

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

January 26, 1999 LB 293

closed. There was an article in the paper fairly recently about the depression in the oil industry in Oklahoma and part of the...part of the article related to the dilemma that the oil industry was facing on whether to cap wells or whether to close wells, and the statement was made in there that it costs about \$8,000 to close a well, to seal a well, in Oklahoma after the casing had been removed. Now, if we encourage the closing of low-production wells by putting in place a fee that over time would accumulate to a substantial amount of money per well, are we presenting a problem in the future when we may not have a worldwide glut of oil? I do have some concern with that, that we may find a time when it would not be economically possible to drill a well in those fields that are basically to the point of being noneconomic as far as production at today's prices are. But listening to Senator Matzke and...and understanding, to some degree, what he was speaking with respect to saltwater contamination rising in the well and that sort of thing, perhaps a bit of caution might be...might be expressed by the Legislature at this time of the long-range detriment of closing wells that have not the potential for production today but might at some time in the future at thirty dollars a barrel as opposed to eight and a half. And I would appreciate a response on the part...by either Senator Matzke or Senator Baker as the time permits. Thank you, Mr. President.

PRESIDENT MAURSTAD: Thank you, Senator Coordsen. Mr. Clerk.

CLERK: Mr. President, Senator Beutler would move to amend with AM0067. (See page 345 of the Legislative Journal.)

PRESIDENT MAURSTAD: Thank you, Mr. Clerk. Chair recognizes Senator Beutler to open on AM0067.

SENATOR BEUTLER: Mr. Speaker, members of the Legislature, I...in my opinion, this particular bill is a very good bill and I think it is a bill that indicates that the industry is acting responsibly to the problem that's being presented to them and I...and I presume that the fee, over time, would decrease so as not to essentially force the capping of inactive wells. I think it's structured so that the commission has the leverage or the flexibility to prevent that from happening. But what my amendment does is to set up an exact parallel structure for the