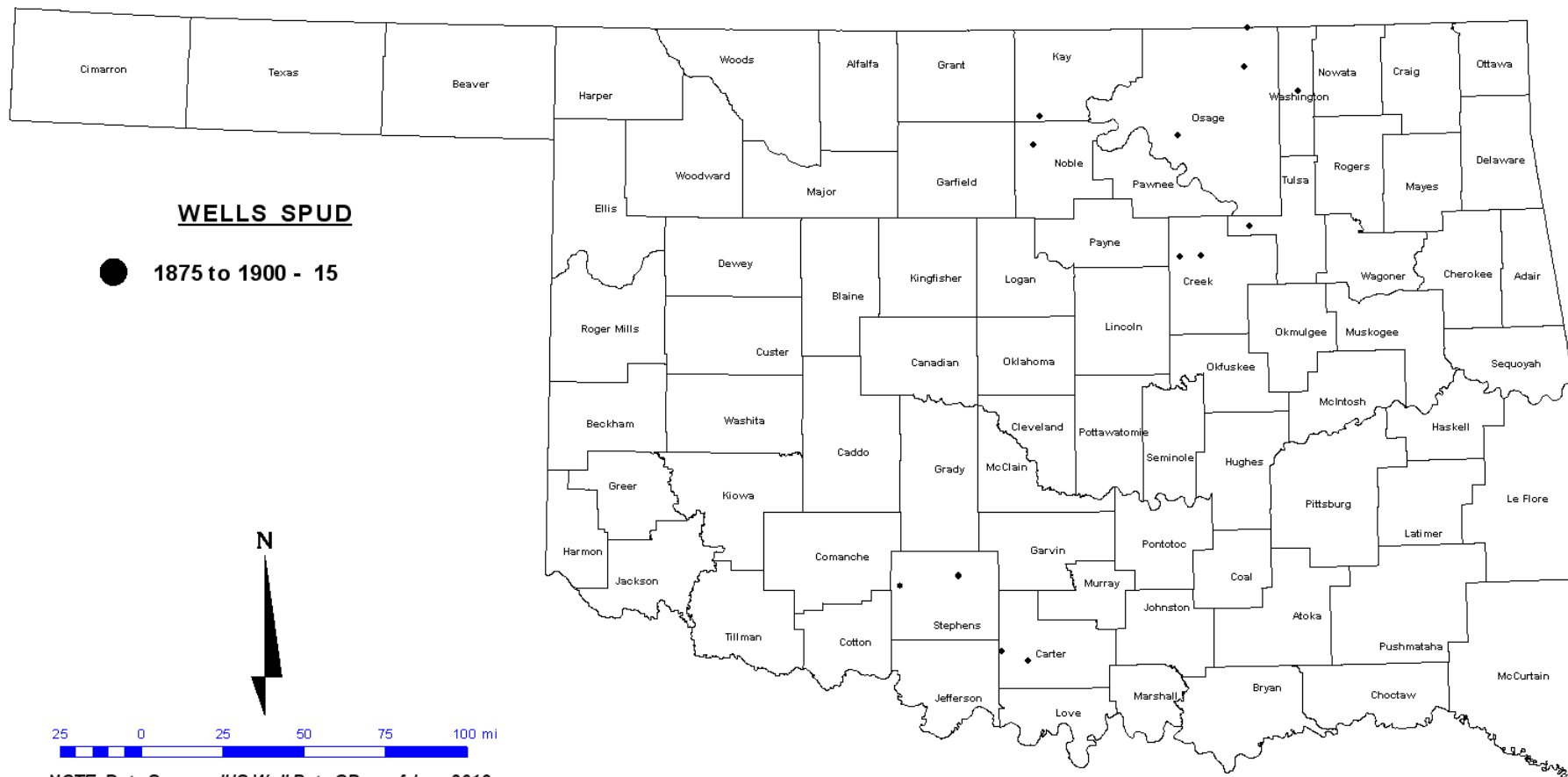
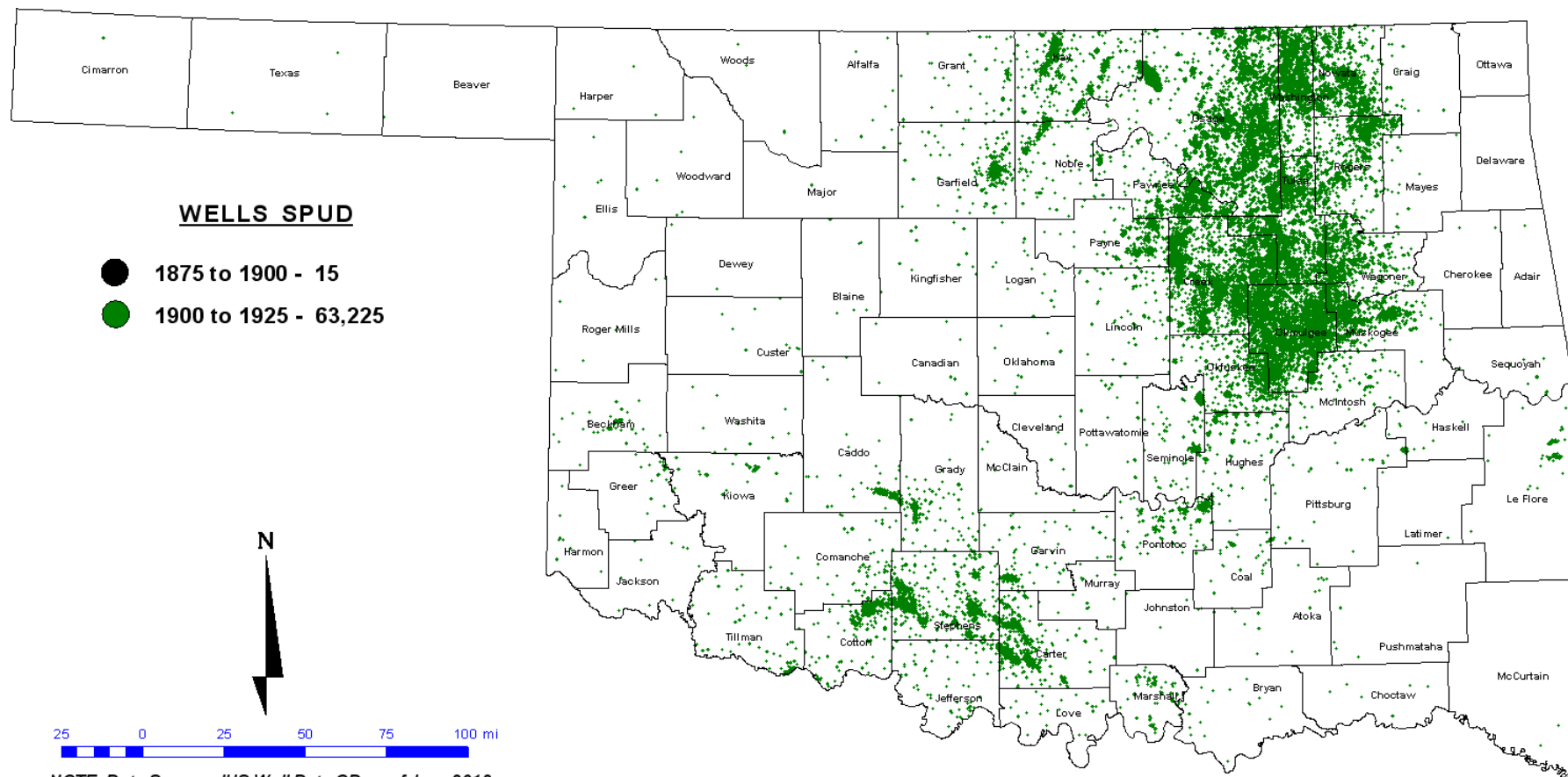


