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BROAD INDUSTRY SUPPORT FOR COMPROMISE BILL TO EXPAND ACCESS TO LONG-LATERAL DRILLING STATEWIDE

OKLAHOMA CITY (May 9, 2017) – The Oklahoma Oil & Gas Association (OKOGA), the Oklahoma Independent Petroleum Association (OIPA) and the Coalition of Oklahoma Surface and Mineral Owners (COSMO) announced today their support of a compromise bill, SB 867, to update the Shale Reservoir Development Act of 2011. SB 867, the Oklahoma Energy Jobs Act of 2017, allows long-lateral drilling in all geologic formations while also increasing protections for all operators and mineral owners in Oklahoma with a greater standard of required approval than previously existed.

SB 867 was introduced at the state Capitol today in the Joint Committee for Appropriations and Budget (JCAB). The legislation could move towards final passage this week.

“Thanks to the hard work of all stakeholders, the Oklahoma Energy Jobs Act will make available statewide the economic benefits of long-lateral drilling while also increasing protections for all operators in Oklahoma,” said Chad Warmington, president of OKOGA. **“This compromise legislation to address Oklahoma’s outdated red tape has been four years in the making. With passage, the Oklahoma Energy Jobs Act will allow the oil and natural gas industry to continue to create thousands of new jobs, grow our economy and generate new revenue for our schools, roads and public services.”**

“The SCOOP and the STACK have become two of the most active areas of oil and natural gas development in the country thanks to the use of long-lateral horizontal drilling,” OIPA Executive Vice President of Governmental Affairs Tim Wigley said. **“By expanding long-lateral drilling throughout the state, we will only encourage continued development in all of Oklahoma’s oil and natural gas fields. Marrying 100 years of oil and natural gas production, regulation and legislation with advanced drilling technology has not been an easy task, but landmark provisions included in SB 867 at the request of the OIPA will ensure existing oil and natural gas producers are protected as long-lateral drilling moves into areas of historic oil and natural gas production.”**

“One of the greatest groups to benefit from the Oklahoma Energy Jobs Act is our state’s public schools, colleges, and universities,” said Terry Stowers, executive director of COSMO. **“Oklahoma’s School Land Trust is the largest royalty owner in the state and this compromise legislation will generate roughly \$26.5 million of new revenue for our education system within the first year. Oklahoma’s royalty owners overall will see \$490 million in additional royalties, money that supports many of Oklahoma’s seniors who depend on their royalty checks for retirement and supports small businesses owners and college savings funds.”**

SB 867 provides the following direct benefits to the state within the first year of being enacted:

- 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 \$229.6 million in additional state and local revenue directly from the oil and natural gas industry.
- 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.

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