

By: Representative Turner

To: Appropriations

HOUSE BILL NO. 194

1 AN ACT TO AMEND SECTION 53-1-77, MISSISSIPPI CODE OF 1972, TO
2 EXTEND THE DATE OF THE REPEALER ON THE AUTHORITY OF THE STATE OIL
3 AND GAS BOARD TO OBTAIN FUNDS FROM THE CAPITAL EXPENSE FUND FOR
4 THE EMERGENCY PLUGGING OF ORPHANED WELLS; AND FOR RELATED
5 PURPOSES.

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

7 **SECTION 1.** Section 53-1-77, Mississippi Code of 1972, is
8 amended as follows:

9 53-1-77. (1) The State Oil and Gas Supervisor, as ex
10 officio secretary of such board, shall remit to the State
11 Treasurer all monies collected by reason of the assessments made
12 and fixed under the provisions of Section 53-1-73, and the State
13 Treasurer shall deposit all such monies in a special fund known as
14 the "Oil and Gas Conservation Fund," which is continued in effect.

15 (2) All monies on deposit in the Oil and Gas Conservation
16 Fund on April 10, 1948, and all monies hereafter deposited in such
17 fund, shall be held in trust for the use of the board to pay the
18 expenses and costs incurred in connection with the administration
19 and enforcement of the oil and gas conservation laws of the State



20 of Mississippi and the rules, regulations and orders of the State
21 Oil and Gas Board issued thereunder. Disbursements shall be made
22 from such fund only upon requisition of the State Oil and Gas
23 Supervisor, as approved and allowed by the board, and which
24 requisitions shall be supported by itemized statements thereto
25 attached showing the purpose or purposes of such expenditures.
26 Such requisitions shall be drawn upon the State Fiscal Officer,
27 who shall issue a warrant upon the fund. Such warrants so issued
28 shall be paid by the State Treasurer upon presentation.

29 (3) The State Oil and Gas Supervisor, as ex officio
30 secretary of the Oil and Gas Board, shall submit, within ten (10)
31 days, after the convening of each session of the Legislature, to
32 the Legislature a detailed report of all receipts, expenditures
33 and balance on hand, of funds coming to the Oil and Gas Board from
34 any source whatsoever.

35 (4) In the event that at any particular time, the Oil and
36 Gas Conservation Fund contains an amount greater than Two Hundred
37 Thousand Dollars (\$200,000.00) more than the current fiscal year's
38 estimated budget, the amount of the excess may be used by the
39 board and at the board's discretion, to plug any oil or gas well,
40 including any Class II well, in the state that has been determined
41 by the board to represent an imminent threat to the environment
42 and that has been determined by the board to be an "orphan" well.

43 (5) The board shall have the authority, in its discretion,
44 to use whatever legal means available to it to attempt to collect



any amounts so expended from any responsible party. Any amounts so collected shall be returned to the Oil and Gas Board's Emergency Plugging Fund created herein.

(6) Amounts of surplus in the Oil and Gas Conservation Fund of over Two Hundred Thousand Dollars (\$200,000.00) shall be transferred to a separate special fund of the Oil and Gas Board to be known as the Emergency Plugging Fund, for the proper plugging of wells pursuant to this section. The supervisor shall have the authority, and it shall be his duty to transfer any amounts in the Emergency Plugging Fund back to the Oil and Gas Conservation Fund in the event and to the extent to which the Oil and Gas Conservation Fund should at any time contain less than a Two Hundred Thousand Dollars (\$200,000.00) surplus.

(7) For purposes of this section, orphan well means any oil or gas well in the state, including Class II wells, that 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 that can be forced to plug the well.

(8) Upon request of the State Oil and Gas Supervisor and subject to the limitations set forth in Section 27-103-303(4), the Director of the Department of Finance and Administration may transfer funds from the Capital Expense Fund to the State Oil and Gas Board for the emergency plugging of any oil or gas well,



70 including any Class II well, in the state that has been determined
71 by the board to represent an imminent threat to the environment
72 and that has been determined by the board to be an "orphan" well.
73 This subsection (8) shall stand repealed from and after July
74 1, * * * 2024.

75 **SECTION 2.** This act shall take effect and be in force from
76 and after July 1, 2021.