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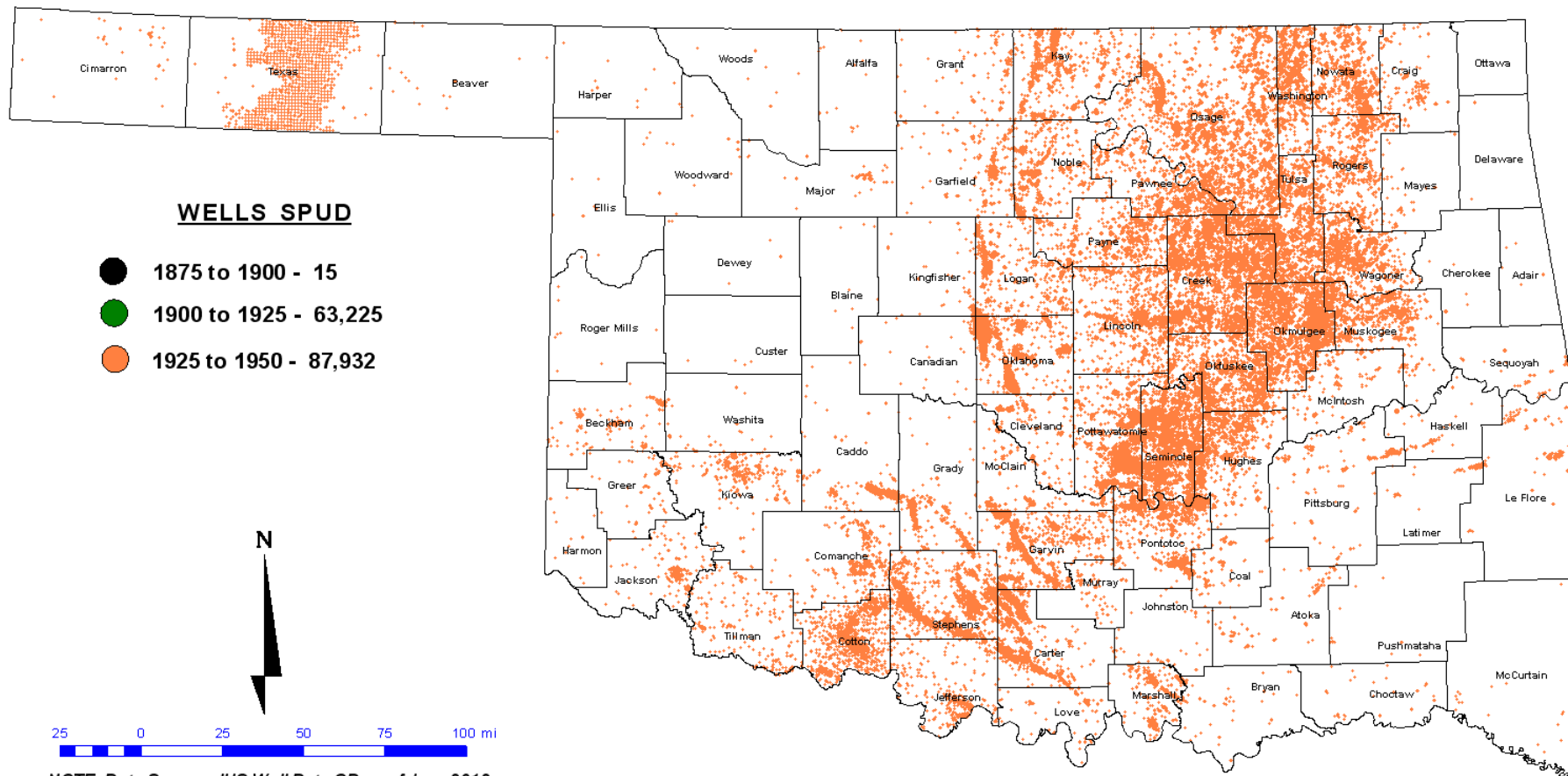




