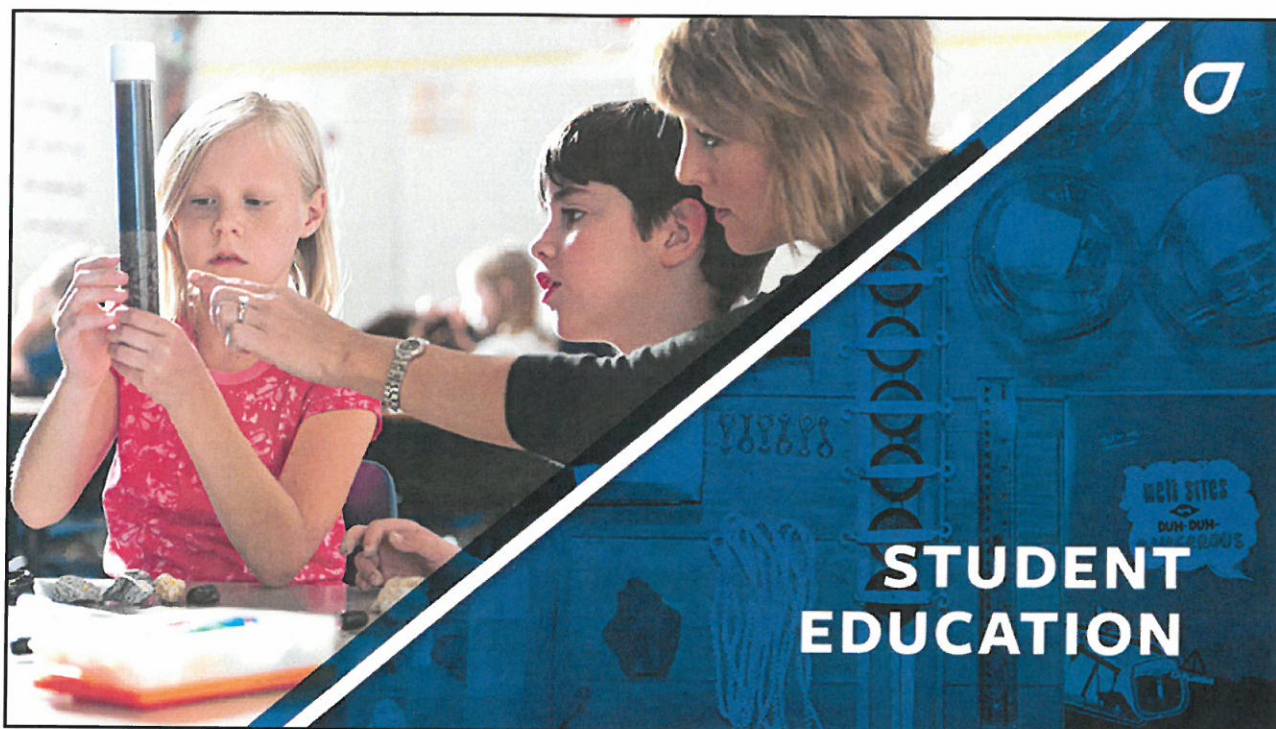


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Before

After





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Student Education Breakdown



- 3.3 million Oklahoma students reached through OERB energy education programs since 1996
- \$47 million spent on education
- OERB reaches all academic grade levels - from kindergarten through college - with its energy education programs.

K-12 Curriculum

- Developed by Oklahoma teachers for Oklahoma Teachers
- Field tested in classrooms around the state
- Intended to supplement lessons teachers are already using
- Localized science and math concepts
- Nine programs containing Math, Science, Language Arts and Social Studies
- Curricula meets the Oklahoma Academic Standards
- Each program has a kit of materials that goes along with all of the lessons. The kits are given to the teachers for free and valued at \$300-\$1,100 in classroom materials.

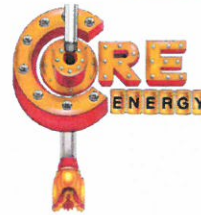
Teacher Workshops

- OERB holds 14 workshops per year in various locations around the state.
- All 9 curricula are offered at every workshop.
- Workshop is completely free.
- Each teacher that attends the workshop receives: Professional development hours, \$50 stipend, curriculum guide and kit of materials, lunch, and T-shirt.
- Master Teachers go through all of the activities with the teachers.



