SENATE BILL NO. 2771

AN ACT TO AMEND SECTION 53-1-3, MISSISSIPPI CODE OF 1972, TO DEFINE MIXED WASTE; TO AMEND SECTION 17-17-47, MISSISSIPPI CODE OF 1972, TO PROVIDE FOR THE DISPOSAL OF MIXED WASTE; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. Section 53-1-3, Mississippi Code of 1972, is amended as follows:

53-1-3. Unless the context otherwise requires, the words defined in this section shall have the following meaning when found in Sections 53-1-1 through 53-1-47, inclusive, and in Sections 53-3-3 through 53-3-21, inclusive:

(a) "Board" means the State Oil and Gas Board as created by Section 53-1-5.

(b) A "certificate of clearance" means a permit for the transportation or the delivery of oil, gas or products, approved and issued or registered under the authority of the board.

(c) A "certificate of compliance" means a certificate issued by the board showing compliance with the conservation laws of the state, and conservation rules, regulations and orders of the board, prior to connection with a pipeline.

(d) "Developed area" or "developed unit" means a drainage unit having a well completed therein which is capable of producing oil or gas in paying quantities.

(e) "Drainage unit" or "drilling unit" means the maximum area in a pool which may be assigned to one (1) well so as to produce the reasonably recoverable oil or gas in such area, shall be established by statewide rules or by special field rules.
of the board, and shall be of such size and configuration as will foster, encourage and promote the development, production and utilization of the natural resource of oil and gas.

(f) "Field" means the general area which is underlaid or appears to be underlaid by at least one (1) pool; and "field" shall include the underground reservoir or reservoirs containing oil or gas or both. The words "field" and "pool" mean the same thing when only one (1) underground reservoir is involved; however, "field," unlike "pool," may relate to two (2) or more pools.

(g) "Gas" means all natural gas, whether hydrocarbon or nonhydrocarbon or any combination or mixture thereof, including hydrocarbons, hydrogen sulphide, helium, carbon dioxide, nitrogen, hydrogen, casinghead gas, occluded natural gas from coal seams, compressed air and all other hydrocarbons not defined as oil in subsection (c) above.

(h) "Illegal oil and illegal gas" means oil or gas which has been produced within the State of Mississippi from any well during any time that the well has produced in excess of the amount allowed by law or by any rule, regulation or order of the board. "Illegal product" means any product derived, in whole or in part, from illegal oil or illegal gas.

(i) "Mixed waste" means oil and gas production waste which contains nonexempt concentrations of radioactive materials as defined by the regulations for the control of radiation in Mississippi and/or which contains concentrations or quantities of hazardous substances as regulated by the Mississippi Department of Environmental Quality.

(j) "Noncommercial disposal of oil field exploration and production waste" means the storage, treatment, recovery, processing, disposal or acceptance of oil field exploration and production waste which is not commercial oil field exploration and production waste disposal as defined in Section 17-17-3.
(k) "Oil" means crude petroleum oil and all other hydrocarbons, regardless of gravity, which are produced at the well in liquid form by ordinary production methods and which are not the result of condensation of gas.

(l) "Oil field exploration and production wastes" means:

(i) Any liquid, gaseous, solid, naturally occurring radioactive, or other substance(s), including but not limited to, any chemical, produced water, sludge, oil-water emulsion, oil field brine, waste oil, sediment, scale or other waste substance(s);

(ii) Any equipment or any other related apparatus containing or contaminated with such substance(s) as set forth in subparagraph (i) above; or

(iii) Any land or structures containing or contaminated with such substance(s) as set forth in subparagraph (i) above, which is associated with, produced by, or used in the exploration, drilling, and/or production of oil, gas or other minerals within the territorial limits of the State of Mississippi.

(m) "Orphan well" means any oil or gas well in the state, including Class II wells, which has not been properly plugged according to the requirements of the statutes, rules and regulations governing same and for which a responsible party such as an owner or operator cannot be located or for which, for whatever reason, there is no other party which can be forced to plug the well.

(n) "Owner" means the person who has the right to drill into and produce from any pool, and to appropriate the production either for himself or for himself and another or others.

