

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 57th Legislature (2019)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 2111

By: O'Donnell

7
8 COMMITTEE SUBSTITUTE

9 An Act relating to energy; creating the Oklahoma Oil
10 and Natural Gas Regulatory Modernization Commission;
11 providing for Commission membership; outlining
12 certain duties of the Commission; providing for
13 organizational meeting; allowing for certain outside
14 parties to provide input; providing certain quorum
15 requirements; providing for Commission staffing;
16 providing for cooperation of state entities;
17 requiring development and transmission of final
18 report; prohibiting compensation related to
19 Commission service; providing for termination of
20 Commission; providing for codification; and declaring
21 an emergency.

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

23 SECTION 1. NEW LAW A new section of law to be codified
24 in the Oklahoma Statutes as Section 318.11 of Title 52, unless there
25 is created a duplication in numbering, reads as follows:

26 A. There is hereby created the "Oklahoma Oil and Natural Gas
27 Regulatory Modernization Commission".

1 B. The Commission shall consist of eight (8) members as
2 follows:

3 1. The chairperson of the Energy and Natural Resources
4 Committee of the Oklahoma House of Representatives;

5 2. The chairperson of the Energy Committee of the Oklahoma
6 State Senate;

7 3. A member of the Oklahoma Corporation Commission appointed by
8 a vote of the three members of the Corporation Commission, or a
9 designee from the Oklahoma Corporation Commission;

10 4. The Attorney General, or a designee from the Office of the
11 Attorney General;

12 5. The Governor, or a designee from the Office of the Governor;

13 6. The Lieutenant Governor, or a designee from the Office of
14 the Lieutenant Governor;

15 7. The chairperson of the Oklahoma Energy Resources Board, or a
16 designee from the membership of the Oklahoma Energy Resources Board;
17 and

18 8. The Secretary of Energy and Environment of the State of
19 Oklahoma who shall serve as chairperson of the Commission and shall
20 be a nonvoting member.

21 C. The Commission shall conduct an inquiry into the impact of
22 new drilling activity on existing wells, both vertical and
23 horizontal. The purpose of this inquiry is to determine and
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1 recommend possible changes, if needed, to current regulations. This
2 shall include, but not be limited to:

3 1. Reviewing existing procedures for resolving disputes as they
4 relate to well communication between two or more wells;

5 2. Identifying additional resource needs of the Oklahoma
6 Corporation Commission for timely enforcement of administrative or
7 judicial orders; and

8 3. Examining alternatives used by other states to resolve
9 disputes as they relate to well communication between two or more
10 wells and making recommendations for adoption of best practices.

11 D. The Commission shall hold an organizational meeting no later
12 than September 1, 2019. In furtherance of performing the duties
13 ascribed in subsection C of this section, the Commission may seek
14 input from stakeholders, including the various businesses regulated
15 by the Corporation Commission.

16 E. The Commission may conduct business without a quorum of its
17 membership being present, but a quorum shall be required to be
18 present for the purposes of adoption of the final report, as
19 detailed in subsection H of this section, of the Commission.

20 F. The Commission shall be staffed by the staff of the Office
21 of the Secretary of Energy and Environment of the State of Oklahoma.

22 G. The Commission may request the assistance of any state
23 agency, board, commission, department or other entity of state
24 government to acquire relevant information.

1 H. The Commission shall develop a final report with specific
2 recommendations and transmit the report not later than September 1,
3 2020, to the Governor, the Speaker of the Oklahoma House of
4 Representatives and the President Pro Tempore of the Oklahoma State
5 Senate.

6 I. Each member of the Commission shall serve without
7 compensation or reimbursement for travel related to Commission
8 duties, aside from the compensation they might otherwise receive as
9 authorized by law.

10 J. The Commission shall terminate effective the day following
11 the transmission of the report required by subsection H of this
12 section.

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

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18 COMMITTEE REPORT BY: COMMITTEE ON ENERGY AND NATURAL RESOURCES,
19 dated 02/27/2019 - DO PASS, As Amended.
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