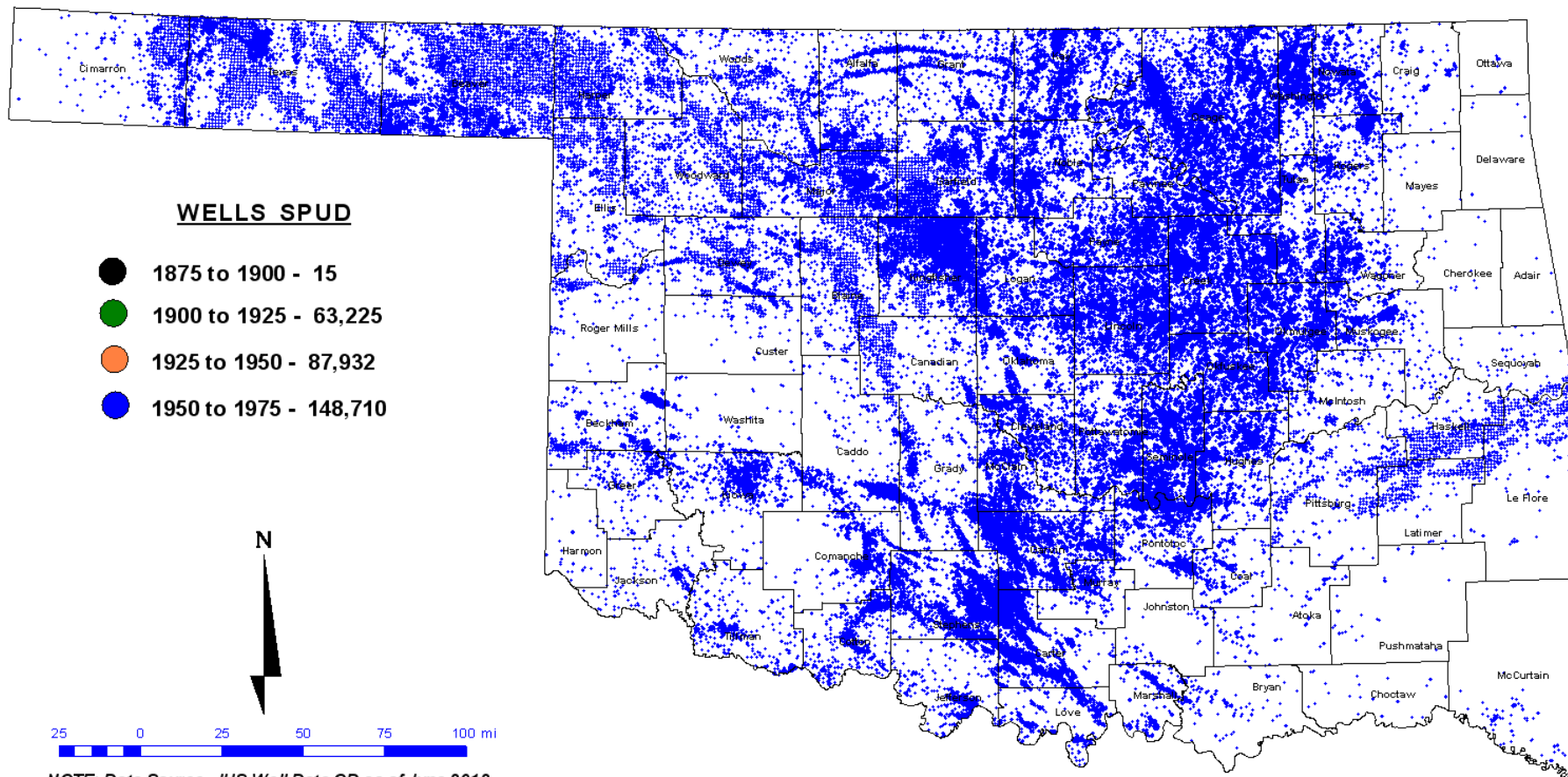
NOTE: Data Source - IHS Well Data CD as of June 2012



