

# OCC RAISES GAS PRODUCTION ALLOWABLE TO 65%

From Oklahoma Corporation  
Commission

■(OKLAHOMA CITY) The Oklahoma Corporation Commission Tuesday, Nov. 26, raised the amount of gas most wells in Oklahoma will be allowed to produce in the first quarter of 1997 to the greater of 65 percent of calculated absolute open flow or 1.3 million cubic feet of gas per day.

The limit has been the greater of 50 percent of 1 million cubic feet per day since the second quarter of 1996. The 65 percent production allowable is the highest ever permitted in Oklahoma. The previous high was 50 percent, which has been authorized at various times for about the last 20 years, available records indicate.

Oklahoma oil and gas production has been regulated since 1915, when the Legislature passed the Oil and Gas Conservation Act to prevent waste of hydrocarbon reserves by excessive production. Production allowables have been revised by statute several times in relation to market demand for Oklahoma gas. Authority to set gas production allowables was delegated to the Corporation Commission in 1993. Present commission rules require the review and setting of allowables on a quarterly basis.

The commissioners said increasing allowable production to 65 percent reflects a strong demand for natural gas for the winter heating season. The commission staff said national gas-in-storage at the end of September was 5 percent below the 1995 level and 8.8 percent below the 1994 level.

Representatives of several major gas producers and the Oklahoma Independent Petroleum

Association told the commission in a public hearing that all producers have markets for all the gas they can produce. They also said the demand is expected to remain strong at least through the first quarter of 1997.

Marathon Oil Co. recommended a production allowable of 65 percent or 1.5 million cubic feet of gas per day. Amoco Exploration and Production Co. recommended an increase to at least 60 percent or 1.5 million cubic feet.

The commission staff recommended an increase to the greater of 55 percent or 1.1 million cubic feet of gas per day. But Claude McNully, technical department manager,

said the staff had no objection to the higher production allowable proposed by gas producers.

No one opposed an increase in allowable gas production.

The production limit affects unallocated wells, which are not regulated by production allocations for specific fields. About 95 percent of Oklahoma wells are unallocated. The commission staff estimates that the production limit will affect fewer than 1,000 of Oklahoma's approximately 29,000 gas wells since most wells are not capable of producing enough gas to reach the allowable limit.

## Cemetery, continued from page 1

committee is looking into whether the Oklahoma Turnpike Authority would waive turnpike fees for funeral processions traveling on the H.E. Bailey turnpike to Lawton.

Possible improvements for access roads include anything from the resurfacing of Jake Dunn Road north of Lawton, and U.S. Highway 277 out of Elgin, to the grading and drainage improvements of the same. In addition, constructing off-ramps on I-40 and installing turn lanes on Jake Dunn Road were discussed.

"Work done on Jake Dunn Road and U.S. 277 would be the most economical," Rose said. "A ballpark figure for a simple overlay of Jake Dunn would be around \$150,000. Grading and drainage improvements could cost upwards of \$450,000."

Towards the end of the meeting, Barbra Warner, Executive Director of the State of Oklahoma Indian Affairs Commission, interjected with her concern that if the proposed land for the National Cemetery is not used by Ft Sill it may revert back to Indian Tribes in the area.

This revelation caused Sadler to adjourn the meeting by asking the committee to examine the land title to discover if there is a possibility of reverter for the land and discuss the issue at the next hearing.

## Workers' Comp, cont. from page 1

legislature;

- Six new workers' compensation insurers are now writing policies in the state and workers' compensation lines are reported by some companies to be among their most profitable;

- More than 40,000 workers are now enrolled in workplace medical plans, helping to further contain premium costs;

- Fraud charges have increased by 37 percent in the last year with 92 percent of the concluded cases ending in guilty pleas;

- The use of the independent medical exam has increased 42 percent to date from 1995 when the legislative change was implemented to allow their usage; and

- Enhancements to the workers' compensation counselor program designed to improve communication about the system to both employers and employees have had a significant impact in reducing unnecessary legal expenses to both employers and employees; the program has experienced a doubling of participation in educational seminars in 1996 and has saved Oklahoma employers hundreds of thousands of dollars in premium costs.

It is in many of the areas recognized by the Senate staff study that Fallin's commission plans to make improvements — "fine tuning," as she said during a recent meeting of the commission. Fallin has said repeatedly that she formed the commission after hearing complaints, particularly concerning costs, about the system from industry leaders.

(Copies of the Senate study may be obtained by contacting LEGISLATIVE INFORMATION NETWORK by e-mail or phone, 528-2546)

*"No amount of charters, direct primaries, or short ballots will make a democracy out of an illiterate people."*

Walter Lippmann  
"Revolution and Culture"  
A Preface to Politics  
1914

## Capitol Network News

A division of

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