

1 State of Arkansas
2 80th General Assembly
3 Regular Session, 1995
4 By: Senators Hardin and Mahony

A Bill

SENATE BILL 585

For An Act To Be Entitled

8 "AN ACT TO AMEND VARIOUS SECTIONS OF THE ARKANSAS CODE
9 RELATING TO THE REGULATION OF GAS GATHERING FACILITIES BY
10 THE OIL AND GAS COMMISSION AND THE PUBLIC SERVICE
11 COMMISSION; AND FOR OTHER PURPOSES."

Subtitle

14 "AN ACT TO AMEND VARIOUS SECTIONS OF THE
15 ARKANSAS CODE RELATING TO THE REGULATION
16 OF GAS GATHERING FACILITIES BY THE OIL
17 AND GAS COMMISSION AND THE PUBLIC
18 SERVICE COMMISSION."

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

22 SECTION 1. Arkansas Code § 15-71-102 is amended to read as follows:
23 "15-71-102. Members.

24 (a) The commission shall consist of nine (9) members, each to be
25 appointed for a term of six (6) years, and, in event of a vacancy, the
26 Governor shall by appointment fill the unexpired term.

27 (b) All of the members of the commission shall be residents and
28 citizens of the State of Arkansas, at least thirty (30) years of age, at
29 least four of whom shall be experienced in the development, production, and
30 transportation of oil and gas.

31 (c) Each member shall qualify by taking an oath of office and shall
32 hold office until his successor is appointed and qualified.

33 (d) *The commission may, by a majority vote of the total membership of*
34 *the commission cast during its first regularly scheduled meeting of each*
35 *calendar year, authorize payment to its members of a stipend not to exceed*

1 fifty dollars (\$50.00) per meeting attended, and the commission members shall
2 receive no other compensation, expense reimbursement, or in lieu payments
3 except as provided in subsection (e) of this section.

4 (e) The commission may, by a majority vote of the total membership of
5 the commission cast during its first regularly scheduled meeting of each
6 calendar year, authorize expense reimbursement for each commission member for
7 performing official commission duties. The expense reimbursement shall not
8 exceed the rate established for state employees by state travel regulations."
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10 SECTION 2. Arkansas Code § 15-72-102 is amended to add two new
11 subdivisions to the section to read as follows:

12 "(15) Gas gathering facility means one or more pipeline(s) and
13 appurtenant equipment or facilities, which are not subject to the
14 jurisdiction of the Federal Energy Regulatory Commission (FERC), utilized to
15 collect and deliver or redeliver natural gas, whether or not for a fee,
16 monetary compensation or rate, from one or more well(s) from which it is
17 produced to a point of delivery into the pipeline(s) or facilities of a
18 public utility, common carrier or other interstate or intrastate transmission
19 facility for redelivery or sale.

20 (16) Coalbed methane gas means gas contained in and produced from
21 coal deposits."
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23 SECTION 3. Arkansas Code 15-71-110 is amended to add two new
24 subdivisions to the section to read as follows:

25 "(c)(18) To regulate a gas gathering facility with respect to the
26 method of determining for each calendar month the volume of natural gas
27 produced from or allocated to any well(s), to require the allocation and
28 payment of production proceeds in conformity therewith and the protection of
29 the correlative rights of persons owning or entitled to payment for such
30 production.

31 (19) To regulate the drilling and production of coalbed methane
32 gas and to make, after hearing and notice as hereinafter provided, any
33 reasonable rules, regulations and orders as necessary from time to time in
34 the proper administration and enforcement of this subdivision."
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1 SECTION 4. Arkansas Code § 23-1-101(5) is amended to read as follows:

2 "(5) Rate means and includes:

3 (A) every compensation, charge, fare, toll, rental and
4 classification, or any of them, demanded, observed, charged, or collected by
5 any public utility for any service, products, or commodity offered by it as a
6 public utility to the public and means and includes any rates, regulations,
7 practices or contracts affecting any compensation, charge, fare, toll, rental
8 or classification; or

9 (B) any compensation, charge, fare, fee or toll demanded,
10 observed, charged or collected by a gatherer for service on or utilization of
11 a gas gathering facility and includes rates, regulations, practices or
12 contracts affecting same."

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14 SECTION 5. Arkansas Code § 23-1-101 is amended to add two new
15 subdivisions to read as follows:

16 "(12) Gas gathering facility means one or more pipeline(s) and
17 appurtenant equipment or facilities, which are not subject to the
18 jurisdiction of the Federal Energy Regulatory Commission (FERC), utilized to
19 collect and deliver or redeliver natural gas for a fee, monetary compensation
20 or rate from one or more well(s) from which it is produced to a point of
21 delivery into the pipeline(s) or facilities of a public utility, common
22 carrier or other interstate or intrastate transmission facility for
23 redelivery or sale.

24 (13) Gatherer means any person who owns, leases or operates a gas
25 gathering facility."

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27 SECTION 6. The phrase or gatherer shall be added following any
28 reference to public utility or utility and the phrase or gatherers
29 shall be added following any reference to public utilities or utilities
30 in the following sections, subsections or subdivisions of the Arkansas Code:

31 23-1-103(a), 23-1-103(b)(1), 23-1-105, 23-1-106(b), 23-2-101(b), 23-2-301,
32 23-2-302, 23-2-304(a)(1), 23-2-304(a)(2), 23-2-304(a)(4)(A), 23-2-305, 23-2-
33 307,

34 23-2-308(a), 23-2-310(a)(1), 23-2-310(b), 23-2-310(c), 23-2-311, 23-2-408,
35 23-2-426(b), 23-3-114(a)(1), 23-3-114(a)(2), 23-3-114(b), 23-3-118(a), 23-3-

1 119(a)(1) and 23-3-119(a)(2).

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3 SECTION 7. All provisions of this act of general and permanent nature
4 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
5 Revision Commission shall incorporate the same in the Code.

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7 SECTION 8. If any provisions of this act or the application thereof to
8 any person or circumstance is held invalid, the invalidity shall not affect
9 other provisions or applications of the act which can be given effect without
10 the invalid provisions or application, and to this end the provisions of this
11 act are declared to be severable.

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13 SECTION 9. All laws and parts of laws in conflict with this act are
14 hereby repealed.

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16 SECTION 10. Emergency. It is hereby found and determined by the
17 Eightieth General Assembly of the State of Arkansas that existing laws
18 determining the authority of the Arkansas Oil and Gas Commission do not
19 adequately define its authority and that those laws need to be amended and
20 added to in order to sufficiently provide for the orderly regulation of oil
21 and gas production in Arkansas. Therefore, an emergency is hereby declared
22 to exist, and this act being necessary for the immediate preservation of the
23 public peace, health, and safety, shall be in full force and effect from and
24 after its passage and approval.

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/s/Hardin

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