

**FILED**  
JAN 28 2018

COURT CLERK OF THE SUPREME COURT  
CORPORATION COMMISSION  
OF OKLAHOMA

**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 201800002

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**NOTICE OF PROPOSED RULEMAKING**

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**NOTICE IS HEREBY GIVEN** that the Oil and 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 will address issues that have arisen regarding the Oil & Gas Conservation rules.

The proposed changes to OAC 165:10 are as follows:

OAC 165:10-1-4 is amended to update the list of effective dates for OAC 165:10 rulemakings.

OAC 165:10-1-7 is amended to update the list of OGCD prescribed forms, to delete form(s) and to add new form(s).

OAC 165:10-3-1 is amended regarding permits to drill wells.

OAC 165:10-3-10 is amended concerning hydraulic fracturing operations.

OAC 165:10-3-17 is amended with respect to well site and surface facilities.

OAC 165:10-3-26 is amended regarding well logs.

OAC 165:10-3-28 concerning horizontal drilling is amended in accordance with 52 O.S. § 87.1 *et seq.* and amendments thereto in Enrolled Senate Bill No. 867 (2017).

OAC 165:10-3-39 is amended with respect to commingling of production.

OAC 165:10-5-6 is amended regarding testing and monitoring requirements for enhanced recovery injection wells and disposal wells.

OAC 165:10-5-7 is amended concerning monitoring and reporting requirements for enhanced recovery injection wells, disposal wells and storage wells.

OAC 165:10-5-15 is amended with respect to reporting requirements for simultaneous injection wells.

OAC 165:10-7-2 is amended regarding administration and enforcement of rules.

OAC 165:10-7-7 is amended concerning informal complaints pertaining to alleged violations of Commission orders or OAC 165:10.

OAC 165:10-7-16 is amended with respect to use of noncommercial pits.

OAC 165:10-7-17 is amended regarding surface discharge of fluids.

OAC 165:10-7-19 is amended concerning land application of water-based fluids from earthen pits, tanks and pipeline construction.

OAC 165:10-7-22 is amended with respect to permits for County Commissioners to apply waste oil, waste oil residue or crude oil contaminated soil to streets and roads.

OAC 165:10-7-26 is amended regarding land application of contaminated soils and petroleum hydrocarbon based drill cuttings.

OAC 165:10-7-27 is amended concerning application of waste oil, waste oil residue or crude oil contaminated soil by oil and gas operators and pipeline companies to lease roads, pipeline service and tank farm roads, well locations and production sites.

OAC 165:10-7-28 is amended with respect to application of freshwater drill cuttings by County Commissioners to streets and roads.

OAC 165:10-7-29 is amended regarding application of freshwater drill cuttings by oil and gas operators to private access areas, well locations and production sites.

OAC 165:10-7-31 is amended concerning stratigraphic operations.

OAC 165:10-7-33 is amended with respect to truck wash pits.

OAC 165:10-9-1 is amended regarding operation of commercial pits.

OAC 165:10-9-2 is amended concerning commercial soil farming.

OAC 165:10-9-3 is amended with respect to commercial disposal well surface facilities.

OAC 165:10-9-4 is amended regarding operation of commercial recycling facilities.

OAC 165:10-11-6 is amended concerning plugging and plugging back procedures for wells.

OAC 165:10-21-21, OAC 165:10-21-22, OAC 165:10-21-24, OAC 165:10-21-36, OAC 165:10-21-38, OAC 165:10-21-45, OAC 165:10-21-47.1, OAC 165:10-21-55, OAC 165:10-21-58, OAC 165:10-21-68, OAC 165:10-21-69, OAC 165:10-21-78, OAC 165:10-21-80, OAC 165:10-21-82.3 and OAC 165:10-21-82.4 in Subchapter 21, Applications for Tax Exemptions, are amended in accordance with 68 O.S. § 1001 and amendments thereto in Enrolled House Bill Nos. 1085, 2377 and 2429 (2017).

**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. § 87.1 *et seq.*, 52 O.S. § 139, 68 O.S. § 1001, and OAC 165:5-1-7.

**NOTICE IS FURTHER GIVEN** that the OGCD believes it is necessary to adopt permanent rules regarding oil and gas conservation matters in order to update rules and address changes in technology. If permanent rules are adopted in this Cause by the Commission, the proposed rules shall be submitted to the Governor and the Oklahoma Legislature for approval as permanent rules.

**NOTICE IS FURTHER GIVEN** that the proposed rules will be made available for public inspection at the Commission's Oklahoma City Court Clerk's office. A copy of the proposed rules may be requested by phone at (405) 521-2352, e-mail at [courtclerk@occemail.com](mailto:courtclerk@occemail.com), or by visit to the Commission's Oklahoma City Court Clerk's Office. The proposed rules are also accessible on the Commission's website at <http://www.occeweb.com> and may be downloaded at no cost to the end user.

**NOTICE IS FURTHER GIVEN** that the Rule Impact Statement 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 in the Commission's Court Clerk's Office, First Floor, Jim Thorpe Office Building, 2101 North Lincoln Boulevard,

Oklahoma City, Oklahoma, 73105, 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 6, 2018, at 10:00 a.m. and February 22, 2018, at 10:00 a.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 issues of the proposed rulemaking.

Pursuant to 75 O.S. § 303 and § 504, business entities are requested, if the proposed rules adversely 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, and use quantifiable data to the extent possible, taking into account both short-term and long-term consequences.

**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 28, 2018.** Those persons interested in submitting comments should file one (1) copy of their comments, referring to Cause No. RM 201800002, with the Commission's Court Clerk's Office. The comments will be made available for public inspection by telephone call, e-mail, or in-person request during regular business hours of the Court Clerk's Office, 8:00 a.m. to 4:30 p.m.

**NOTICE IS FURTHER GIVEN** that the **Commission *en banc* shall consider the permanent adoption of the proposed rules at a public hearing at 9:30 a.m. on March 13, 2018,** in Courtroom 301, Third Floor, Jim Thorpe Office Building, 2101 North Lincoln Boulevard, Oklahoma City, Oklahoma, 73105.

**NOTICE IS FURTHER GIVEN** that further information and inquiries regarding this proposed rulemaking should be directed to Susan Dennehy Conrad, Deputy General Counsel, by telephone (405) 521-3939, e-mail [s.conrad@occemail.com](mailto:s.conrad@occemail.com), facsimile (405) 521-4150, 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*

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DANA L. MURPHY, Chairman

*J. Todd Hiatt*

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J. TODD HIETT, Vice Chairman

*Bob Anthony*

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BOB ANTHONY, Commissioner

CERTIFICATION

DONE and PERFORMED this 23 day of Jan., 2018, BY ORDER OF THE COMMISSION:

*Peggy Mitchell*

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PEGGY MITCHELL, Commission Secretary