BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

IN THE MATTER OF A PERMANENT RULEMAKING OF THE OKLAHOMA CORPORATION COMMISSION AMENDING OAC 165:10, OIL & GAS CONSERVATION

CAUSE NO. RM 202200002



NOTICE OF PROPOSED RULEMAKING

NOTICE IS HEREBY GIVEN that the Oil & Gas Conservation Division ("OGCD") of the Oklahoma Corporation Commission ("Commission") recommends that the Commission amend the Oil & Gas Conservation rules that are set forth in the Oklahoma Administrative Code ("OAC") 165:10. The proposed changes to OAC 165:10 are as follows:

- OAC 165:10-1-3 is amended regarding scope of the rules.
- OAC 165:10-1-4 is amended to update the list of effective dates for OAC 165:10 rulemakings.
 - OAC 165:10-1-6 is amended concerning the duties and authority of the OGCD.
- OAC 165:10-1-7 is amended to update the list of OGCD prescribed forms and to delete forms.
- OAC 165:10-1-10 is amended to update the rule and to change requirements concerning operator agreements.
- OAC 165:10-1-22 is amended regarding drilling and spacing units and issuance of Permits to Drill.
- OAC 165:10-1-24 is amended concerning spacing and location exception orders and issuance of Permits to Drill.
 - OAC 165:10-3-1 is amended with respect to permits to drill wells.
- OAC 165:10-3-4 is amended regarding cementing of wells and submission of cementing reports.
 - OAC 165:10-3-5 is amended concerning underground storage of natural gas.
- OAC 165:10-3-10 is amended with respect to notice of hydraulic fracturing operations and to eliminate a reference to citations.
 - OAC 165:10-3-17 is amended regarding well site and surface facilities.
 - OAC 165:10-3-26 is amended concerning well logs.
- OAC 165:10-3-27 is amended with respect to location exception orders and issuance of Permits to Drill.
 - OAC 165:10-3-28 is amended regarding horizontal drilling.
 - OAC 165:10-5-2 is amended concerning approval of underground injection wells.

- OAC 165:10-5-5 is amended with respect to information to be supplied in connection with applications for approval of underground injection wells.
 - OAC 165:10-5-15 is amended regarding simultaneous injection wells.
- OAC 165:10-7-5 is amended concerning testing and other actions pertaining to wells that have not produced in over twelve months.
- OAC 165:10-7-19 is amended with respect to land application of water-based fluids from earthen pits, tanks, and pipeline construction.
- OAC 165:10-7-26 is amended regarding land application of contaminated soils and petroleum hydrocarbon based drill cuttings.
 - OAC 165:10-11-1 is amended concerning licenses for pulling casing and plugging wells.
 - OAC 165:10-11-3 is amended with respect to plugging of wells.
- OAC 165:10-29-1 is amended regarding wells located in specified areas pertaining to the Lake Atoka and McGee Creek Reservoirs.
- **NOTICE IS FURTHER GIVEN** that the Commission has jurisdiction to initiate this permanent rulemaking pursuant to the Oklahoma Administrative Procedures Act, 75 O.S. §§ 250 *et seq.*, 17 O.S. § 52, 27A O.S. § 1-3-101, 52 O.S. § 139, and OAC 165:5-1-7.
- **NOTICE IS FURTHER GIVEN** that the OGCD believes it is necessary to amend the current rules. If the Commission adopts the permanent rules proposed herein, the proposed rules shall be submitted, pursuant to the requirements in the Oklahoma Administrative Procedures Act, for approval as permanent rules.
- **NOTICE IS FURTHER GIVEN** that the proposed rules will be made available for public inspection on the Commission's website at https://oklahoma.gov/occ/rules/proposed-rules.html, and may be downloaded at no cost to the end user. A copy of the proposed rules may be requested by contacting Susan Dennehy Conrad at (405) 521-3939 or Susan.Conrad@occ.ok.gov.
- **NOTICE IS FURTHER GIVEN** that the Rule Impact Statement required pursuant to 75 O.S. § 303(D), and the Economic Impact –Environmental Benefit Statement pursuant to 27A O.S. § 1-1-206, will be timely prepared and made available for public inspection on the Commission's website at https://oklahoma.gov/occ/rules/proposed-rules.html, no later than fifteen (15) days after the date of publication of this Notice of Proposed Rulemaking.
- NOTICE IS FURTHER GIVEN that the OGCD will have technical conferences on February 24, 2022, at 1:30 p.m. and March 10, 2022, at 1:30 p.m. in Courtroom 301, Third Floor, Jim Thorpe Office Building, 2101 North Lincoln Boulevard, Oklahoma City, Oklahoma 73105. All parties interested in the proposed rules are urged and welcome to attend. One or more of the Commissioners may be present at the technical conferences and may participate in the dialogue with the rulemaking participants regarding the subject of the proposed rulemaking. The Commission continues to offer the public the option to livestream Commission meetings or attend its meetings via teleconferencing and/or videoconferencing.

NOTICE IS FURTHER GIVEN that the Commission invites all interested persons to submit comments regarding the proposed changes to the rules on or before February 25, 2022, and March 14, 2022. To file the comments, please send them by email to okcfilings@occ.ok.gov, referring to Cause No. RM 202200002. Comments may be submitted by regular mail to the following address: Court Clerk, Jim Thorpe Office Building, 2101 North Lincoln Boulevard, Oklahoma City, Oklahoma 73105. A file stamped copy of the comments should be sent via email to Susan Dennehy Conrad at Susan.Conrad@occ.ok.gov. Filed comments will be made available for public inspection at no cost to the end user from the Commission's imaging system at https://imaging.occ.ok.gov/imaging/OAP.aspx.

Pursuant to 75 O.S. §§ 303 and 504, business entities are requested, if the proposed rules affect such entities, to provide to the Commission in writing, a description of the probable quantitative (costs) and qualitative impact of the proposed rules, economic or otherwise, using quantifiable data to the extent possible, taking into account both short-term and long-term consequences.

NOTICE IS FURTHER GIVEN that the Commission, in a public hearing, shall consider the adoption of the proposed permanent rules on March 15, 2022, at 9:30 a.m. in Courtroom 301, Third Floor, Jim Thorpe Office Building, 2101 North Lincoln Boulevard, Oklahoma City, Oklahoma 73105. The Commission continues to offer the public the option to livestream Commission meetings or attend its meetings via teleconferencing and/or videoconferencing.

NOTICE IS FURTHER GIVEN that further information and inquiries regarding this proposed rulemaking should be directed to Susan Dennehy Conrad, Attorney, by telephone at (405) 521-3939, email at Susan.Conrad@occ.ok.gov, or to Tracy Case, Attorney, by telephone at (405) 521-4258, email at Tracy.Case@occ.ok.gov, or at Room 400, Jim Thorpe Office Building, 2101 North Lincoln Boulevard, Oklahoma City, Oklahoma 73105, or Post Office Box 52000, Oklahoma City, Oklahoma 73152-2000.

CORPORATION COMMISSION OF OKLAHOMA

DANA L. MURPHY, CHAIRMAN

BOB ANTHONY, VICE CHAIRMAN

I TODD HIETT COMMISSIONER

CERTIFICATION

DONE AND PERFORMED by the Commissioners participating in the issuance of this Notice of Proposed Rulemaking, as shown by their signatures above, this 8th day of February, 2022.

BY ORDER OF THE COMMISSION:

PEGGY MITCHELL, Commission Secretary