

By: Representative Flaggs

To: Oil, Gas and Other Minerals

HOUSE BILL NO. 1324

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

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

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

8 53-1-3. Unless the context otherwise requires, the words
9 defined in this section shall have the following meaning when
10 found in Sections 53-1-1 through 53-1-47, inclusive, and in
11 Sections 53-3-3 through 53-3-21, inclusive:

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

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

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

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

24 (e) "Drainage unit" or "drilling unit" means the
25 maximum area in a pool which may be assigned to one (1) well so as
26 to produce the reasonably recoverable oil or gas in such area,
27 shall be established by statewide rules or by special field rules
28 of the board, and shall be of such size and configuration as will



29 foster, encourage and promote the development, production and
30 utilization of the natural resource of oil and gas.

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

38 (g) "Gas" means all natural gas, whether hydrocarbon or
39 nonhydrocarbon or any combination or mixture thereof, including
40 hydrocarbons, hydrogen sulphide, helium, carbon dioxide, nitrogen,
41 hydrogen, casinghead gas, occluded natural gas from coal seams,
42 compressed air and all other hydrocarbons not defined as oil in
43 paragraph (k) of this section.

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

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

56 (j) "Noncommercial disposal of oil field exploration
57 and production waste" means the storage, treatment, recovery,
58 processing, disposal or acceptance of oil field exploration and
59 production waste which is not commercial oil field exploration and
60 production waste disposal as defined in Section 17-17-3.



61 (k) "Oil" means crude petroleum oil and all other
62 hydrocarbons, regardless of gravity, which are produced at the
63 well in liquid form by ordinary production methods and which are
64 not the result of condensation of gas.

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

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

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

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

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

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

91 (o) "Person" means any individual, corporation,
92 partnership, association, or any state, municipality, political
93 subdivision of any state, or any agency, department or



94 instrumentality of the United States, or any other entity, or any
95 officer, agent or employee of any of the above.

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

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

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

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

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

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

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

125 (w) "Waste" means and includes the following:



126 (i) The inefficient, excessive or improper use or
127 dissipation of reservoir energy; and the locating, spacing,
128 drilling, equipping, operating or producing of any oil or gas well
129 or wells in a manner which results or tends to result in reducing
130 the quantity of oil or gas ultimately to be recovered from any
131 pool in this state.

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

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

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

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

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

150 (vii) The creation of unnecessary fire hazards.

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

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

156 (x) The use of gas from gas wells, except sour
157 gas, for the manufacture of carbon black, except and unless the



158 board shall find that there are no adequate pipeline connections
159 to otherwise market the gas.

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

162 17-17-47. (1) Notwithstanding any other provisions
163 contained in this chapter, the State Oil and Gas Board shall
164 continue to exercise the exclusive authority to make rules and
165 regulations and issue permits governing the noncommercial disposal
166 of oil field waste products and shall continue to exercise the
167 exclusive authority to regulate Class II underground injection
168 wells in accordance with the provisions of Section 53-1-17. To
169 the extent that such oil field exploration and production waste
170 products may * * * constitute hazardous wastes under the
171 provisions of this chapter, such rules and regulations shall be
172 subject to the approval of the commission in order to insure that
173 they are consistent with the requirements of this chapter and the
174 Resource Conservation and Recovery Act of 1976 (Public Law
175 94-580).

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

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

185 **SECTION 3.** This act shall take effect and be in force from
186 and after July 1, 2002.