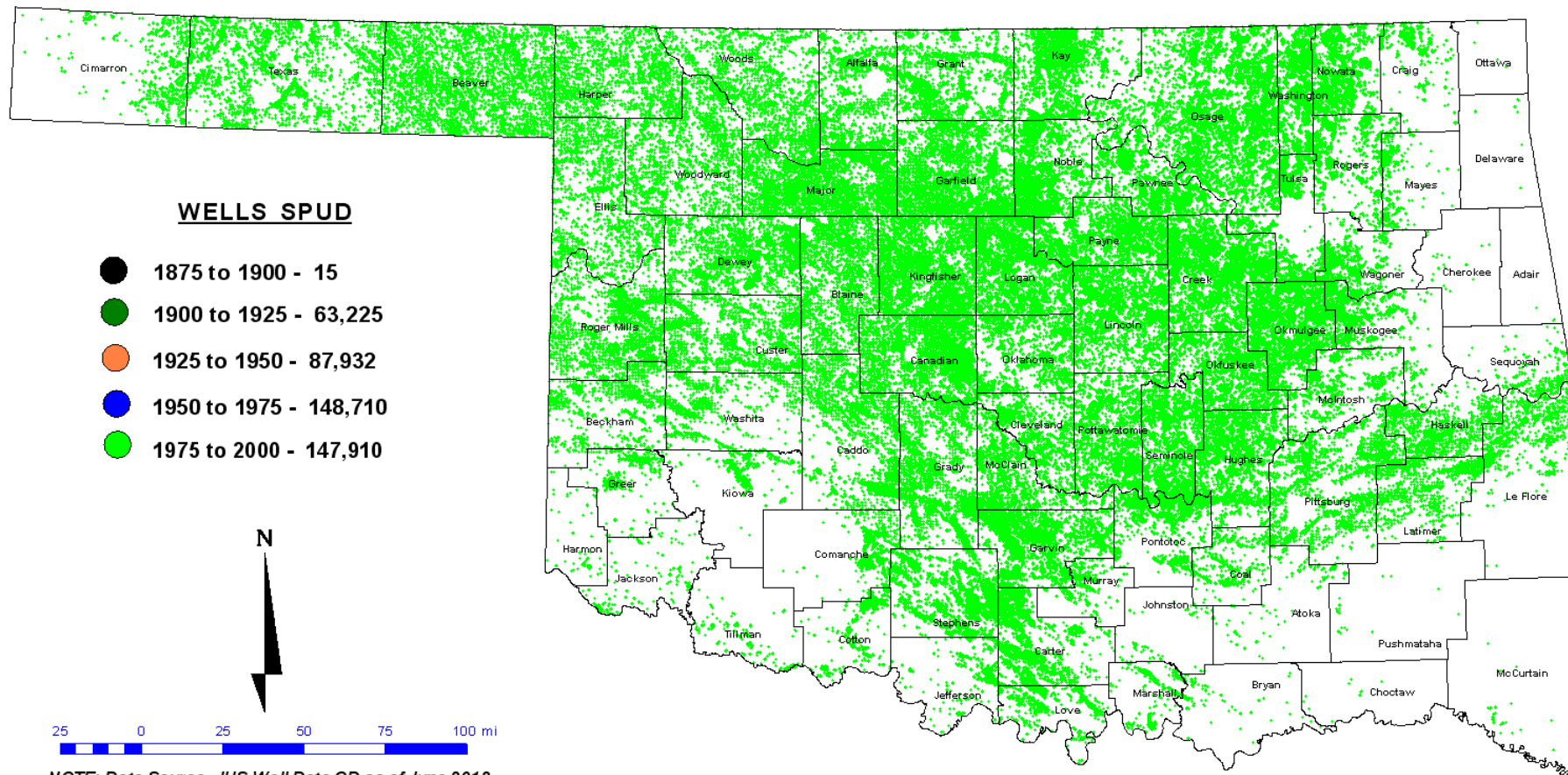
NOTE: Data Source - IHS Well Data CD as of June 2012

