

HOUSE BILL 2150: Mineral Owners' Rights

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Oklahoma Oil and Gas Association called it hostile in some cases.

In an online story from OK Energy Today, Chad Warmington said the Municipal League reached out to oil and gas industry leaders and urged both sides, including local community leaders, to work together on common-sense solutions.

Fina admitted city leaders aren't always easy to deal with and meeting face to face may be the best way to seek compromise. Both sides have been meeting eyeball-to-eyeball at the discussion table.

"Thanks to Senator Lonnie Paxton, (a Republican) from Tuttle- he's a former mayor - he really encouraged municipalities and the oil and gas industry to sit down. So what we did is we collected ten cities that are in that general area - the SCOOP Play that's happening in the oil and gas industry right now. We sat down with representatives from OIPA and really talked about what the issues are. And, the truth is that on both sides there are problems. Municipalities aren't always the easiest to deal with on new ordinances, especially with things they're not familiar with and how to deal with oil and gas ordinances.

"I believe OIPA was frank about (not) doing the best PR when they come to town and they're not always the best neighbors. Both sides would really like to figure out a way to work better together because it's important for the state that we work together," Fina said.

District 26 Oklahoma State Senator Darcy Jech, whose district covers part of Kingfisher County, home to part of the STACK oil play, was one of two Republicans

on the committee who joined Democrats in opposing the bill. The other was Paxton.

"In general, I like to see it done on a local level," Jech said. "On one side, oil and gas wants some consistency. They want to know when they go from one county to the next that they're consistent. I think that's what the bill is trying to address.

"It would give that oversight responsibility to the Corporation Commission so they could do it more on a consistent basis rather than what they like to call a patch work, a patch work of municipal decisions they've made and how those things would be regulated whether it'd be set backs or whatever it might be."

Jech said the oil and gas industry people simply want to know what they're dealing with when they work on a project that may cross boundaries.

"Industry is saying it's difficult for them to operate when they go from county to county or municipality to municipality. There's a patch work of regulations that aren't consistent from one to the next so they'd like to see some consistency so they know what they're dealing with when they go into the next county or municipality. They call it a patch work if those regulations aren't the same, aren't consistent," said Jech.

Access to mineral rights is covered in the state's constitution, according to Freede.

"Our board of directors here at the National Association of Royalty Owners, support it because, as it's introduced, it specifies that certain actions by a municipality constitutes a 'taking' under article two

of the state constitution, and these actions would include substantially interfering with the use and enjoyment of the mineral state, imposing a limitation that adversely impacts the use of minerals or prohibits access to develop the mineral state. That's why I think that House Bill 2150 is really an important piece of legislation to address the private property rights issue.

"It's a constitutionality issue, although you could also make an economic argument as well."

Freede doesn't believe the two groups are too far apart, but it is complex.

"Well, we need something that's a consensus, because here's the other thing. We're talking about the royalty owners, but if you approach it from the side of say Encana, Newfield, the big merger that just happened, they're out there drilling in Blaine and Kingfisher Counties and you could have one municipality saying something and another one saying something else, and so that really puts them in a difficult spot as far as their strategy is concerned.

"It would definitely be helpful to get something in place that supersedes all the different counties and municipalities and set some standards," Freede said.

Fina has become more optimistic and pleased the two groups have been meeting together.

"I don't think we're a long way from (a solution), but I think what we're about to do is to establish a relationship between the two, the municipalities and the oil and gas industry," Fina said.

"We'll always be working to strengthen that relationship. That's the long-term goal. Immediately, this working group is going to con-

tinue to sit down and talk about, potentially, how do we streamline our ordinances so (when) the oil and gas industry comes to neighboring communities that they're not dealing with wide variances in ordinances. We're going to work on some specific issues that have come up from this initial working group's meetings, but I believe we're going to continue this conversation from now on because neither entity is going anywhere and we're going to have to work together," Fina said.

Freede hopes the Corporation Commission, with the authority to dictate one rule of law over other governmental entities, will weigh in on the issue and can come up with the best solution.

"I definitely think so and I totally agreed last summer with the Supreme Court decision which spun out of the temporary water line fight. I think they do an outstanding job at the commission and they're the experts, and people in Oklahoma just don't realize how good we have it, mineral owners, with the OCC compared to some of the framework we have in other states where we've had more recent oil and gas plays that just aren't as mature as we are in terms of their laws."

Either way it goes, Freede said the pathway of the issue in the legislature going forward will be intriguing to watch over the next few weeks.

"It'll be real interesting to see if it gets signed into a law before the end of the session. I know they're going to try to sine die on Thursday, the 24th of May. They've got (just a few) weeks left. I'm sure we'll hear more developments." 

THE ENERGY CENTER



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Today, April 29th, 2019, I received word that Dr. William "Bill" S. Banowsky, a great friend and mentor, passed away. I first met Bill in the late 70s in my hometown of Elk City, Oklahoma. He had been chosen to serve as President of the University of Oklahoma in 1978.

Fast forward to 2012, Bill wrote the foreword to my book entitled "America

Needs America's Energy: Creating Together the People's Energy Plan". He was always supporting my energy and educational efforts. One of many examples, in 2010, he was a guest on my Tulsa, Oklahoma radio talk show.

According to Bill, he stated in the foreword of my book "one of my earliest office appointments was with two of Oklahoma's oil and gas geniuses: Lew O. Ward from Enid and Robert A. Hefner III from Oklahoma City." Lew and Bob were also friends and mentors of mine, both inspiring me in the pursuit of energy.

Bill states, "Here was their urgent message: 'Bill, we appreciate your broad academic mandate, but there is something that you must know. Energy is the future of Oklahoma! OU needs to establish an Energy Center.' So we created Sarkeys Energy Center, a groundbreaking scientific academic complex that today houses the largest

geophysical reference library in the world. Lew and Bob also observed 'We must keep drilling for oil. But we must especially remember, and strongly emphasize, that the ultimate future for Oklahoma and America will depend upon natural gas. God blessed America with enough natural gas for centuries to come. It is clean and enormously plentiful. But it is also very deep and we must often depend upon expensive and even experimental mechanical solutions. President Banowsky,' they pleaded, 'please do everything you possibly can at OU, and everywhere else, to encourage and increase the flow of natural gas.'

Bill was a true visionary. When he arrived at OU in 1978, he launched the "Campaign for Academic Excellence" with a goal of \$103 million for 18 key projects. According to OU archives, it was stated that "during the early years of Banowsky's term, the as-

sets at the OU Foundation rose by 154 percent. Private gifts and state budget allocations elevated faculty salaries from last place to first place in the

Big 8, and campus morale soared alongside. But a storm of inflated oil prices and unsecured business loans loomed on the horizon, and when the oil market crashed in 1982, many of OU's largest donors crashed with it."

The 15-story, \$50 million Energy Center became known as Sarkeys Energy Center at the University of Oklahoma. It was four years late in opening according to the original plans, but through Bill's vision it became a reality. During the opening ceremony, the Gas and Research Institute announced a \$12 million contract with the university to create a research program.

Bill and I both agreed that "America Needs America's Energy". Future generations are depending on all of us to keep that vision alive.

AMERICA
Needs America's
ENERGY

It's time
for an energy
revolution!

Foreword by William S. Banowsky
"The time has come for all of us, the people, to take control of our energy future here in America."
Mark A. Stansberry
Author & Energy Advocate