OERB Curriculum

- K – 2nd Little Bits
- 3rd – 6th Fossils to Fuel 1 & 2
- 6th – 9th Petro Active
- 6th – 9th Rockin' Ratios
- 9th – 12th CORE Energy



Example of Science Concepts

- Motion and Force
- Kinetic energy-mass and speed
- Geology-Rock formations, rock cycle and fossils
- Porosity and Permeability
- Wavelength, amplitude and frequency
- Chemical change
- Viscosity
- Pulley systems
- Recycling



Traveling Sound

Time: 2-3 class periods

Wonder Why ...

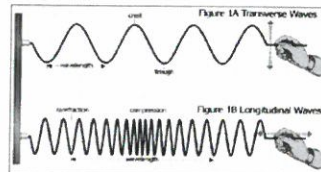
Have you ever wondered if sound waves can travel through matter?

Concept

Sound waves travel through liquids, solids, and gases at different speeds.

Teacher Information

A wave is a disturbance that travels through a medium, which transports energy from one location to another location. The medium is the particles of a material through which the wave is moving. Waves can be transmitted through gases, liquids, and solids. There are two main types of waves: transverse waves and longitudinal waves. In a transverse wave, the particles of the medium vibrate with an up-and-down motion as shown in Figure 1(A). In a longitudinal wave, the particles of the medium vibrate back and forth along the path that the wave travels as shown in Figure 1(B).



A wave has a repeating pattern. The repeating pattern for the transverse wave is a crest and a trough. The crest is the highest point of a transverse wave. The trough is the lowest point between each crest of a transverse wave. The repeating pattern for the longitudinal wave is a compression and a rarefaction. A compression is a section of a longitudinal wave where particles of the wave are crowded together. A rarefaction is a section of a longitudinal wave where the particles of the wave are less crowded than normal.

Example of Kit Materials

- Hand lenses
- Digital scales
- Rock samples
- Beakers
- Graduated cylinders
- Tuning Forks
- Erlenmeyer flasks
- TI-30XS Calculators
- Rulers
- Hot plates
- Maps
- Dictionaries/Thesauruses



OERBHomeRoom.com

- Website completely devoted to OERB's student education programs.
- Designed specifically for OERB teachers, it houses copies of our curricula, PowerPoints and white board lessons.
- Teachers are able to access virtual labs, message boards and additional industry information for each of the OERB curricula.
- Site brings in fun elements aimed at students, such as virtual field trips and career interviews with Petro Pros.
- Updated on a regular basis, always offering something new for OERB educators.



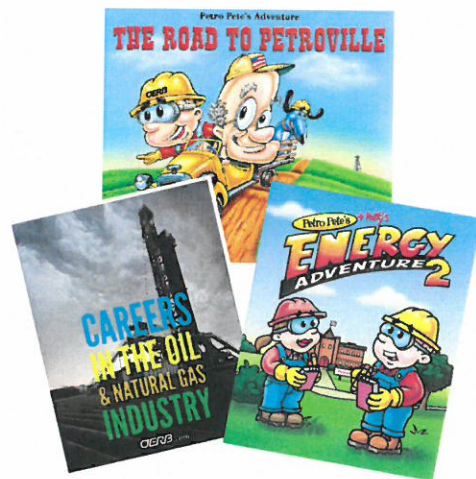
Field Trip Program

- Every year a teacher teaches the OERB curriculum in their classroom, their students are eligible for a free field trip.
- Pay for admission and transportation to 12 Oklahoma museums.
- Last year, the OERB paid for over 40,000 students to go on a field trip.