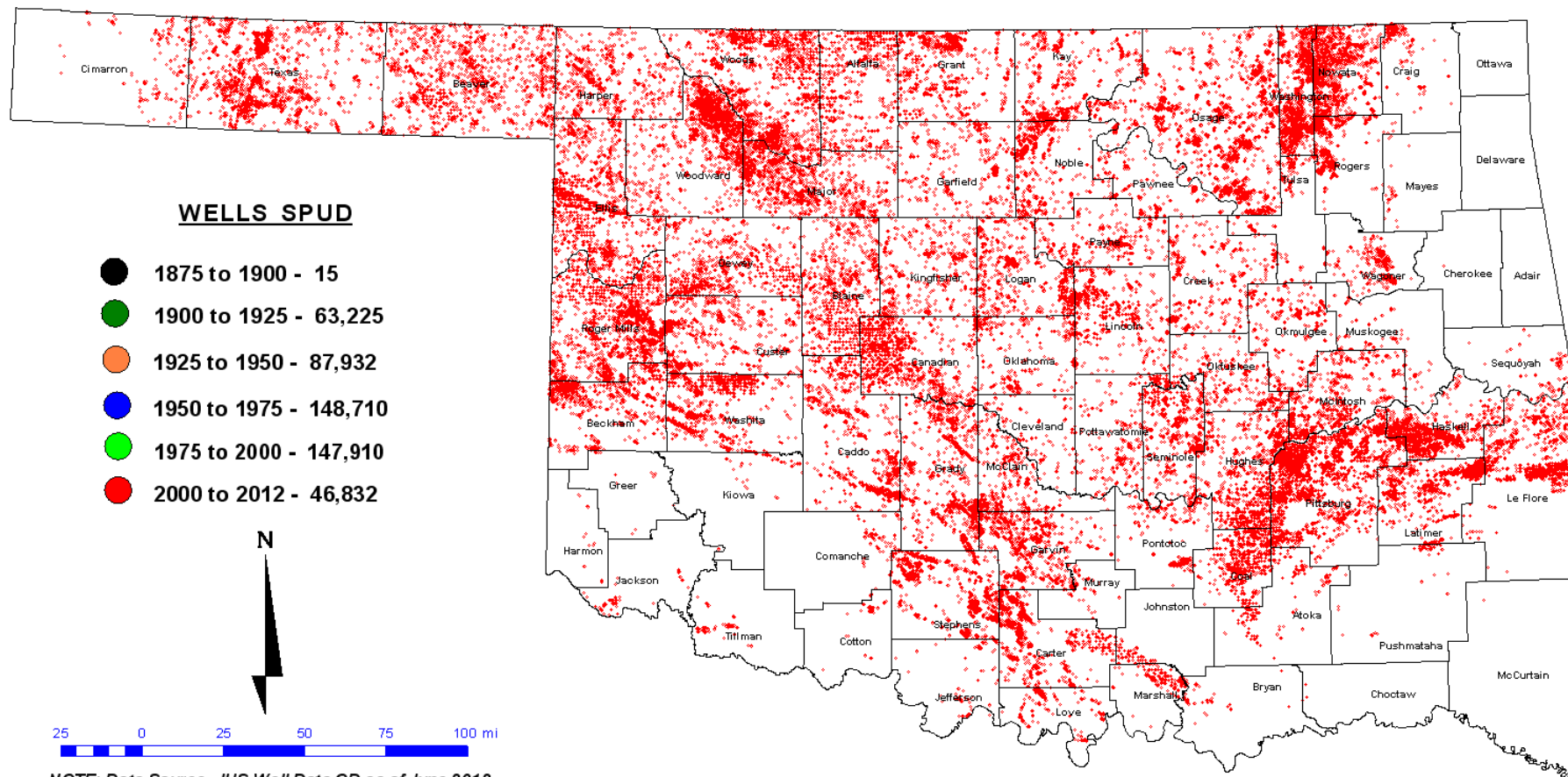


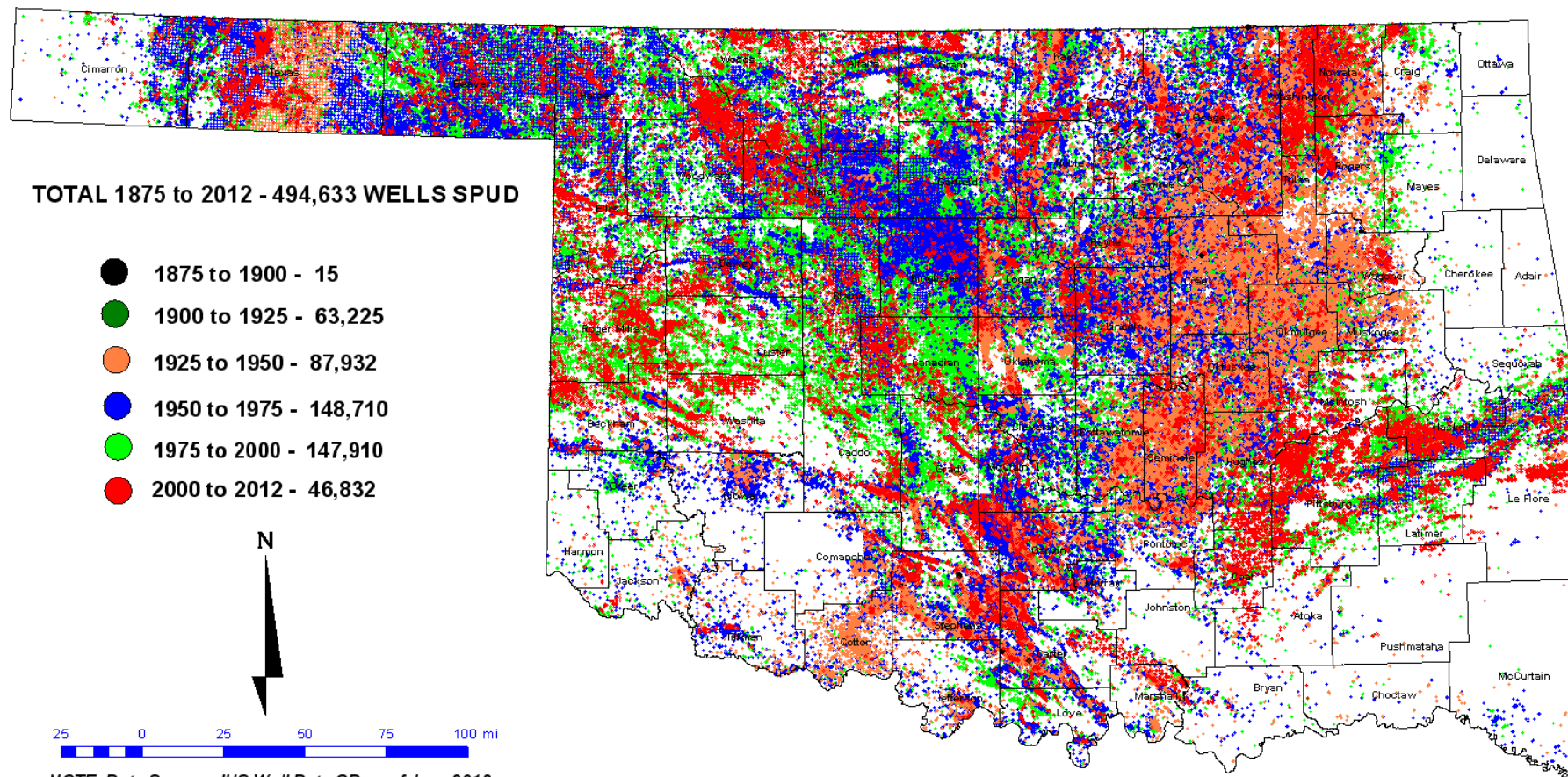
NOTE: Data Source - IHS Well Data CD as of June 2012



NOTE: Data Source - IHS Well Data CD as of June 2012







NOTE: Data Source - IHS Well Data CD as of June 2012



Background



- Nearly 500,000 wells have been drilled in Oklahoma.
- The majority of sites that OERB addresses were drilled prior to 1950 (approx. 150,000 wells).
- The OERB estimates approx. 25,000 to 50,000 sites that require further evaluation (not necessarily restoration).
- Most property owners do not have adequate resources to address such issues.



Background



- In a 1995 Survey that was obtained after OERB was enacted, only 22% of Oklahomans had a positive perception of Oil and Gas.
- Oklahoma's Oil and Natural Gas Industry set out to improve the overall perception of Oil and Gas by establishing the OERB.



