

ARKANSAS SENATE
86th General Assembly - Regular Session, 2007
Amendment Form

Subtitle of Senate Bill No. 206

"TO REGULATE OIL AND GAS PRODUCTION AND TO LIMIT COMPENSATION FOR
SPILL DAMAGES TO THE SURFACE ESTATE."

Amendment No. 3 to Senate Bill No. 206.

Amend Senate Bill No. 206 as engrossed, S2/12/07 (version: 02-12-2007 09:47):

Page 1, delete line 9 of the TITLE and substitute:
"AN ACT TO REGULATE OIL PRODUCTION; TO"

AND

Page 1, delete the SUBTITLE in its entirety and substitute:
"TO REGULATE OIL PRODUCTION AND TO LIMIT COMPENSATION FOR SPILL DAMAGES TO
THE SURFACE ESTATE."

AND

Page 1, delete lines 25 through 35 and substitute the following:

"(a) A surface owner or surface tenant is entitled to reasonable compensation where a spill of crude oil or produced water has occurred and has caused damages to real property, growing crops, trees, shrubs, fences, roads, structures, improvements, livestock, personal property or measurable damage to the productive capacity of the soil.

(b) In addition to any compensation or damages paid by the operator under subsection (a) of this section, the operator shall restore the damaged land in accordance with all applicable rules and regulations of the:

- (1) Arkansas Department of Environmental Quality; or
- (2) Oil and Gas Commission.

(c) Any rules or regulations adopted by the Arkansas Department of Environmental Quality or the Oil and Gas Commission pertaining to spills of crude oil or produced water shall:

(1) Provide, as nearly as practicable, for remediation of any spill of crude oil or produced water to the condition of the real property before the spill; and

(2) Specify a reasonable time frame for commencing and completing remediation of any spill of crude oil or produced water to the condition of the real property before the spill.

(d) If the party responsible for damage to real property caused by a



spill of crude oil or produced water fails to restore the real property in accordance with applicable rules and regulations, then the surface owner or surface tenant may bring an action for restoration or remediation:

(1) In that action, if the surface owner or surface tenant proves by a preponderance of the evidence that the party responsible for the damage has failed to restore and remediate the real property, then the surface owner or surface tenant is entitled to an order requiring restoration or remediation to appropriate standards of the applicable agency; and

(2) In addition to the relief provided in subdivision (d)(1) of this section, the surface owner or surface tenant may be allowed a reasonable attorney's fee together with costs associated with maintaining an action for restoration or remediation.

(e) The provisions of this act shall only take effect upon the final adoption of rules and regulations governing the remediation of spills of crude oil or produced water and are applicable to spills of crude oil and produced water that occur after the effective date thereof.

(f) Nothing contained herein is intended to limit or restrict the rights of any surface owner or surface tenant to maintain a cause of action for any damage to real property that is not addressed by the rules and regulations adopted by the Arkansas Department of Environmental Quality or the Oil and Gas Commission pertaining to spills of crude oil or produced water.

(g) Nothing contained herein shall alter, affect or modify the terms of any oil lease pertaining to restoration or remediation of damaged real property that are more stringent than the provisions of this section.

(h) The provisions of this act are remedial in nature."

The Amendment was read the first time, rules suspended and read the second time and _____

By: Senator G. Jeffress

PBB/RMW - 02-28-2007 15:36

PBB036

Secretary