- * Cherokee Strip Regional Heritage Center- Enid
- * Discovery Lab – Tulsa
- * Exploration Destination - Ponca City
- * Gaylor Pickens Museum - OKC
- * Geoscience Center - Tulsa
- * Goddard Camp & Museum – Sulphur
- * Jasmine Moran Children’s Museum - Seminole
- * Leonardo’s Children’s Museum – Enid
- * Museum of Osteology- OKC
- * Oklahoma Aquarium - Jenks
- * Oklahoma History Center- OKC
- * Oklahoma WONDERTorium – Stillwater
- * Port of Catoosa Maritime Education Center
- * Sam Noble Museum of Natural History- Norman
- * Science Museum Oklahoma- OKC
- * Woolaroc- Bartlesville

Program Supplements

- Petro Pete Book Series
- *Energy Behind Finding Energy* one-hour classroom film
- Activity Books and Bulletin Board Set
- Careers Guide



Well Site Safety Program

- Established in 1996 to teach kids about the dangers of oil & natural gas equipment
- Free safety-related materials (videos, posters and pocket folders) for classrooms
- TV, Radio, Internet & Print Advertising
- Annual Well Site Safety education contest
- Well Site Safety Day – State holiday in April honoring education program



Petro Pros



- Petro Pros are energy professionals, from all areas of the industry, who visit classroom all around the state of Oklahoma.
- During a 1-hour presentation, Petro Pros teach students about the valuable resources beneath their feet and the exciting careers awaiting them.
- Petro Pros make presentations to over 10,000 students annually all over the state.

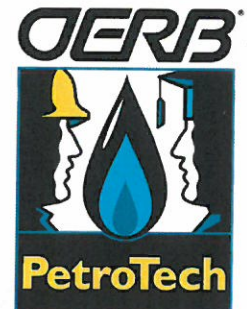
Petroleum Scholar Program

- Created to meet the demand for industry professionals
- \$500,000 in scholarships to petroleum-related degree majors
- Scholarships available to students studying energy management, geoscience or petroleum engineering at OU, OSU, TU and OCU.
- Additional funds for professional development and networking opportunities.
- Online application open on OERB.com from November 1st through March 1st.



PetroTech Program

- The PetroTech program is offered at Francis Tuttle and Tulsa Tech.
- This program is for individuals interested in acquiring the knowledge and certification necessary to pursue a career in Oklahoma's oil and natural gas industry.
- Provides a certification for a Geological, Engineering or Land Technician.
- Classes taught by industry professionals
- Students are a mix of industry professionals and people trying to enter the industry.





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SOER HISTORY

- On July 1, 2013, the Marginal Well Commission (MWC) merged with the Oklahoma Energy Resources Board (OERB) under Senate Bill 767.
- This bill transferred the duties of the MWC to SOER under OERB authority.

FUNDING

- SOER is funded by a voluntary fee assessed on oil and natural gas production in Oklahoma:
 - \$0.0035 on every barrel of oil
 - \$0.00015 on every mcf of natural gas produced in the state
- The fee is remitted to the Oklahoma Tax Commission in the same manner as is provided by law for the payment of gross production tax.
- SOER's funding is maintained separately from the OERB.
- SOER is also authorized to accept appropriations, donations, grants, contributions and gifts from any public or private source.

DUTIES

- **Encourage new processes and technological advancements** in order to sustain the oil and natural gas industry for the future benefit of Oklahoma citizens
- **Advance activities to support marginally producing oil and natural gas wells**

WORKSHOPS

FY-2019 Topics

- SPCC with State and Federal Air Regs
- Artificial Lift
- Bioremediation Practices with Panel Discussion
- Clean L.A.W. – Land. Air. Water
- Navigating State Forms with a Panel Discussion from OCC and OTC
- Packers, Plugs, and Retainers – ½ Day
- Roundtables
- Leasing in Today's World
- Basic Log Analysis for the Marginal Well Operator
- Lunch and Learn(s)

