

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

IN THE MATTER OF AN EMERGENCY)
RULEMAKING OF OKLAHOMA)
CORPORATION COMMISSION)
AMENDING OAC 165:10, OIL AND)
GAS CONSERVATION)

CAUSE NO. RM 201700009

FILED
AUG 11 2017

COURT CLERK'S OFFICE - OKC
CORPORATION COMMISSION
OF OKLAHOMA

PUBLIC COMMENT
OF
OKLAHOMA ENERGY PRODUCERS ALLIANCE
TO
PROPOSED EMERGENCY RULES
AUGUST 11, 2017

TITLE 165. CORPORATION COMMISSION
CHAPTER 10. OIL AND GAS CONSERVATION



I. **INTRODUCTION:** The Oklahoma Energy Producers Alliance (OEPA) is a group of Oklahoma oil and gas companies concerned with protecting the rights of conventional oil and gas producers and royalty owners at the State Capitol and the Oklahoma Corporation Commission. OEPA represents the rights of conventional producers by promoting fairness before the Oklahoma Legislature and providing a regulatory affairs presence at the Oklahoma Corporation Commission. OEPA's goal is to be a good friend to the oil and natural gas industry and the businesses and citizens of Oklahoma. OEPA and its members are committed to doing their part to be a good citizens to and support the State of Oklahoma.

II. **COMMENT ON OAC 165:10-3-28(17):** OEPA has reviewed the Chapter 10 emergency rules proposed by the Oklahoma Corporation Commission (OCC). After reviewing the proposed rules, the OEPA believes that it is incumbent that the definition "targeted reservoir" be clarified to be consistent with definition concept of "adjacent common source of supply." The clear intent expressed when these definitions are read together with the provisions of Enrolled Senate Bill No. 867, and in the context of the historic development practices of horizontal drilling in Oklahoma, is that a "targeted reservoir" is to be comprised of the primary target zone of a horizontal well development plan and may include the "adjacent common source of supply" above and below the primary target zone.

To provide clarification, OEPA proposes the following changes to the language of OAC 165:10-3-28(17) as proposed by the OCC:

~~(17)~~(15) "Targeted reservoir" shall mean ~~any shale reservoir or any portion of the Marmaton common source of supply~~ ~~one or more~~ a common ~~source~~ source of supply which will be encountered by the horizontal lateral portion of a horizontal well, along with the adjacent common source(s) of supply, and which has been designated by the Commission as part of an order, rule or emergency rule as potentially suited for development for the applied for multiunit horizontal well or horizontal well unitization pursuant to 52 O.S. § 87.6 et seq. Provided, however, ~~that more than one~~ the adjacent common ~~source~~ source(s) of supply may only be granted by the Commission and included in the targeted reservoir upon a showing of reasonable cause by the applicant requesting the multiunit well in the application requesting authority for the multiunit well prior to the drilling of said multiunit well that the inclusion of the ~~additional~~ adjacent common source(s) of supply shall prevent waste and protect the correlative rights of all of the owners of the oil and gas rights.

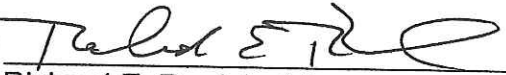
DELETIONS TO OCC PROPOSED LANGUAGE HIGHLIGHTED IN GREEN
ADDITIONS TO OCC PROPOSED LANGUAGE HIGHLIGHTED IN YELLOW



III. CONCLUSION: The proposed emergency Chapter 10 rules are consistent with the OEPA's position that if the OCC is going to adopt emergency rules, the emergency rules should be minimalistic addressing primarily the definition and nomenclature changes. OEPA reserves the right to submit additional public comments consistent with the deadlines set forth in the Notice of Proposed Emergency Rulemaking.

Respectfully submitted,

Oklahoma Energy Producers Alliance
P.O. Box 1762
Ardmore, OK 73402

By: 
Richard E. Parrish, Attorney
3609 Quail Creek Road
Oklahoma City, OK 73120
405-250-6376
parrishlaw@outlook.com