OERB



- Formed in 1993 by the state legislature at the request of petroleum industry.
 - The purpose of the Board is to coordinate a program designed to demonstrate to the general public the importance of the Oklahoma oil and natural gas exploration and production industry, to encourage the wise and efficient use of energy, . . . and to cause remediation of historical oilfield environmental problems.



Funding

- Funded by a voluntary one-tenth of one percent (0.1%) assessment on the sale of oil and natural gas in Oklahoma (1996).
- In March of each year, Producers and Royalty Owners can request a refund of their respective assessment.
- One of the most largely supported check-off programs in existence.

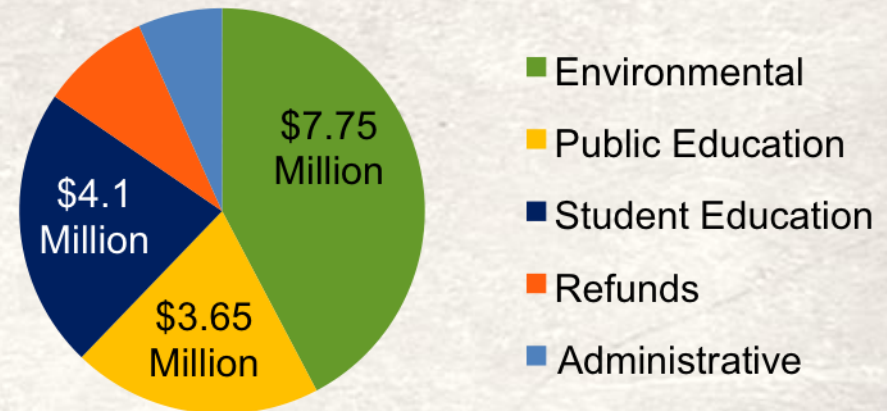




Budget

- By statute, at least 50 percent of funding (after refunds and administrative costs) allocated to environmental restoration

FY-2014 Budget



ENVIRONMENTAL RESTORATION



OKLAHOMA'S OIL & NATURAL GAS
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Environmental Spending

- Annual Environmental Budget - averages between \$5 - \$7 million (depending on the price of oil and natural gas).
- The cost per site ranges from few thousand \$ into the six figures.
- Average cost per site – approximately \$6,275.00.
- Cumulative Number of Sites Restored: 13,000+ sites.
- Total Investment Since Inception: \$84 million.

Environmental Program Emphasis

- Placing properties back into a productive and useful state.
- Addressing issues associated with orphaned/abandoned E&P sites (no responsible parties).
- The vast majority of sites are rural (95%+). Typically, the only issue of concern is from exploration/production activities (no other manufacturing processes, etc.).

Typical Annual Overview:

- The OERB restores approx. 750 sites annually (equates to 2-3 sites a day across Oklahoma).
- All Projects are competitively bid and awarded, which, in turn, pumps revenue into the local communities.
- OERB's bidding process is independent of the State's central bidding process
- OERB typically follows its rules and guidelines.

Typical Sites Addressed:

- Historical hydrocarbon/produced water spills.
- Abandoned equipment.
- Misc. concrete, trash and debris.
- Abandoned lease roads, location pads.
- Erosion issues.
- Abandoned pits.
- The OERB does not plug wells (the OCC has a separate program).

Typical Sites Addressed - Abandoned Equipment:



Typical Sites Addressed – Historical Hydrocarbon/Produced Water Spills:



Typical Sites Addressed – Misc Concrete, Trash, Debris:





ENVIRONMENTAL RESTORATION

Typical Sites Addressed – Abandoned Lease Roads, Location Pads



Typical Sites Addressed – Abandoned Pits



Typical Sites Addressed – Erosion Issues:



Environmental Process:

- Normally, the property owner will contact the OERB/OCC (BIA in Osage County) with an issue.
- The OCC will confirm that there is no RP (orphaned/abandoned).
- Access agreements will be forwarded for the property owner's consideration and approval.
- The OERB environmental consultant will visit the site and review the pertinent sites issues (Phase 1).

Environmental Process (cont' d):

- Additional sampling, site characterization and delineation may be performed (Phase II).
- A Scope of Work and Cost Estimate will be generated.
- Potential bidders will be invited to bid on each Project.
- The OERB reviews the bids and ultimately determines the lowest and best bidder.

Environmental Process (cont' d):

- Restoration is performed with Environmental Consultant oversight (Phase III).
- The Environmental Consultant monitors the Contractor's progress and determines when the Scope of Work objectives have been achieved.
- The Environment Consultant performs any additional supplemental post-monitoring/evaluation activities to insure that OERB's restoration objectives are accomplished(Phase IV).

