

By: Representative Franks

To: Oil, Gas and Other
Minerals; Wildlife, Fisheries
and Parks

HOUSE BILL NO. 1210

1 AN ACT TO PROHIBIT DRILLING, SEISMOGRAPHIC AND MINERAL
2 EXPLORATION OR TESTING ON ANY STATE WILDLIFE REFUGE OR STATE PARK;
3 TO AMEND SECTION 29-7-3, MISSISSIPPI CODE OF 1972, TO CONFORM; AND
4 FOR RELATED PURPOSES.

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

6 **SECTION 1.** There shall not be conducted any drilling,
7 seismographic or other mineral exploration or testing activities
8 on any state-owned wildlife management area, lake, fish hatchery
9 or state park under the jurisdiction of the Mississippi Commission
10 on Wildlife, Fisheries and Parks. Any person found by the
11 Mississippi Major Economic Impact Authority to be violating this
12 section shall be subject to the penalties prescribed under Section
13 29-7-17.

14 **SECTION 2.** Section 29-7-3, Mississippi Code of 1972, is
15 amended as follows:

16 29-7-3. There shall be no development or extraction of oil,
17 gas, or other minerals from state-owned lands by any private party
18 without first obtaining a mineral lease therefor from the
19 commission. The commission is hereby authorized and empowered,
20 for and on behalf of the state, to lease any and all of the state
21 land now owned (including that submerged or whereover the tide may
22 ebb and flow) or hereafter acquired, to some reputable person,
23 association, or company for oil and/or gas and/or other minerals
24 in and under and which may be produced therefrom, excepting,
25 however, sixteenth section school land, lieu lands, state-owned
26 wildlife management areas, lakes, fish hatcheries and parks under
27 the jurisdiction of the Mississippi Commission on Wildlife,
28 Fisheries and Parks and such forfeited tax land and property the

29 title to which is subject to any lawful redemption, for such
30 consideration and upon such terms and conditions as the commission
31 deems just and proper. No mineral lease of offshore lands shall
32 allow offshore drilling operations north of the coastal barrier
33 islands, except in Blocks 40, 41, 42, 43, 63, 64 and 66 through
34 98, inclusive. Further, surface offshore drilling operations will
35 not be allowed within one (1) mile of Cat Island. The commission
36 may only offer for lease the state-owned lands in Blocks 40, 41,
37 42, 43, 63, 64 and 66 through 98, inclusive, as shown on the
38 Mississippi Department of Environmental Quality Bureau of Geology
39 Plat of Lease Blocks (Open File Report 151) on terms and
40 conditions and for a length of time as determined by the
41 commission. The commission may not lease any lands or submerged
42 lands off the Mississippi Gulf Coast that have been leased by the
43 Department on Marine Resources before January 1, 2004, for any
44 public or private oyster reef lease or any lands or submerged
45 lands within one (1) mile of that lease for the purposes of
46 drilling offshore for oil, gas and other minerals.

47 Consistent with the conservation policies of this state under
48 Section 53-1-1 et seq., the commission may offer for public bid
49 any tracts or blocks of state-owned lands not currently under
50 lease, which have been identified to the commission as having
51 development potential for oil or natural gas, not less than once a
52 year. Upon consultation with the Office of Geology in the
53 Mississippi Department of Environmental Quality, the Secretary of
54 State and any other state agency as the commission deems
55 appropriate, the commission shall promulgate rules and regulations
56 consistent with this chapter governing all aspects of the process
57 of leasing state lands within its jurisdiction for mineral
58 development, including the setting of all terms of the lease form
59 to be used for leasing state-owned lands, any necessary fees,
60 public bidding process, delay rental payments, shut-in royalty
61 payments, and such other provisions as may be required. The

62 Attorney General shall review the lease form adopted by the
63 commission for legal sufficiency.

64 There shall not be conducted any seismographic or other
65 mineral exploration or testing activities on any state-owned lands
66 within the mineral leasing jurisdiction of the commission without
67 first obtaining a permit therefor from the commission. Upon
68 consultation with the Office of Geology in the Mississippi
69 Department of Environmental Quality, the Secretary of State and
70 any other state agency as the commission deems appropriate, the
71 commission shall promulgate rules and regulations governing all
72 aspects of seismographic or other mineral exploration activity on
73 state lands within its jurisdiction, including the establishing of
74 fees and issuance of permits for the conduct of such mineral
75 exploration activities. The Attorney General shall review the
76 permit form adopted by the commission for legal sufficiency.
77 Provided, however, that * * * persons obtaining permits from the
78 commission for seismographic or other mineral exploration or
79 testing activities on state-owned marine waters shall be subject
80 to rules and regulations promulgated therefor by the Mississippi
81 Department on Marine Resources which shall also receive all permit
82 fees for such testing on those waters.

