

STATE OF OKLAHOMA

1st Session of the 57th Legislature (2019)

HOUSE BILL 2153

By: Pfeiffer

AS INTRODUCED

An Act relating to oil and gas; amending 52 O.S. 2011, Section 552, which relates to escrow accounts; requiring certain monies be held in trust and deposited in escrow account; requiring submission of certain reports within a year; allowing optional payment of certain monies if held for less than five years; providing for transmission of certain funds; amending 52 O.S. 2011, Section 555, which relates to investment of funds; requiring certain interest be added to revolving fund; requiring certain funds deposited be transferred after effective date; creating the Oil and Gas Technology Revolving Fund; and declaring an emergency.

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

SECTION 1. AMENDATORY 52 O.S. 2011, Section 552, is amended to read as follows:

Section 552. 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

1 2. Persons entitled to the receipt of such monies are unknown
2 or cannot be located after exercise of due diligence.

3 B. The holder shall hold the monies in trust for the benefit of
4 the rightful recipient and shall deposit the monies in the escrow
5 account ~~shall be for the benefit of the rightful recipient of the~~
6 ~~monies.~~ Any person showing to the holder sufficient proof of
7 identity and proof of ownership of the property shall be promptly
8 paid the sum accumulated for his benefit in the escrow account.

9 C. The Corporation Commission shall require reports of each
10 such account be filed within one (1) year after the pooling order.
11 The reports shall include, but not be limited to:

- 12 1. The name and last-known address of the property owner;
13 2. The legal description of the property interest subject to
14 the pooling order;
15 3. The location and account number of the escrow account;
16 4. The person authorized to order withdrawals from the account;
17 and

- 18 5. ~~The date of the pooling order; and~~
19 ~~6.~~ Such other information as the Commission may require.

20 D. If any holder of monies is required to establish more than
21 one escrow account by operation of any section of this act, then the
22 monies accruing may all be commingled in a single account. Separate
23 records of each deposit and withdrawal on behalf of specific persons
24 shall be maintained.

1 E. ~~One~~ Within one (1) year after the date of the pooling order,
2 the holder shall submit the report of funds that have been held in
3 escrow, and shall transmit to the Corporation Commission the funds
4 that have been so held. If additional monies covered by this act
5 are subsequently generated from mineral interests included in a
6 pooling order, they shall likewise be held in escrow and transmitted
7 annually by the holder, along with the names of mineral owners who
8 have in the intervening year submitted proper claims of ownership to
9 mineral interests covered by this act.

10 Provided, however, that payment of such monies shall be optional
11 with the holder if the amount held for any one person is One Hundred
12 Dollars (\$100.00) or less unless such amount has been held for more
13 than five (5) years. Amounts of One Hundred Dollars (\$100.00) or
14 less that have been held five (5) years or more shall be transmitted
15 to the Commission with the holder's next annual transmission. This
16 exemption does not relieve the holder of filing the required
17 reports, regardless of the amount.

18 SECTION 2. AMENDATORY 52 O.S. 2011, Section 555, is
19 amended to read as follows:

20 Section 555. A. The State Treasurer shall invest the monies in
21 the Mineral Owner's Fund and shall annually apportion the interest
22 earned as follows:

23 1. Twenty-five percent (25%) to the Corporation Commission to
24 be used for plugging abandoned oil and gas wells, pursuant to

1 Sections 308 et seq. of this title, not to exceed Three Hundred
2 Thousand Dollars (\$300,000.00) per year; provided, that any amount
3 that would cause funds available for that purpose to exceed Five
4 Hundred Thousand Dollars (\$500,000.00) in any one (1) year shall
5 remain in the Mineral Owner's Fund;

6 2. Fifty percent (50%) to the State Treasurer but not more than
7 Two Hundred Thousand Dollars (\$200,000.00) per year, to be spent for
8 advertising, personnel and other expenses incurred to search for the
9 rightful owners of unclaimed intangible property generated by
10 mineral interests; ~~and~~

11 3. Any remaining interest shall be added to ~~the principal of~~
12 ~~the Mineral Owner's~~ the Corporation Commission Revolving Fund; and

13 4. Any interest deposited in the Mineral Owner's Fund prior to
14 the effective date of this act shall be transferred to the
15 Corporation Commission's Oil and Gas Technology Revolving Fund,
16 created in subsection B of this section, within ninety (90) days of
17 the effective date of this act.

18 B. There is hereby created in the State Treasury a revolving
19 fund for the Corporation Commission, to be designated the "Oil and
20 Gas Technology Revolving Fund", which shall consist of all monies
21 designated for deposit to said fund. The fund shall be a continuing
22 fund, not subject to fiscal year limitations, and shall not be
23 subject to legislative appropriation. All monies accruing to the
24 credit of said fund shall only be expended for information

1 technology expenses related to the Commission's regulation of oil
2 and gas. Expenditures from said fund shall be made upon warrants
3 issued by the State Treasurer against claims filed as prescribed by
4 law with the Director of the Office of Management and Enterprise
5 Services for approval and payment.

6 SECTION 3. It being immediately necessary for the preservation
7 of the public peace, health or safety, an emergency is hereby
8 declared to exist, by reason whereof this act shall take effect and
9 be in full force from and after its passage and approval.

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