Environmental Clean-Up



Before



After

Environmental Clean-Up



Before



After

Environmental Clean-Up



Before



After

Environmental Clean-Up



Before



After

Environmental Clean-Up



Before



After

Environmental Clean-Up



Before



After

Environmental Clean-Up



Before

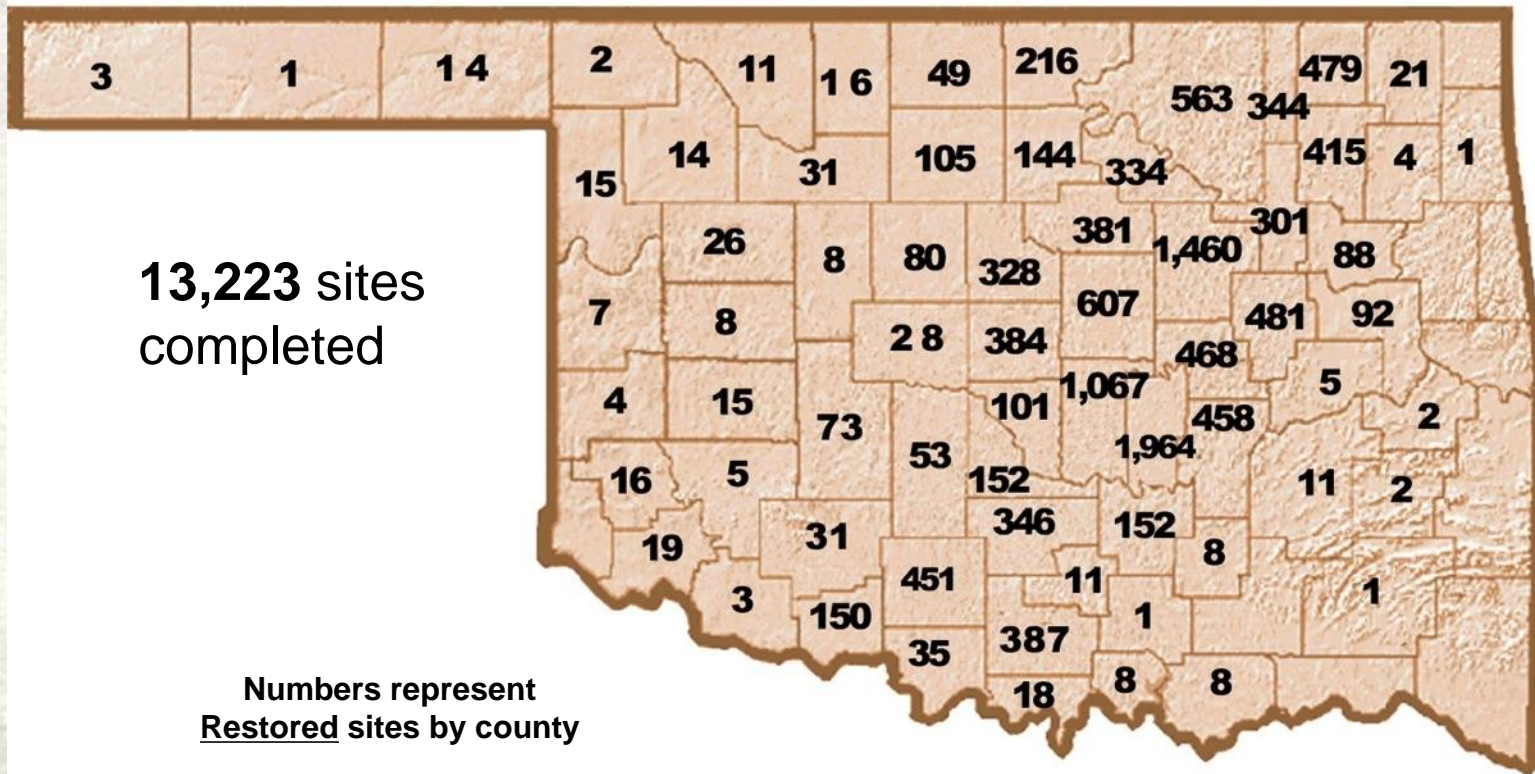


After

Results

13,223 sites
completed

Numbers represent
Restored sites by county



STUDENT EDUCATION



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Student Education

- Implemented in 1995
- Research showed that two-thirds of Oklahoma's mid-high science teachers believed the world would no longer need fossil fuels as the primary energy source by the year 2020.
- Until the OERB, no energy curriculum was available in the state for students.



Curricula

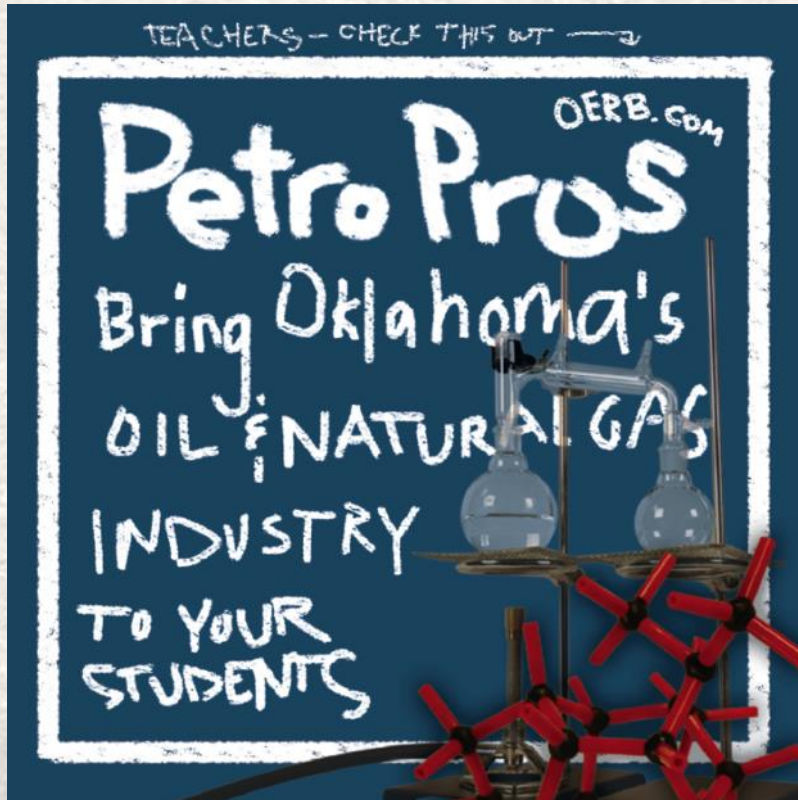
13,000 teachers trained to date

- K – 2nd Little Bits
- 3rd – 6th Fossils to Fuel 1 & 2
- 6th – 9th Petro Active
- 9th – 12th CORE Energy



