

OKLAHOMA CORPORATION COMMISSION: MEETING THE CHALLENGE

Vice Chairman Kim David



OKLAHOMA CORPORATION COMMISSION

- Established by the Oklahoma Constitution at statehood (1907)
- 3 Commissioners, elected statewide, head the agency
- About 600 employees, 2 main offices, 4
 O&G field offices
- The Oklahoma Corporation Commission (OCC) has regulatory powers over:
 - Transportation
 - Oil and Gas
 - Petroleum Storage Tanks
 - Public Utilities





COMMISSION JURISDICTION

(APPROXIMATE TOTALS AS OF 01/01/2023)

- > 2,447 Oil and gas well operators
- ➤ 8 Electric utility companies
- > 7 Gas utility companies
- > 300 Telephone companies
- > 5 Water companies
- > 13 Cotton gins
- > 250 Natural gas pipeline operators
- ➤ 30 Hazardous liquid pipeline operators
 - operating over 40,000 miles of pipeline

- > 24 Railroads with over 4,100 public atgrade crossings
- > 7,500 For-hire and private motor carriers (intrastate)
 - > 500 Non-consensual wrecker service operators
- > 10,200 Petroleum storage tanks
- > 46,000 Fuel dispensers
- > 2,900 Retail fueling stations and their owners
- Transportation network companies (Uber, Lyft, etc.)
- **▶ 63** Wind energy facilities



OKLAHOMA: TOP 6 IN U.S. ENERGY PRODUCTION







6th in natural gas

6th in crude oil

3rd in wind generation



Primary Functions of the Oil and Gas Conservation Division

Field Operations

 Provide assistance to industry, surface owners and the public so they can access info, resolve issues and correct problems through investigation, ensuring equitable and uniform enforcement of and compliance with the rules Underground Injection Control (UIC)

 Prevent contamination of underground sources of drinking water and maintain Federal and State Regulatory compliance of non-commercial and commercial injection wells

Pollution Abatement

 Assure protection of water and soil resources by providing equitable regulations and enforcement of sound waste management and remediation practices for industry, surface and mineral owners

MOEA & Surety

- Monitor the MOEA program
- Ensure all operators are in compliance by posting the required surety

Technical

- Balance the rights of all parties, assist oil and gas industry, protect and preserve environment and prevent waste of natural resources by ensuring compliance with laws and rules
- Processing applications and permits

Administrative Services

- Provide administrative support and management of daily business operations to the other departments of OGCD
- Maximize efficiency and streamline the customer experience

Induced Seismicity (ISD)

- Mitigate the risk of induced seismicity in Oklahoma related to oil and gas activity
- Ensure the stewardship of data submitted to and maintained by the OCC, foster public confidence in responsiveness of the OCC

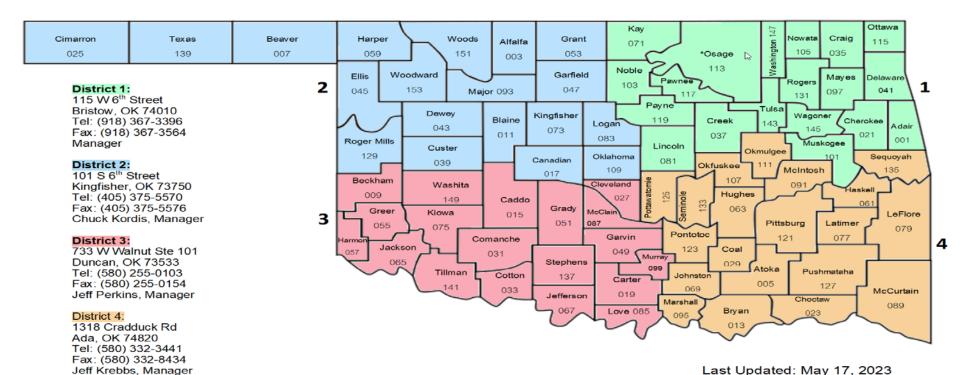


OKLAHOMA CORPORATION COMMISSION **OIL AND GAS CONSERVATION DIVISION**

Will Rogers Bldg., 2401 N. Lincoln Oklahoma City, OK 73105 (405) 521-2331

440 S. Houston, Ste. 114 Tulsa, OK 74127 (918) 581-2296

OKC Mailing Address: PO Box 52000 Oklahoma City, OK 73152-2000



Last Updated: May 17, 2023



Oklahoma Oil and Gas Industry



Active wells:

Oil **76,403**

Natural gas **47,883**

Injection/disposal 10,525

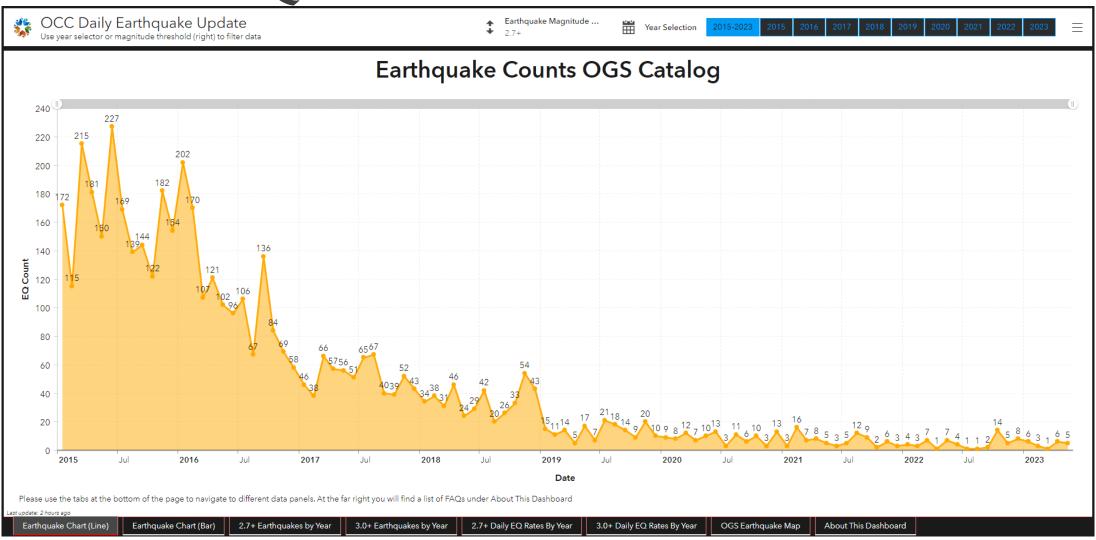
Other **37,666**

Total **172,477**

- **234,390** plugged wells
- 38,199 Inactive or abandoned wells
- 569,411 known wells drilled in Oklahoma history
- 2,447 active operators of oil and gas wells
- 47,150 miles of pipelines (gathering/transmission/distribution)
- 258 pipeline operators



EARTHQUAKE COUNT M2.7+ 2015-2023





PETROLEUM BROWNFIELD SITES



SOCIAL CAPITAL

BEFOREFormer Smalley Service Station - Downtown OKC

AFTER
Social Capital Restaurant, 2020





PRIMARY FUNCTIONS OF THE PETROLEUM STORAGE

TANK DIVISION



Compliance & Inspection

- Ensure public gets what they pay for at the pump (measure, quality)
- Environmental, Safety Checks

Technical

 Oversee corrective action efforts and payment of contractors at sites polluted by leaking petroleum storage tanks

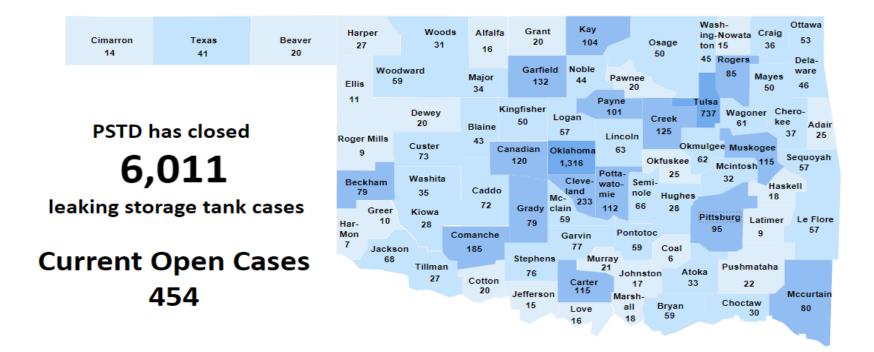
Accounting & Administration

- Ensure all monies in and from funds, grants are handled properly
- Oversee tank permitting, licensing, and operator training



All 77 counties have been affected by leaking tanks!

State of Oklahoma Release Cases Closed by County





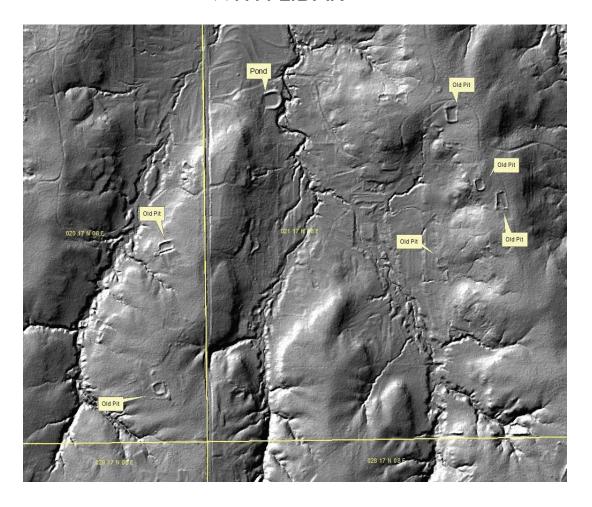
Well Plugging

- ➤ State Funds Plugging FY 2023:
 - Number of Plugged Wells 376
 - ❖ Actual Cost of Plugged Wells \$6,715,921.23
- > Infrastructure Investment and Jobs Act (IIJA) Plugging from April 12, 2023, to June 1:
 - ❖ Number of Contracted Wells 99
 - Estimated Cost of Contracted Wells \$2,109,174.90



W/O LIDAR

WITH LIDAR





KREMLIN OIL SPILL June 2, 2023







- Estimated release: 4,000 barrels
- Recovered as of June 19
 - o Oil 2,080
 - o Oily Water 2,571
- Contaminated Soil treated or removed: 4,045 yards

Cause: Under Investigation



WORKING TOGETHER TO MEET OKLAHOMA'S ENVIRONMENTAL CHALLENGES

CORPORATION COMMISSION

Lead agency for most Oil and Gas exploration, production and disposal activity impacting land, water

DEPARTMENT OF ENVIRONMENTAL QUALITY

Lead agency for any activity impacting air quality, pollution posing threat to drinking water

ENVIRONMENTAL PROTECTION AGENCY

Grants and reviews primacy given to state agencies, regulates all activity on Federal land, Oil and Gas activity in Osage County, pollution into Waters of the U.S.



GAME CHANGER









Blaine County Purge

- Standard practice of shutting-in of likely suspect disposal wells did not work
- Purge continued to increase in flow
- OCC, DEQ, EPA came together in collaborative effort
- Opened the door to new approach of dealing with purges of unknown origin



