

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 86th General Assembly
3 Regular Session, 2007
4
5 By: Senator G. Jeffress

A Bill

SENATE BILL 790

For An Act To Be Entitled

9 AN ACT TO ENHANCE THE REGULATION BY THE OIL AND
10 GAS COMMISSION OF OIL, GAS, AND BRINE PRODUCTION;
11 AND FOR OTHER PURPOSES.

Subtitle

14 TO ENHANCE THE REGULATION BY THE OIL AND
15 GAS COMMISSION OF OIL, GAS, AND BRINE
16 PRODUCTION.

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

21 SECTION 1. Arkansas Code § 15-71-110(d)(1), concerning rules governing
22 the drilling, casing, and plugging of wells, is amended to read as follows:

23 (d) After hearing and notice as provided in this act, the commission
24 may make such reasonable rules, regulations, and orders as are necessary from
25 time to time in the proper administration and enforcement of this act,
26 including rules, regulations, or orders for the following purposes:

27 (1) To require:

28 (A) The drilling, casing, operation, and plugging of wells
29 to be done in such a manner as to:

30 (i) Prevent the escape of oil or gas from one (1)
31 stratum to another;

32 (ii) Prevent the intrusion of water into an oil or
33 gas stratum from a separate stratum; and

34 (iii) Prevent the pollution of fresh water supplies
35 and unnecessary damage to property, soil, animals, fish, or aquatic life by
36 oil, gas, or salt water; and



1 (B) A reasonable financial assurance acceptable to the
2 commission conditioned on the performance of the duty to plug each dry or
3 abandoned well;

4
5 SECTION 2. Arkansas Code § 15-72-102(4), concerning the definition of
6 "illegal gas", is amended to read as follows:

7 (4) "Illegal gas" means gas which has been produced within the
8 State of Arkansas from any well during any time that that well ~~has produced~~
9 ~~in excess of the amount allowed by~~ was in violation of any rule, regulation,
10 or order of the commission, ~~as distinguished from gas produced within the~~
11 ~~State of Arkansas from a well not producing in excess of the amount so~~
12 ~~allowed, which is "legal gas";~~

13
14 SECTION 3. Arkansas Code § 15-72-102(5), concerning the definition of
15 "illegal oil", is amended to read as follows:

16 (5) "Illegal oil" means oil which has been produced within the
17 State of Arkansas from any well during any time that that well ~~has produced~~
18 ~~in excess of the amount allowed by~~ was in violation of any rule, regulation,
19 or order of the commission, ~~as distinguished from oil produced within the~~
20 ~~State of Arkansas from a well not producing in excess of the amount so~~
21 ~~allowed, which is "legal oil";~~

22
23 SECTION 4. Arkansas Code § 15-72-103(a), concerning penalties for
24 violating rules of the Oil and Gas Commission, is amended to read as follows:

25 (a)(1) Any person who violates any provision of this ~~act~~ subchapter or
26 any rule, regulation, or order of the ~~commission~~ Oil and Gas Commission made
27 hereunder shall, in the event a penalty for the violation is not otherwise
28 provided for in this ~~act~~ subchapter, be subject to a penalty not to exceed
29 two thousand five hundred dollars (\$2,500) a day for each and every day of
30 violation, and for each and every act of violation.

31 (2)(A) If the penalty is not recovered by the commission within
32 the time frame specified by the commission, The the penalty shall may be
33 recovered in a suit in the circuit court of the county where the defendant
34 resides or in the county of the residence of any defendant if there is more
35 than one (1) defendant, or in the circuit court of the county where the
36 violation took place.

1 (B) The place of suit shall be selected by the commission.

2 (3) The suit, by direction of the commission, shall be
 3 instituted and conducted in the name of the commission by the attorney for
 4 the commission or by the Attorney General or under his or her direction by
 5 the prosecuting attorney of the county where the suit is instituted.

6
 7 SECTION 5. Arkansas Code § 15-72-202 is amended to read as follows:
 8 15-72-202. Penalties for violation of certain sections.

9 (a)(1)(A) Any person, firm, or corporation violating §§ 15-72-206, 15-
 10 72-208(a), and 15-72-217 shall be subject to a ~~penalty~~ fine of not less than
 11 one hundred dollars (\$100) nor more than one thousand dollars (\$1,000), ~~to be~~
 12 assessed by the Oil and Gas Commission.

