

1 State of Arkansas  
2 90th General Assembly  
3 Regular Session, 2015

# A Bill

SENATE BILL 778

4  
5 By: Senator Maloch  
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## 7 For An Act To Be Entitled

8 AN ACT TO ENSURE THAT CITIZENS HAVE AN OPPORTUNITY  
9 FOR A HEARING ON ISSUES BEFORE THE OIL AND GAS  
10 COMMISSION; TO PROVIDE THE OIL AND GAS COMMISSION  
11 WITH FLEXIBILITY IN DECISIONS REGARDING THE HOLDING  
12 OF HEARINGS; AND FOR OTHER PURPOSES.  
13

## 14 Subtitle

15 TO PROVIDE OPPORTUNITIES FOR HEARINGS  
16 BEFORE THE OIL AND GAS COMMISSION; AND TO  
17 PROVIDE THE OIL AND GAS COMMISSION WITH  
18 FLEXIBILITY REGARDING THE HOLDING OF  
19 HEARINGS.  
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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25 SECTION 1. Arkansas Code § 15-71-111(b)(1), concerning procedural  
26 rules or orders for hearings by the Oil and Gas Commission is amended to read  
27 as follows:

28 (b)(1) ~~No A rule, regulation,~~ or order, including change, renewal, or  
29 extension ~~thereof~~ of a rule or order in the absence of an emergency shall not  
30 be made by the commission under ~~the provisions of this act~~ except after an  
31 opportunity for a public hearing upon at least ten (10) days' notice given in  
32 the manner and form as may be prescribed by the commission.  
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34 SECTION 2. Arkansas Code § 15-72-304(a) and (b), concerning  
35 integration orders generally by the Oil and Gas Commission, are amended to  
36 read as follows:



1 (a) All orders requiring integration shall be made after notice and an  
 2 opportunity for a hearing and shall be upon terms and conditions ~~which that~~  
 3 are just and reasonable and ~~which that~~ will afford the owner of each tract or  
 4 interest in the drilling unit the opportunity to recover or receive his or  
 5 her just and equitable share of the oil and gas in the pool without  
 6 unnecessary expense and will prevent or minimize reasonably avoidable  
 7 drainage from each developed unit which is not equalized by counter drainage.

8 (b) In the event the drilling of a well has not been commenced or, if  
 9 commenced, the well has not been completed as a well capable of producing oil  
 10 and gas in commercial quantities on the lands comprising the drilling unit on  
 11 the effective date of the order requiring integration, the order shall:

12 (1) Authorize the drilling or completion and the equipping and  
 13 operation of a well on the drilling unit;

14 (2) Provide who shall drill, complete, and operate the well;

15 (3) Prescribe the time and manner in which all owners in the  
 16 drilling unit who may desire to pay their share of the costs of such  
 17 operations and participate therein may elect to do so; and

18 (4)(A) Provide that an owner who does not affirmatively elect to  
 19 participate in the risk and cost of the operations shall transfer his or her  
 20 rights in the drilling unit and the production from the unit well to the  
 21 parties who elect to participate ~~therein~~ in the risk and cost of the  
 22 operations for a reasonable consideration and on a reasonable basis ~~which~~  
 23 that shall be determined, in the absence of agreement between the parties, by  
 24 the Oil and Gas Commission or by the Director of the Oil and Gas Commission,  
 25 if the order is eligible for approval in accordance with rules adopted by the  
 26 commission.

27 (B) The transfer may be either a permanent transfer or may  
 28 be for a limited period pending recoupment out of the share of production  
 29 attributable to the interest of the nonparticipating owner by the  
 30 participating parties of an amount equal to the share of the costs that would  
 31 have been borne by the nonparticipating party had he or she participated in  
 32 the operations, plus an additional sum to be fixed by the commission or by  
 33 the director if the order is eligible for approval in accordance with rules  
 34 adopted by the commission.

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 36 SECTION 3. Arkansas Code § 15-72-323 is amended to read as follows:

1 15-72-323. Notice of public hearings.

2 ~~In addition to other notice required by any rule or order of the commission~~  
3 If public hearings are required, notice of public hearings before the Oil and  
4 Gas Commission as provided for in this subchapter shall be given as follows:

5 (1) ~~When an application is filed with the commission pursuant to~~  
6 ~~this subchapter, the commission~~ An applicant shall give notice of the public  
7 hearing to be held upon ~~such an~~ an application by one (1) publication at least  
8 ten (10) days ~~prior to~~ before the date of the public hearing, but not more  
9 than thirty (30) days ~~prior thereto~~ before the public hearing, in a legal  
10 newspaper having a general circulation in the county, or in each county, if  
11 there ~~shall be~~ are more than one (1), in which the lands embraced within the  
12 application are situated, except that, as to any public hearing pertaining to  
13 a matter of general application throughout the State of Arkansas, the notice  
14 shall be published in a legal newspaper having statewide circulation; and

15 (2) The cost of publication shall be ~~taxed as a cost of the~~  
16 ~~public hearing and shall be~~ paid for by the applicant ~~therein~~.

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