(o) "Person" means any individual, corporation, partnership, association, or any state, municipality, political subdivision of any state, or any agency, department or
instrumentality of the United States, or any other entity, or any
tofficer, agent or employee of any of the above.

(p) "Producer" means the owner of a well or wells
capable of producing oil or gas or both.

(q) "Product" means any commodity made from oil or gas,
and shall include refined crude oil, processed crude petroleum,
residuum from crude petroleum, cracking stock, uncracked fuel oil,
fuel oil, treated crude oil, residuum, casinghead gasoline,
natural gas gasoline, naphtha, distillate, gasoline, kerosene,
waste oil, blended gasoline, lubricating oil, blends or mixtures
of oil with one or more liquid products or by-products derived
from oil or gas, and blends or mixtures of two (2) or more liquid
products or by-products derived from oil, condensate, gas or
petroleum hydrocarbons, whether hereinabove enumerated or not.

(r) "Pool" means an underground reservoir containing a
common accumulation of oil or gas or both. Each zone of a general
structure which is completely separated from any other zone in the
structure is included in the term "pool" as used herein.

(s) "Refined hydrocarbons" means any refined petroleum
products.

(t) "Royalty owner" means any person who possesses an
interest in the production but who is not an "owner" as herein
defined.

(u) "Supervisor" or "State Oil and Gas Supervisor"
means the officer appointed by the State Oil and Gas Board
pursuant to Section 53-1-7.

(v) "Underground Injection Program" means a program
regulating the injection of any fluids produced or fluids
associated with the exploration, storage and/or production of oil
and/or gas and being among those other laws relating to the
conservation of oil and gas as referred to in Section 53-1-17(a).

(w) "Waste" means and includes the following:
(i) The inefficient, excessive or improper use or dissipation of reservoir energy; and the locating, spacing, drilling, equipping, operating or producing of any oil or gas well or wells in a manner which results or tends to result in reducing the quantity of oil or gas ultimately to be recovered from any pool in this state.

(ii) The inefficient storing of oil; and the locating, spacing, drilling, equipping, operating or producing of any oil or gas well or wells in a manner causing or tending to cause unnecessary or excessive surface loss or destruction of oil or gas.

(iii) Abuse of the correlative rights and opportunities of each owner of oil or gas in a pool due to nonuniform, disproportionate, or unratable withdrawals causing undue drainage between tracts of land or resulting in one or more owners in such pool producing more than his just and equitable share of the production from such pool.

(iv) Producing oil or gas in such manner as to cause unnecessary channeling of water or gas or both or coning of water.

(v) The operation of any oil well or wells with an inefficient gas-oil ratio.

(vi) The drowning with water of any stratum or part thereof capable of producing oil or gas.

(vii) The creation of unnecessary fire hazards.

(viii) The escape into the open air, from a well producing both oil and gas, of gas in excess of the amount which is necessary in the efficient drilling or operation of the well.

(ix) Permitting gas produced from a gas well to escape into open air.

(x) The use of gas from gas wells, except sour gas, for the manufacture of carbon black, except and unless the
board shall find that there are no adequate pipeline connections
to otherwise market the gas.

SECTION 2. Section 17-17-47, Mississippi Code of 1972, is
amended as follows:

17-17-47. (1) Notwithstanding any other provisions
contained in this chapter, the State Oil and Gas Board shall
continue to exercise the exclusive authority to make rules and
regulations and issue permits governing the noncommercial disposal
of oil field waste products and shall continue to exercise the
exclusive authority to regulate Class II underground injection
wells in accordance with the provisions of Section 53-1-17.

To the extent that such oil field exploration and production waste
products may constitute hazardous wastes under the
provisions of this chapter, such rules and regulations shall be
subject to the approval of the commission in order to insure that
they are consistent with the requirements of this chapter and the
Resource Conservation and Recovery Act of 1976 (Public Law
94-580).

(2) The commission shall have the exclusive authority to
regulate the commercial disposal of oil field exploration and
production waste products subject to limitations set out in
subsection (1) of this section.

(3) Mixed waste as defined by Section 53-1-3 may only be
stored and disposed of according to the procedures implemented or
permit issued and approved after the public hearing by the
Mississippi Oil and Gas Board, the commission and the Department
of Health.

SECTION 3. This act shall take effect and be in force from
and after July 1, 2001.