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OKOGA PRAISES FINAL PASSAGE OF THE OKLAHOMA ENERGY JOBS ACT

OKLAHOMA CITY (May 24, 2017) -- The Oklahoma Oil and Gas Association (OKOGA) praised the final passage today of the Oklahoma Energy Jobs Act of 2017 (SB 867), legislation to cut outdated red tape restricting long-lateral drilling practices to only shale formations, a restriction not seen in any other energy producing states. The legislation now heads to the governor's desk.

The Oklahoma Energy Jobs Act was authored by President Pro Tempore Mike Schulz and House Speaker Charles McCall, and it received broad industry support from OKOGA, Oklahoma Independent Petroleum Association (OIPA) and Coalition of Oklahoma Surface and Mineral Owners (COSMO).

The Oklahoma Tax Commission estimates this will provide \$19 million in additional tax revenue in fiscal year 2018.

"Help is on the way, Oklahoma," said Chad Warmington, president of OKOGA. **"With final passage of the Oklahoma Energy Jobs Act, the oil and natural gas industry can more quickly lead the state to a full recovery. This bill allows the industry to create more Oklahoma jobs, grow the economy with more capital investments, and generate additional tax revenue through increased drilling activity. It took five years of negotiating language to update Oklahoma's oil and gas laws to keep our state competitive with innovation in drilling practices seen nationwide. OKOGA appreciates the leadership of President Pro Tempore Mike Schulz and Sen. Bryce Marlatt as well as House Speaker Charles McCall and Rep. Weldon Watson who carried this bill through session. It is because of their leadership that this bill is now heading to the governor's desk. If this is signed into law, Oklahoma will no longer be the only state to restrict long lateral drilling based on a geologic formation. The Oklahoma Energy Jobs Act received broad industry support, and includes important protections for vertical well operators, of which OKOGA member companies own or**

have interest in more than 10,000 of these wells. Congratulations to the 56th Legislature for passing the largest economic development bill of the session."

Should the Oklahoma Energy Jobs Act become law, the industry expects the state will see the following benefits within the first year of full implementation:

- Generates \$490 million in additional royalty payments. With the School Land Trust being the largest royalty owner in Oklahoma, this will generate roughly \$26.5 million in new direct funding for Oklahoma's public schools, colleges and universities.
- Generates \$230 million in additional state and local revenue directly from oil and natural gas industry activity.
- Creates an additional 5,900 oil and natural gas jobs that will support 13,700 indirect Oklahoma jobs.
- Fuels \$5.8 billion in additional direct and indirect economic activity in Oklahoma's communities.

Background

The Oklahoma Oil & Gas Association, founded in 1919, is the oldest energy trade association in the United States. Nearly a century later, the association remains dedicated to the advancement and improvement of the oil and natural gas industry within the state of Oklahoma and throughout the nation. It is a non-profit association composed of oil and gas producers, operators, purchasers, pipelines, transporters, processors, refiners, marketers and service companies which represent a substantial sector of the oil and natural gas industry within Oklahoma. The activities of OKOGA include support for legislative and regulatory measures designed to promote both the well-being and best interests of the citizens of this state and a strong and vital petroleum industry within the State of Oklahoma and throughout the United States.

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