www.soerok.com/workshops

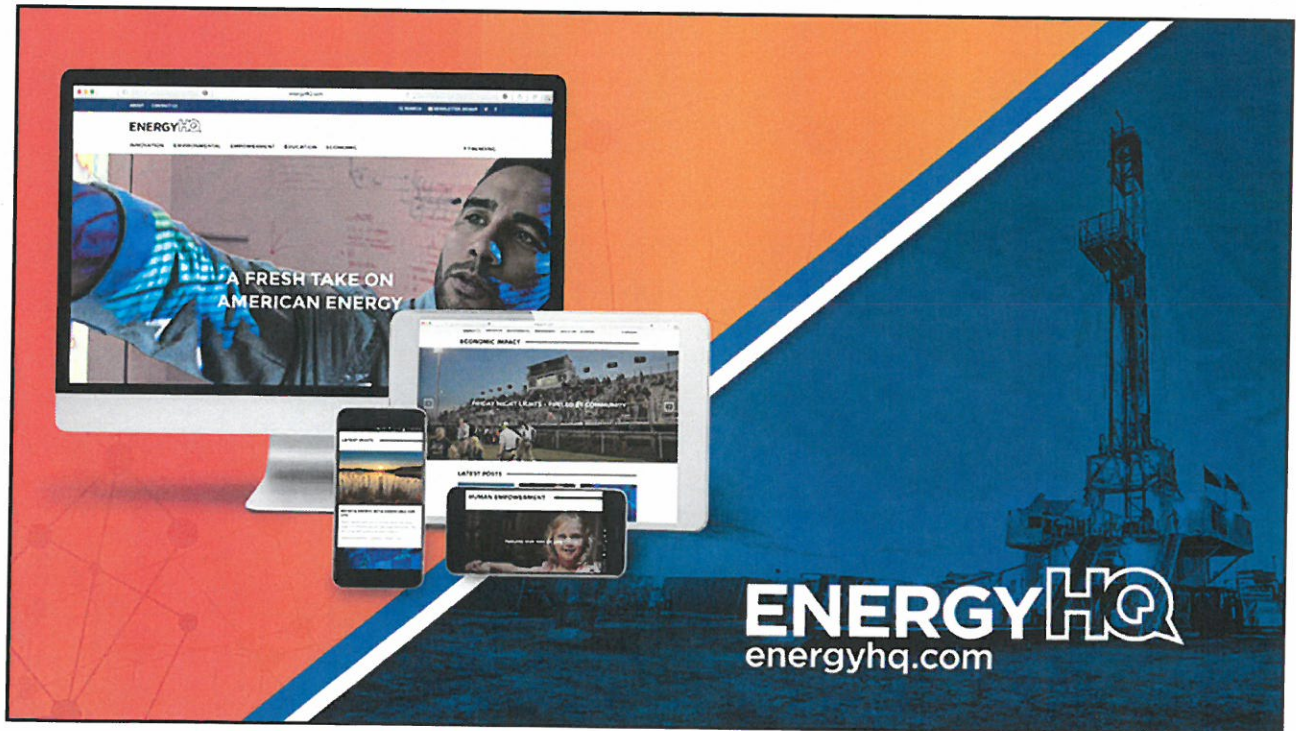
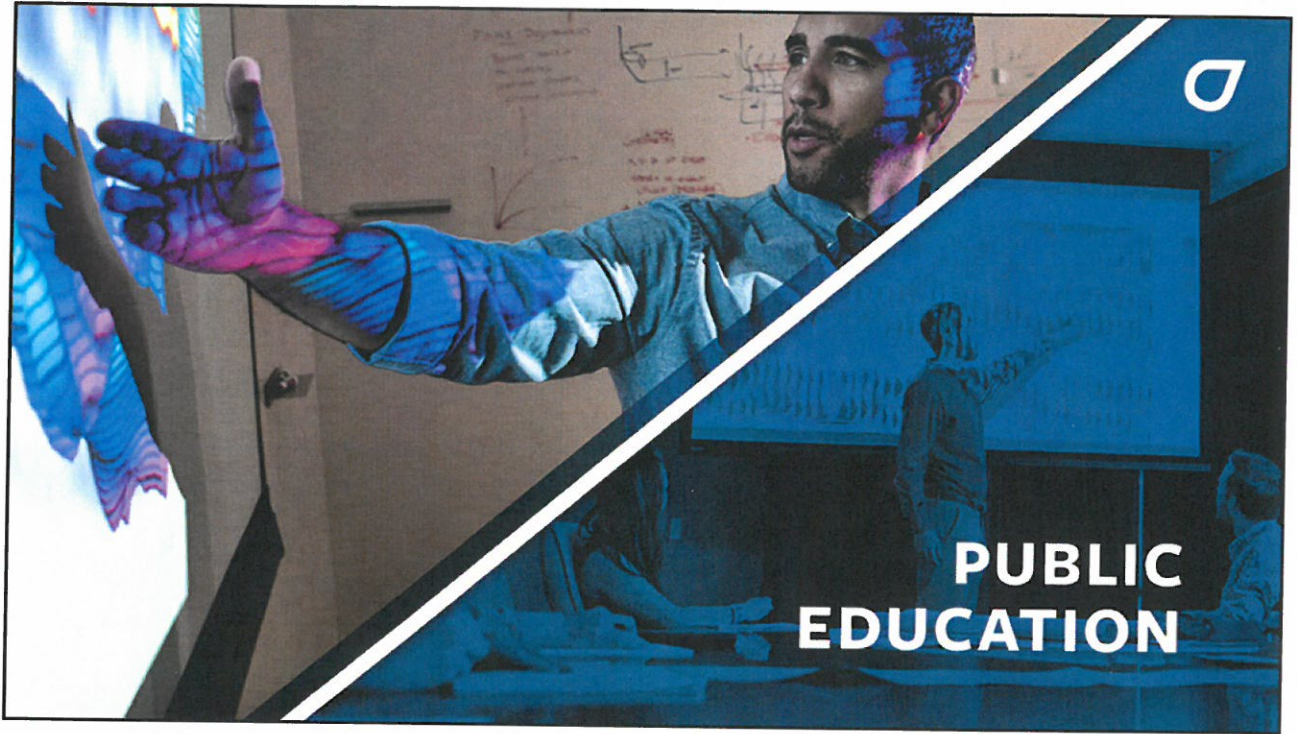


