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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 AND
GAS CONSERVATION**

CAUSE NO. RM 201600019

FILED

DEC 01 2016

NOTICE OF PROPOSED RULEMAKING

COURT CLERK'S OFFICE - OKC
CORPORATION COMMISSION
OF OKLAHOMA

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 and 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 and 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 and to add new forms.

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

OAC 165:10-3-25 is amended concerning Completion Reports and amended Completion Reports.

OAC 165:10-5-5 is amended with respect to applications for approval of enhanced recovery injection and disposal operations.

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, and to include a reference to 17 O.S. § 52 and provisions appearing therein.

OAC 165:10-5-10 is amended with respect to transfer of authority to inject concerning underground injection wells.

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

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

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

OAC 165:10-7-33 is amended regarding truck wash pits.

OAC 165:10-9-1 is amended concerning use of commercial pits.

OAC 165:10-9-2 is amended with respect to commercial soil farming.

OAC 165:10-9-3 is amended regarding commercial disposal well pits.

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

OAC 165:10-11-3 is amended with respect to plugging of wells.

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

Appendix F is revoked and a new Appendix F proposed regarding a schedule of fines.

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 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, 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 Commission invites all interested persons to **submit comments regarding the proposed changes to the Rules on or before February 10, 2017**. Those persons interested in submitting comments should file one (1) copy of their comments, referring to Cause No. RM 201600019, 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 OGCD will have **technical conferences on January 10, 2017, at 1:30 p.m. and February 1, 2017, 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 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.

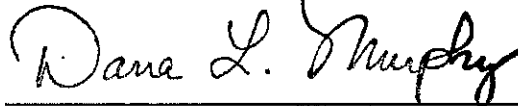
NOTICE IS FURTHER GIVEN that the **Commission *en banc*** shall consider the permanent adoption of the proposed rules at a public hearing at 9:30 a.m. on **February 28, 2017**, in Courtroom 301, Third Floor, Jim Thorpe Office Building, 2101 North Lincoln Boulevard, Oklahoma City, Oklahoma, 73105.

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, 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.

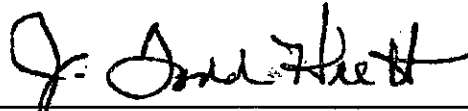
CORPORATION COMMISSION OF OKLAHOMA



BOB ANTHONY, Chairman



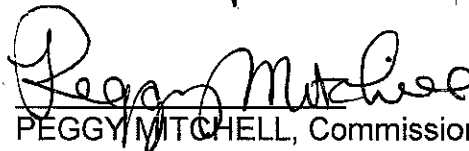
DANA L. MURPHY, Vice Chairman



J. TODD HIETT, Commissioner

CERTIFICATION

DONE and PERFORMED this 1st day of December, 2016, BY ORDER OF
THE COMMISSION:



PEGGY MITCHELL, Commission Secretary