

HOUSE OF REPRESENTATIVES

REQUEST FOR INTERIM STUDY PROPOSAL

DATE: June 27, 2025

BY REPRESENTATIVE(S):

Representative Archer

TOPIC OF THE PROPOSAL:

Corporation Commission Oil and Gas Conservation Division Funding and Efficiencies

EXPLANATORY COMMENTS ON THE SCOPE OF THE STUDY PROPOSAL:

The purpose of this study is to discuss the funding and efficiencies of the Oklahoma Corporation Commission (“OCC”) Oil and Gas Conservation Division (“OGCD”) and its need for increased personnel to adequately accomplish the OCC mission. They study will also consider some out-of-date statutes that need to be modernized.

The OGCD field inspectors have duties to inspect every oil and gas well in the state, which equates to an average of 5,800 wells each. This is an unrealistic number of wells for each inspector to visit every few years. Inspections are in addition to their other duties which include orphaned well identification, professional testimony, environmental remediation planning, well plugging monitoring, and emergency/complaint response.

The funding issues and statutory restrictions on staffing the OCC Court of Record and support personnel also needs to be reviewed. Such constraints have impacted the ability to timely hear cases, attract and retain court reporters, and provide adequate response to industry.

This study will also look at the funding level for the orphaned well plugging fund which currently receives around \$2,500,000 per year. This amount only covers about 113 well plugging's per year based on recent average costs. In the meantime, the orphaned well list continues to grow as more historic and newly orphaned wells are identified. This fund needs a significant influx of funding to meet current demands and reduce the number of wells on the list. Realistically, it would take over \$500 million to plug every well on the orphaned well plugging list currently. The goal of the study will be to discuss these issues and propose funding levels that will help resolve this problem so there are fewer oil and gas issues that impact Oklahoma’s expanding population. We will hear from the OCC OGCD and oil and gas industry representatives. Committee members will hear from any parties interested in weighing in on this topic and providing ideas for resolution and improvement. After hearing from the experts, we will examine what possible legislation is needed, if any, moving forward.

FILE IN CHIEF CLERK’S OFFICE

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