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JAN 23 2018

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA
OKLAHOMA'S OFFICE - OKC
CORPORATION COMMISSION
OF OKLAHOMA

IN THE MATTER OF A PERMANENT
RULEMAKING OF THE OKLAHOMA
CORPORATION COMMISSION
AMENDING **OAC 165:5, RULES OF
PRACTICE**

CAUSE NO. RM 201800001

NOTICE OF PROPOSED RULEMAKING

NOTICE IS HEREBY GIVEN that Judicial and Legislative Services ("JLS"), the Oil and Gas Conservation Division ("OGCD"), the Petroleum Storage Tank Division ("PSTD") and the Transportation Division ("TD") of the Oklahoma Corporation Commission ("Commission") recommend that the Commission amend the Rules of Practice that are set forth in the Oklahoma Administrative Code ("OAC") 165:5. The proposed changes will address issues that have arisen regarding the Rules of Practice.

The proposed changes to OAC 165:5 are as follows:

OAC 165:5-1-3 is amended regarding definitions.

OAC 165:5-1-4 is amended concerning telephonic communication service and filings with the Court Clerk.

OAC 165:5-1-5 is amended with respect to filing of documents.

OAC 165:5-1-9 is amended regarding telephonic and videoconferencing testimony.

OAC 165:5-3-1 is amended concerning fees, including, but not limited to, addition of provisions regarding returned payments and changes to OGCD and TD fees.

OAC 165:5-3-2 is amended with respect to PSTD fees.

OAC 165:5-5-1 is amended regarding dockets.

OAC 165:5-7-6 concerning establishment of drilling and spacing units is amended in accordance with 52 O.S. § 87.1 *et seq.* and amendments thereto in Enrolled Senate Bill No. 867 (2017), and to provide that API numbers for well(s) be included in applications and orders.

OAC 165:5-7-6.1 is amended in accordance with 52 O.S. § 87.1 *et seq.* and amendments thereto in Enrolled Senate Bill No. 867 (2017) with respect to horizontal well unitization for targeted reservoirs.

OAC 165:5-7-6.2 is amended in accordance with 52 O.S. § 87.1 *et seq.* and amendments thereto in Enrolled Senate Bill No. 867 (2017) regarding multiunit horizontal wells in targeted reservoirs.

OAC 165:5-7-7 is amended concerning pooling.

OAC 165:5-7-11 is amended with respect to change of operator under forced pooling, location exception and increased density orders.

OAC 165:5-7-12 is amended regarding determination of well allowables.

OAC 165:5-7-33 is amended concerning extension of time for closure of noncommercial pits.

OAC 165:5-7-34 is amended with respect to waiver of noncommercial pit closure requirements.

OAC 165:5-7-35 is amended regarding applications for operation of commercial pits, commercial soil farming sites and commercial recycling facilities.

OAC 165:5-9-2 is amended concerning subsequent pleadings.

OAC 165:5-9-6 is amended with respect to continuances.

OAC 165:5-13-2 is amended regarding setting of causes.

OAC 165:5-13-5 is amended concerning exceptions to reports of Administrative Law Judges.

OAC 165:5-17-5 is amended with respect to appeals.

OAC 165:5-19-1 is amended regarding contempt procedures.

OAC 165:5-21-3 is amended concerning application and notice requirements for PSTD cases.

OAC 165:5-21-3.1 is amended with respect to applications for variances to PSTD rules.

OAC 165:5-23-3 is amended regarding informal resolution of natural gas gathering disputes.

Appendix D concerning a form for notice of application for waiver of pit closure is revoked and a new Appendix D proposed to change the form for notice of application for waiver of pit closure.

NOTICE IS FURTHER GIVEN that the Commission has authority to initiate this permanent rulemaking pursuant to the Oklahoma Administrative Procedures Act, 75 O.S. § 250 *et seq.*, 17 O.S. § 39.2, 17 O.S. § 52, 17 O.S. § 91, 17 O.S. § 166.1, 17 O.S. § 166.1a, 17 O.S. § 301 *et seq.*, 17 O.S. § 323, 27A O.S. § 1-3-101, 47 O.S. § 162, 47 O.S. § 230.24, 47 O.S. § 464, 52 O.S. § 24.5, 52 O.S. § 87.1 *et seq.*, 52 O.S. § 97, 52 O.S. § 103, 52 O.S. § 139, Article IX, Sections 18 and 19 of the Oklahoma Constitution, and OAC 165:5-1-7.

NOTICE IS FURTHER GIVEN that the JLS, OGCD, PSTD and TD believe it is necessary to adopt permanent rules regarding procedural, oil and gas conservation, petroleum storage tank and transportation matters in order to update the rules. 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 inspection at 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 JLS, OGCD, PSTD and TD 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.

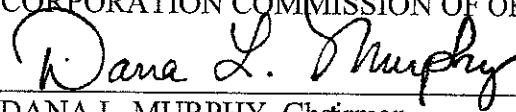
NOTICE IS FURTHER GIVEN that the Commission invites all interested persons to **submit comments regarding the proposed changes to the Rules on or before February 28, 2018.** Those persons interested in submitting comments should file one (1) copy of their comments, referring to Cause No. RM 201800001, 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.

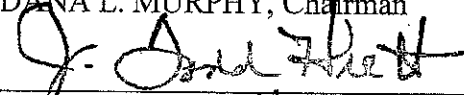
NOTICE IS FURTHER GIVEN that further information and inquiries regarding this proposed rulemaking should be directed to Susan Dennehy Conrad, Deputy General Counsel, by telephone (405) 521-3939, e-mail s.conrad@occemail.com, facsimile (405) 521-4150, or at

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, Chairman



J. TODD HIATT, Vice Chairman



BOB ANTHONY, Commissioner

CERTIFICATION

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



PEGGY MITCHELL, Commission Secretary