

By: Senator(s) Walley

To: Oil, Gas and Other Minerals

SENATE BILL NO. 2946

1 AN ACT TO BRING FORWARD SECTIONS 53-1-31 AND 53-1-77,
2 MISSISSIPPI CODE OF 1972, TO PROVIDE A VEHICLE FOR AMENDMENT IN
3 ORDER TO CORRECT DEFICIENCIES IN THE MANNER IN WHICH RECORDS ARE
4 KEPT OF WELLS THAT HAVE BEEN PLUGGED AND ABANDONED; AND FOR
5 RELATED PURPOSES.

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

7 **SECTION 1.** Section 53-1-31, Mississippi Code of 1972, is
8 brought forward as follows:

9 53-1-31. The permanent records of the board shall be
10 available, upon request, for inspection by the public in
11 accordance with the established procedures of the office of the
12 Oil and Gas Board and during reasonable office hours. All well
13 logs, casing records, compiled data and other information shall be
14 properly indexed and suitably recorded in the permanent records of
15 the board.

16 **SECTION 2.** Section 53-1-77, Mississippi Code of 1972, is
17 brought forward as follows:

18 53-1-77. (1) The State Oil and Gas Supervisor, as ex
19 officio secretary of such board, shall remit to the State
20 Treasurer all monies collected by reason of the assessments made
21 and fixed under the provisions of Section 53-1-73, and the State
22 Treasurer shall deposit all such monies in a special fund known as
23 the "Oil and Gas Conservation Fund," which is hereby continued in
24 effect.

25 (2) All monies on deposit in the Oil and Gas Conservation
26 Fund on April 10, 1948, and all monies hereafter deposited in such
27 fund, shall be held in trust for the use of the board to pay the
28 expenses and costs incurred in connection with the administration

29 and enforcement of the oil and gas conservation laws of the State
30 of Mississippi and the rules, regulations and orders of the State
31 Oil and Gas Board issued thereunder. Disbursements shall be made
32 from such fund only upon requisition of the State Oil and Gas
33 Supervisor, as approved and allowed by the board, and which
34 requisitions shall be supported by itemized statements thereto
35 attached showing the purpose or purposes of such expenditures.
36 Such requisitions shall be drawn upon the State Auditor, who shall
37 issue a warrant upon said fund. Such warrants so issued shall be
38 paid by the State Treasurer upon presentation.

39 (3) The State Oil and Gas Supervisor, as ex officio
40 secretary of the Oil and Gas Board, shall submit, within ten (10)
41 days, after the convening of each session of the Legislature, to
42 the Legislature a detailed report of all receipts, expenditures
43 and balance on hand, of funds coming to the Oil and Gas Board from
44 any source whatsoever.

45 (4) In the event that at any particular time, the Oil and
46 Gas Conservation Fund contains an amount greater than Two Hundred
47 Thousand Dollars (\$200,000.00) more than the current fiscal year's
48 estimated budget, the amount of the excess may be used by the
49 board and at the board's discretion, to plug any oil or gas well,
50 including any Class II well, in the state which has been
51 determined by the board to represent an imminent threat to the
52 environment and which has been determined by the board to be an
53 "orphan" well.

54 (5) The board shall have the authority, in its discretion,
55 to use whatever legal means available to it to attempt to collect
56 any amounts so expended from any responsible party. Any amounts
57 so collected shall be returned to the Oil and Gas Board's
58 Emergency Plugging Fund created herein.

59 (6) Amounts of surplus in the Oil and Gas Conservation Fund
60 of over Two Hundred Thousand Dollars (\$200,000.00) shall be
61 transferred to a separate special fund of the Oil and Gas Board to

62 be known as the Emergency Plugging Fund, for the proper plugging
63 of wells pursuant to this section. The supervisor shall have the
64 authority, and it shall be his duty to transfer any amounts in the
65 Emergency Plugging Fund back to the Oil and Gas Conservation Fund
66 in the event and to the extent to which the Oil and Gas
67 Conservation Fund should at any time contain less than a Two
68 Hundred Thousand Dollars (\$200,000.00) surplus.

69 (7) For purposes of this section, orphan well means any oil
70 or gas well in the state, including Class II wells, which has not
71 been properly plugged according to the requirements of the
72 statutes, rules and regulations governing same and for which a
73 responsible party such as an owner or operator cannot be located
74 or for which, for whatever reason, there is no other party which
75 can be forced to plug the well.

76 **SECTION 3.** This act shall take effect and be in force from
77 and after July 1, 2005.