13 (B) If the fine is not recovered by the commission within
 14 the time frame specified by the commission, the fine and a reasonable
 15 attorney's fee to be fixed by the court may be recovered in an action
 16 ~~therefor~~ brought by the ~~prosecuting attorney~~ commission in the name of the
 17 state, ~~and a reasonable attorney's fee for the prosecuting attorney to be~~
 18 ~~paid by the court.~~

19 (2) The proceeds of ~~penalties~~ finest and attorney's fees
 20 collected shall be turned into the general road fund of the county where a
 21 leak is located, to be used on the roads, bridges, and highways of the
 22 county, in the discretion of the county court.

23 (b)(1)(A) Any person, firm, or corporation violating §§ 15-72-208(b)
 24 and (c), 15-72-210, and 15-72-211 shall be subject to a ~~penalty~~ fine of not
 25 less than one hundred dollars (\$100) nor more than one thousand dollars
 26 (\$1,000) to be assessed by the commission.

27 (B) If the penalty is not recovered by the commission
 28 within the time frame specified by the commission, the fine and a reasonable
 29 attorney's fee to be fixed by the court ~~for the prosecuting attorney to may~~
 30 be recovered in an action brought by the ~~prosecuting attorney~~ commission in
 31 the name of the state.

32 (2) The proceeds of ~~penalties~~ finest and attorney's fees
 33 collected shall be turned into the general fund of the county where the leak
 34 is located, to be used on the roads, bridges, or highways of that county, in
 35 the discretion of the county court.

36

1 SECTION 6. Arkansas Code § 15-72-206(b), concerning the separation of
2 oil-bearing or gas-bearing sand, is amended to read as follows:

3 (b) Should any well so drilled produce oil or gas in paying quantities
4 through the first or any succeeding oil-bearing or gas-bearing sand, the oil
5 or gas shall be conserved by either casing or mudding it off, so as to
6 confine it in the gas-bearing or oil-bearing sand where found; ~~or, if gas or~~
7 ~~oil is to be utilized from different sands in the same well, it shall be~~
8 ~~taken through different strings of casing or tubing.~~

9
10 SECTION 7. Arkansas Code § 15-72-215 is repealed.

11 ~~15-72-215. Secondhand oil field equipment—Filing inventory.~~

12 ~~(a)(1) Every corporation, firm, individual, or association of~~
13 ~~individuals who shall purchase secondhand equipment, pipe, boilers, pumps,~~
14 ~~pulleys, engines, pipe fittings, or any other secondhand oil field equipment,~~
15 ~~material, or supplies shall, at the time of purchase, make in duplicate an~~
16 ~~itemized inventory of items purchased as aforesaid in which there shall be~~
17 ~~stated:~~

18 ~~(A) The name of the seller;~~

19 ~~(B) The name of the person actually delivering the items;~~

20 and

21 ~~(C) The name of the owner of the team or teams which~~
22 ~~deliver the items, together with the date of the purchase.~~

23 ~~(2) The inventory shall be verified by the affidavit of the~~
24 ~~purchaser and one (1) copy of the inventory shall be filed with the recorder~~
25 ~~of the county wherein the materials were purchased within forty-eight (48)~~
26 ~~hours after the date of the purchase.~~

27 ~~(3) The other copy of the inventory shall be kept by the~~
28 ~~purchaser for the inspection of any interested person, including peace~~
29 ~~officers.~~

30 ~~(4) The inventory shall be made upon blanks for that purpose to~~
31 ~~be furnished by the county recorder.~~

32 ~~(b) It shall be the duty of the recorder to receive and file the~~
33 ~~verified inventory mentioned in subsection (a) of this section and to enter~~
34 ~~in a separate record, to be kept by him for that purpose, an abstract of each~~
35 ~~inventory, which abstract shall be alphabetically indexed and for his~~
36 ~~services in filing the inventory, the recorder shall collect and receive a~~

1 ~~fee of twenty five cents (25¢) for each inventory. The inventory and the~~
2 ~~abstract thereof shall be subject to the inspection of the public and~~
3 ~~certified copies shall be supplied by the recorder upon payment of the usual~~
4 ~~fee for that service.~~

5 ~~(c) Any purchaser of secondhand oil field materials or equipment who~~
6 ~~fails to file the verified inventory mentioned in subsection (a) of this~~
7 ~~section within the time therein specified shall be deemed guilty of a~~
8 ~~misdemeanor and shall be punished by a fine of not less than twenty five~~
9 ~~dollars (\$25.00) nor more than two hundred dollars (\$200) and each day the~~
10 ~~purchaser fails to file the verified inventory after the expiration of forty-~~
11 ~~eight (48) hours shall constitute a separate offense.~~

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