83 Further, provided that each permit within the Mississippi
84 Sound or tidelands shall be reviewed by the Mississippi Commission
85 on Marine Resources and such special conditions as it may specify
86 will be included in the permit. Information or data obtained in
87 any mineral exploration activity on any and all state lands shall
88 be disclosed to the state through the commission, upon demand.
89 Such information or data shall be treated as confidential for a
90 period of ten (10) years from the date of receipt thereof and
91 shall not be disclosed to the public or to any firm, individual or
92 agency other than officials or authorized employees of this state.
93 Any person who makes unauthorized disclosure of such confidential
94 information or data shall be guilty of a misdemeanor, and upon

95 conviction thereof, be fined not more than Five Thousand Dollars
96 (\$5,000.00) or imprisoned in the county jail not more than one (1)
97 year, or both.

98 Whenever any such land or property is leased for oil and gas
99 and/or other minerals, such lease contract shall provide for a
100 lease royalty to the state of at least three-sixteenths (3/16) of
101 such oil and gas or other minerals, same to be paid in the manner
102 prescribed by the commission. Of the monies received in
103 connection with the execution of such leases, five-tenths of one
104 percent (5/10 of 1%) shall be retained in a special fund to be
105 appropriated by the Legislature, One Hundred Thousand Dollars
106 (\$100,000.00) of which amount to be used by the commission for the
107 administration of the leasing and permitting under this section,
108 and the remainder of such amount shall be deposited into the
109 Education Trust Fund, created in Section 206A, Mississippi
110 Constitution of 1890; and two percent (2%) shall be paid into a
111 special fund to be designated as the "Gulf and Wildlife Protection
112 Fund," to be appropriated by the Legislature, one-half (1/2)
113 thereof to be apportioned as follows: an amount which shall not
114 exceed One Million Dollars (\$1,000,000.00) shall be used by
115 the * * * Mississippi Department on Marine Resources solely for
116 the purpose of cleanup, remedial or abatement actions involving
117 pollution as a result of the exploration or production of oil or
118 gas, and any amount in excess of such One Million Dollars
119 (\$1,000,000.00) shall be deposited into the Education Trust Fund,
120 created in Section 206A, Mississippi Constitution of 1890. The
121 remaining one-half (1/2) of such Gulf and Wildlife Protection Fund
122 to be apportioned as follows: an amount which shall not exceed
123 One Million Dollars (\$1,000,000.00) shall be used by the * * *
124 Mississippi Department on Marine Resources for use first in the
125 prudent management, preservation, protection and conservation of
126 existing waters, lands and wildlife of this state and then,
127 provided such purposes are accomplished, for the acquisition of

128 additional waters and lands and any amount in excess of such One
129 Million Dollars (\$1,000,000.00) shall be deposited into the
130 Education Trust Fund, created in Section 206A, Mississippi
131 Constitution of 1890. However, in the event that the Legislature
132 is not in session to appropriate funds from the Gulf and Wildlife
133 Protection Fund for the purpose of cleanup, remedial or abatement
134 actions involving pollution as a result of the exploration or
135 production of oil or gas, then the * * * Mississippi Department on
136 Marine Resources may make expenditures from this special fund
137 account solely for said purpose. The commission may lease the
138 submerged beds for sand and gravel on such a basis as it may deem
139 proper, but where the waters lie between this state and an
140 adjoining state, there must be a cash realization to this state,
141 including taxes paid for such sand and gravel, equal to that being
142 had by such adjoining state, in all cases the requisite consents
143 therefor being lawfully obtained from the United States.

144 The Department of Environmental Quality is authorized to
145 employ competent engineering personnel to survey the territorial
146 waters of this state in the Mississippi Sound and the Gulf of
147 Mexico and to prepare a map or plat of such territorial waters,
148 divided into blocks of not more than six thousand (6,000) acres
149 each with coordinates and reference points based upon longitude
150 and latitude surveys. The commission is authorized to adopt such
151 survey, plat or map for leasing of such submerged lands for
152 mineral development; and such leases may, after the adoption of
153 such plat or map, be made by reference to the map or plat, which
154 shall be on permanent file with the commission and a copy thereof
155 on file in the Office of the State Oil and Gas Board.

156 **SECTION 3.** This act shall take effect and be in force from
157 and after July 1, 2007.