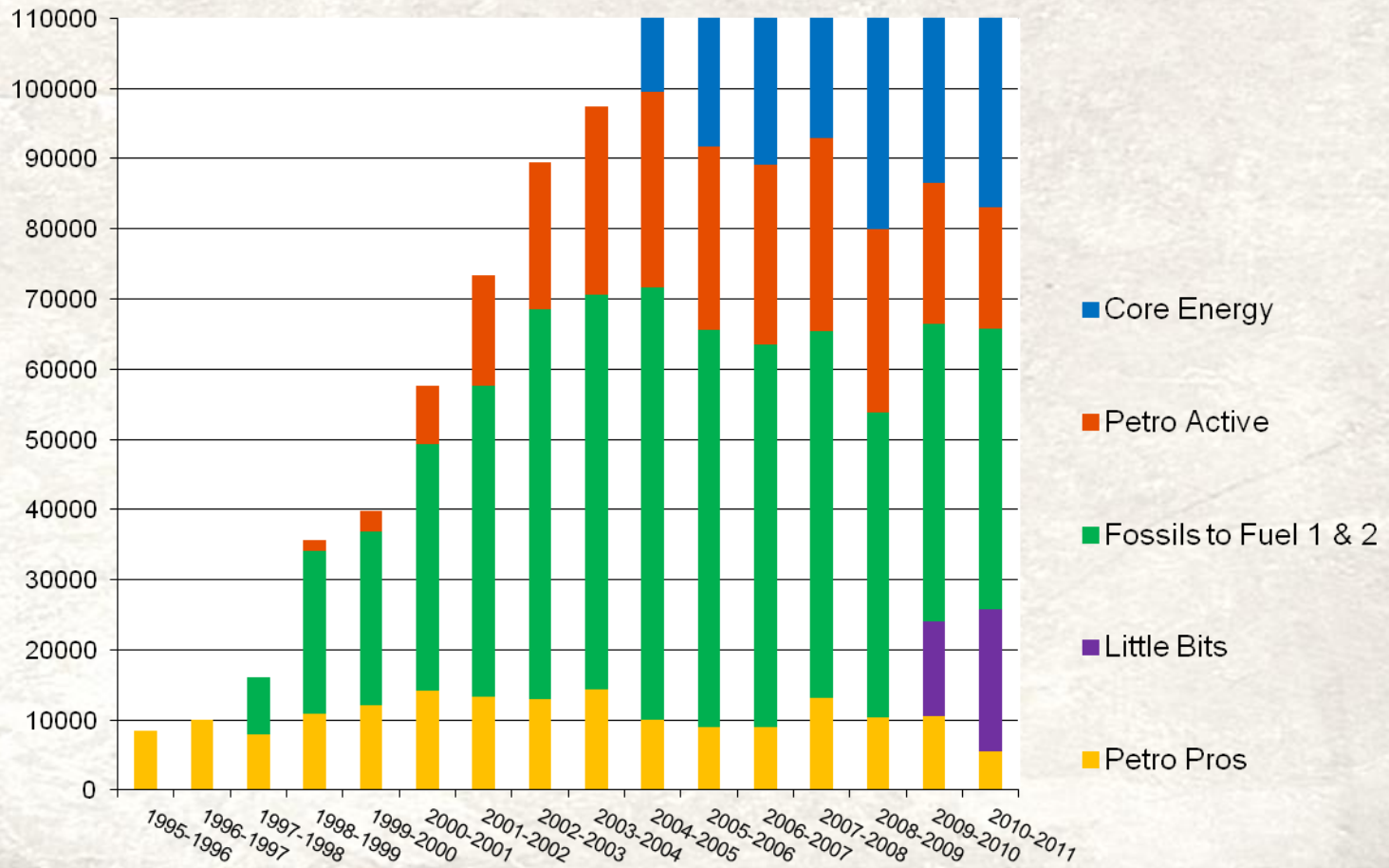
Teacher Training – 13,100 Trained \$ Millions in curriculum supplies





- *Petro Pro* classroom presentations
 - Oil and gas professionals visit classrooms to show science/business sides of the industry
 - 300 - 500 presentations made annually reaching 10,000 students

Students Reached



Well Site Safety Program

- Established in 1996 to teach kids about the dangers of oil & natural gas equipment
- Free safety-related materials (videos, posters and pocket folders) for classrooms
- TV, Radio, Internet & Print Advertising
- Annual Well Site Safety education contest
- Well Site Safety Day – State holiday in April honoring education program
- New campaign launched in April



Petroleum Scholar Program



- Created to meet the demand for industry professionals
- \$500,000 in scholarships to petroleum-related degree majors
- Internship and mentoring opportunities
- Additional funds for field trips & Executive Q & A sessions

PetroTech Program

- Training and certification
- Geo Tech, Land Tech & Engineering Tech
- Program Development
 - In response to demand for qualified professionals
 - Designed to provide technical training
 - Immediate need
 - New Employees to Industry
 - Training of current employees



Advertising Campaign

- Focus on environmental restoration program
- Highlights the continuing importance of Oklahoma's oil and natural gas industry
- Incorporates TV, radio, print and Internet



Reasons for OERB's Success:

- Perception of Industry – Today 79% of Oklahomans have a Positive Perception (2013).
- The Program's Voluntary Aspect (not a mandatory Program).
- The Overwhelming support of its Stakeholders (Contributors).
- The ongoing support of regulators (OCC, BIA, DEQ).



OKLAHOMA PROUD

Advancing our state. Empowering our nation.

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