

CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 12/9/2025

REQUESTERS: Jeffrey Poteet, Oil & Gas Inspector

Chris Mattingly, Director of Utilities

PRESENTER: Elisabeth Muckala, Assistant City Attorney

ITEM TITLE: CONSIDERATION OF APPROVAL, ACCEPTANCE, REJECTION,

AMENDMENT, AND/OR POSTPONEMENT OF CONTRACT K-2526-65: A RESTORATION AGREEMENT BETWEEN THE CITY OF NORMAN, OKLAHOMA AND BARBOUR ENERGY CORPORATION REGARDING THE PLUGGING OF THE NORMAN #1-18 WELL IN ACCORDANCE WITH APPLICABLE LAW AND REMEDIATION OF THE SURFACE FOR FUTURE USE BY THE NORMAN UTILITIES AUTHORITY. (Ward 7)

BACKGROUND:

The Norman #1-18 oil and gas well was drilled in 1967 by operator Allied Materials Corp and completed into the Red Fork formation at a depth of approximately 7250 feet. The Norman #1-18 was drilled on property consisting of more than 300 acres owned by the City of Norman adjacent to the South Canadian River, upon which the Norman Utilities Authority conducts various activities, including the Norman Compost and Water Reclamation Facilities. The City also has an ongoing lease of property to Haskell Lemon Construction in this area.

The Norman #1-18 produced over the life of the lease, and the City received payment of royalties pursuant to its leases. In 2007, a litigation regarding the royalties paid on the subject leases ensued against Allied and others, including Barbour Energy Corporation, where in the City of Norman alleged deficient royalty payments under the subject leases. The parties reached an amicable settlement ultimately approved by the City Council and no further payment irregularities have been observed by the City. The Norman #1-18 was drilled in a unit pursuant to these leases; however, production from other unit wells will continue to hold these leases following the plugging of this well.

DISCUSSION:

On February 25, 2025, Barbour filed a Notice of Intention to Plug the Norman #1-18 with the Oklahoma Corporation Commission, citing a targeted start date of March 25, 2025. On April 4, 2025, Barbour filed a Plugging Record with the OCC, stating a plugging date of March 6, 2025. Thereafter, Barbour engaged the City of Norman through its Oil & Gas Inspector and Utilities Department to ensure that the surface owned by the City was restored to the City's satisfaction. Following contractor clean-up work, and in September, the City and Barbour's inspection of the

property revealed several items still remaining to be remediated. Thus, follow-up remediation was immediately carried out by Barbour.

Barbour Energy returned to the site with additional contractors to remove remaining debris, abandoned materials and petroleum-impacted soil. Barbour excavated and disposed of contaminated soil, removed the two 55-gallon drums and other chemical containers, gathered and hauled away piping, wiring, hoses, metal scrap, and concrete debris, and graded and stabilized the disturbed areas. On November 10, 2025, City staff conducted a final inspection of the site and confirmed that all previously identified issues had been corrected and that the surface had been restored to a condition suitable for the City's future use.

With restoration complete, NUA intends to incorporate the former well site into its network of special ecological and community-use areas, similar to LEAF and Lahoma Grove. The restored area will be planted with native prairie grasses, wildflowers and trees to enhance biodiversity and create high-value wildlife habitat. The site will serve as an outdoor learning and demonstration area where visitors can engage with topics such as native species, ecological restoration, pollinator and other wildlife conservation, and sustainable resource management.

The Norman #1-18 was drilled at a time before the Oklahoma Surface Damage Act existed and no agreement was located regarding any advance terms agreed to between the City of Norman and Allied regarding restoration of the surface. Thus, Barbour's communications and efforts to involve the City in its restoration instead ensured the City's satisfaction with the surface condition upon plugging of the Norman #1-18 well. As set forth above, City Staff is satisfied that the surface condition is satisfactory for the NUA's planned use as a green infrastructure community space going forward. The Restoration Agreement releases Barbour from further remediation liability for the surface of the property and contains Barbour's assurance that applicable laws were complied with regarding said plugging and restoration.

RECOMMENDATION:

City staff recommends approval of Contract K-2526-65, a Restoration Agreement with Barbour Energy Corporation regarding the plugging of the Norman #1-18 well, and direction for staff to take any further actions consistent with approval of the restoration and reuse efforts set forth herein.