

OKLAHOMA WATER RESOURCES BOARD  
**RULE IMPACT STATEMENT**  
for Rule Amendments in OAC 785: Chapter 20  
Proposed for Adoption During 2008

**A. A BRIEF DESCRIPTION OF THE PURPOSE OF THE PROPOSED RULES.**

The purpose of the proposed rules are to clarify the intent and interpretations of the Oklahoma Water Resources Board (OWRB) relating to the Stream Water Use Law by amending existing rules in Chapter 20 as follows:

Amend 785:20-1-2 definition of “enhanced recovery of oil and gas” to clarify that water used for fracturing is not considered to be enhanced production. The result would be to clarify that additional information required by substantive rules concerning enhanced oil and gas recovery would not apply to water proposed for fracturing.

Amend 785:20-5-1 to provide flexibility regarding the need for water right for a non-consumptive use if a consumptive purpose is also authorized by adding language “unless otherwise determined by the Board” to be consistent with another rule about the need to obtain a permit for hydropower and other non-consumptive uses.

Amend language in 785:20-3-9 on deeming applications withdrawn, to clarify how applications pending before the law was amended in 2000 will be treated and how applications that are placed in pending status after the law was amended will be treated, and to provide more flexibility to the Board.

Amend language in 785:20-5-5 to enhance the rule concerning information needed to show that the applicant has a present or future need for the water if water sale use is proposed, in accordance with the recommendation by the State Auditor (e.g. obtain copies of water sale contracts, financial reports, etc.)

The existing provision on the filing of the annual water use report for stream water rights contains a reference to the submittal of a file maintenance fee. The reference is proposed to be amended to a reference to an annual water rights administration fee consistent with the proposed amendment to Chapter 5 rule on Fees.

**B. A DESCRIPTION OF THE CLASSES OF PERSONS WHO MOST LIKELY WILL BE AFFECTED BY THE PROPOSED RULES, INCLUDING CLASSES THAT WILL BEAR THE COSTS OF THE PROPOSED RULES, AND ANY INFORMATION ON COST IMPACTS RECEIVED BY THE AGENCY FROM ANY PRIVATE OR PUBLIC ENTITIES.**

Persons that apply for permits to use stream water, particularly those that apply to use groundwater for fracturing, and persons interested in how stream water is used would be affected by the proposals. There should be no additional cost impacts to comply with the rule.

**C. A DESCRIPTION OF THE CLASSES OF PERSONS WHO WILL BENEFIT FROM THE PROPOSED RULES.**

Persons who would benefit from the proposed rule include those persons who will be affected by having a clear understanding of the requirements for obtaining and maintaining a permit to use stream water.

**D. A DESCRIPTION OF THE PROBABLE ECONOMIC IMPACT OF THE PROPOSED RULES UPON AFFECTED CLASSES OF PERSONS OR POLITICAL SUBDIVISIONS, INCLUDING A LISTING OF ALL FEE CHANGES AND, WHENEVER POSSIBLE, A SEPARATE JUSTIFICATION FOR EACH FEE CHANGE.**

There should be no probable economic impact of the proposed rules except that applicants for permits to use water for commercial sale will face additional costs of providing more information about the proposed sale.

**E. THE PROBABLE COSTS AND BENEFITS TO THE AGENCY AND TO ANY OTHER AGENCY OF THE IMPLEMENTATION AND ENFORCEMENT OF THE PROPOSED RULES, THE SOURCE OF REVENUE TO BE USED FOR IMPLEMENTATION AND ENFORCEMENT OF THE PROPOSED RULES, AND ANY ANTICIPATED EFFECT ON STATE REVENUES, INCLUDING A PROJECTED NET LOSS OR GAIN IN STATE REVENUES IF IT CAN BE PROJECTED BY THE AGENCY.**

No extraordinary costs to the OWRB or other agencies are anticipated. It is anticipated that the proposed amendments will have no effect on state revenues.

**F. A DETERMINATION OF WHETHER IMPLEMENTATION OF THE PROPOSED RULES WILL HAVE AN ECONOMIC IMPACT ON ANY POLITICAL SUBDIVISIONS OR REQUIRE THEIR COOPERATION IN IMPLEMENTING OR ENFORCING THE RULES.**

There should be no economic impact of the proposed rule on any political subdivision and the proposed rule should not require any political subdivision to cooperate in implementing or enforcing the rules.

**G. A DETERMINATION OF WHETHER IMPLEMENTATION OF THE PROPOSED RULES MAY HAVE AN ADVERSE ECONOMIC EFFECT ON SMALL BUSINESS AS PROVIDED BY THE OKLAHOMA SMALL BUSINESS REGULATORY FLEXIBILITY ACT.**

There should be no adverse economic impact on small business, except for small businesses that apply for a permit to use stream water for commercial sale where additional information about the proposed sale would have to be provided.

**H. AN EXPLANATION OF THE MEASURES THE AGENCY HAS TAKEN TO MINIMIZE COMPLIANCE COSTS AND A DETERMINATION OF WHETHER THERE ARE LESS COSTLY OR NONREGULATORY METHODS OR LESS INTRUSIVE METHODS FOR ACHIEVING THE PURPOSE OF THE PROPOSED RULES.**

There are no measures to be taken to minimize compliance costs, and there are no less costly or nonregulatory methods or less intrusive methods for achieving the purpose of the proposed rule.

**I. A DETERMINATION OF THE EFFECT OF THE PROPOSED RULES ON THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT AND, IF THE PROPOSED RULES ARE DESIGNED TO REDUCE SIGNIFICANT RISKS TO THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT, AN EXPLANATION OF THE NATURE OF THE RISK AND TO WHAT EXTENT THE PROPOSED RULES WILL REDUCE THE RISK.**

The proposed rule should have no effect on the public health, safety and environment.

**J. A DETERMINATION OF ANY DETRIMENTAL EFFECT ON THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT IF THE PROPOSED RULES ARE NOT IMPLEMENTED.**

If the proposed rule is not implemented, there should be no detrimental effect on the public health, safety and environment.

**K. THE DATE THE RULE IMPACT STATEMENT WAS PREPARED AND IF MODIFIED, THE DATE MODIFIED:**

This rule impact statement was reviewed and approved on November 15, 2007, by:

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**Dean A. Couch**  
**General Counsel**  
**Oklahoma Water Resources Board**