OKLAHOMA OIL & GAS EXPO

PRESENTED BY SOER

- Bringing together companies, ideas, innovations and people who will shape the future of the oil and natural gas industry
- **October 10, 2019 - State Fairgrounds Park - Oklahoma City**
- Free BBQ lunch for all attendees from Head Country BBQ
- 2018 – 300+ Exhibitors and 3,700+ Attendees
- Golf Tournament – October 9, 2019 – 256 Players in 2018
- Oklahoma's longest running oil & natural gas Expo

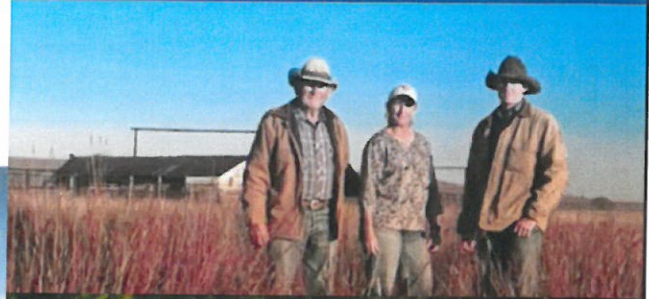
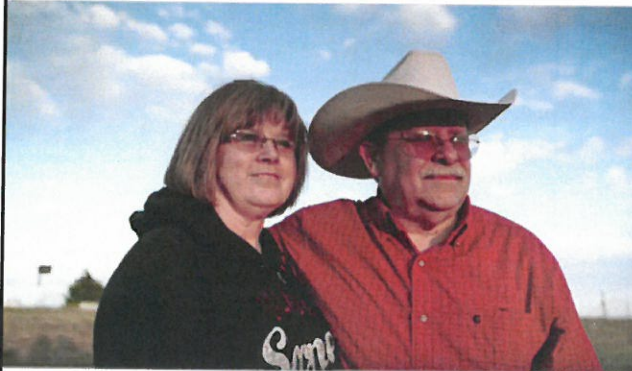
www.okoilexpo.com



RESTORATION

OKLAHOMA'S OIL & NATURAL GAS PRODUCERS & ROYALTY OWNERS. **OERB**

2019 – 25 Years of Environmental Restoration



OERB.COM 

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500 N.E. 4th Street, Suite 100 | Oklahoma City, OK 73104 | (405) 942-5323