

FIRST REGULAR SESSION

# SENATE BILL NO. 476

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR KEHOE.

Read 1st time February 23, 2015, and ordered printed.

ADRIANE D. CROUSE, Secretary.

2217S.011

## AN ACT

To repeal sections 259.010, 259.020, 259.030, 259.050, 259.070, 259.080, 259.100, 259.190, and 259.210, RSMo, and to enact in lieu thereof ten new sections relating to the department of natural resources.

*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Sections 259.010, 259.020, 259.030, 259.050, 259.070, 259.080, 259.100, 259.190, and 259.210, RSMo, are repealed and ten new sections enacted in lieu thereof, to be known as sections 259.010, 259.020, 259.030, 259.050, 259.052, 259.070, 259.080, 259.100, 259.190, and 259.210, to read as follows:

259.010. There shall be a "State Oil and Gas Council" composed of the following members in accordance with the provisions of section 259.020:

- (1) [One member from the division of geology and land survey] **The state geologist;**
- (2) One member from the department of economic development;
- (3) One member from the Missouri public service commission;
- (4) One member from the clean water commission;
- (5) One member from the Missouri University of Science and Technology petroleum engineering program;
- (6) One member from the Missouri Independent Oil and Gas Association;
- and
- (7) Two members from the public.

259.020. The member entities in section 259.010 shall be represented on the council by the executive head of each respective entity, except that:

- (1) The Missouri University of Science and Technology shall be represented by a professor of petroleum engineering employed at the university;

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

5 (2) The Missouri Independent Oil and Gas Association shall be  
6 represented by a designated member of the association; and

7 (3) The public members shall be appointed to the council by the governor,  
8 with the advice and consent of the senate. Both public members shall have an  
9 interest in and knowledge of the oil and gas industry, **and** both shall be residents  
10 of Missouri[, and at least one shall also be a resident of a county of the third or  
11 fourth classification]. The executive head of any member state agency, the  
12 professor of petroleum engineering at the Missouri University of Science and  
13 Technology and the member from the Missouri Independent Oil and Gas  
14 Association may from time to time authorize any member of the state agency's  
15 staff, another professor of petroleum engineering at the Missouri University of  
16 Science and Technology or another member of the Missouri Independent Oil and  
17 Gas Association, respectively, to represent it on the council and to fully exercise  
18 any of the powers and duties of the member representative.

259.030. 1. The council shall elect a chairman and vice chairman from the  
2 members of the council [other than the representative of the division of geology  
3 and land survey]. A chairman and vice chairman may serve more than a  
4 one-year term, if so elected by the members of the council.

5 2. The state geologist shall act as administrator for the council and shall  
6 be responsible for enforcing the provisions of this chapter.

259.050. Unless the context otherwise requires, the following words mean:

2 (1) "Certificate of clearance" means a permit prescribed by the council for  
3 the transportation or the delivery of oil or gas or product and issued or registered  
4 in accordance with the rule, regulation, or order requiring such permit;

5 (2) "Council", the state oil and gas council established by section 259.010;

6 (3) **"Department", the department of natural resources;**

7 (4) "Field", the general area overlaid by one or more pools;

8 [(4)] (5) "Gas", all natural gas and all other fluid hydrocarbons which are  
9 produced at the wellhead and not hereinbelow defined as oil;

10 [(5)] (6) "Illegal gas" means gas which has been produced from any well  
11 within this state in excess of the quantity permitted by any rule, regulation, or  
12 order of the council;

13 [(6)] (7) "Illegal oil" means oil which has been produced from any well  
14 within the state in excess of the quantity permitted by any rule, regulation, or  
15 order of the council;

16 [(7)] (8) "Illegal product" means any product derived in whole or in part

17 from illegal oil or illegal gas;

18 [(8)] (9) "Noncommercial gas well", a gas well drilled for the sole purpose  
19 of furnishing gas for private domestic consumption by the owner and not for  
20 resale or trade;

21 [(9)] (10) "Oil", crude petroleum oil and other hydrocarbons regardless  
22 of gravity which are produced at the wellhead in liquid form and the liquid  
23 hydrocarbons known as distillate or condensate recovered or extracted from gas,  
24 other than gas produced in association with oil and commonly known as  
25 casinghead gas. **The term shall also include hydrocarbons that do not**  
26 **flow to a wellhead but are produced by other means, including those**  
27 **contained in oil-shale and oil-sand;**

28 [(10)] (11) "Owner", the person who has the right to drill into and  
29 produce from a pool and to appropriate the oil or gas he produced therefrom  
30 either for himself or others or for himself and others;

31 [(11)] (12) "Pool", an underground reservoir containing a common  
32 accumulation of oil or gas or both; each zone of a structure which is completely  
33 separated from any other zone in the same structure is a "pool", as that term is  
34 used in this chapter;

35 [(12)] "Producer", the owner of a well or wells capable of producing oil or  
36 gas or both;]

37 (13) "Product", any commodity made from oil or gas and includes refined  
38 crude oil, crude tops, topped crude, processed crude, processed crude petroleum,  
39 residue from crude petroleum, cracking stock, uncracked fuel oil, fuel oil, treated  
40 crude oil, residuum, gas oil, casinghead gasoline, natural-gas gasoline, kerosene,  
41 [benzine] **benzene**, wash oil, waste oil, blended gasoline, lubricating oil, blends  
42 or mixtures of oil with one or more liquid products or by-products derived from  
43 oil or gas, and blends or mixtures of two or more liquid products or by-products  
44 derived from oil or gas whether [hereinabove] **herein** enumerated or not;

45 (14) "Reasonable market demand" means the demand for oil or gas for  
46 reasonable current requirements for consumption and use within and without the  
47 state, together with such quantities as are reasonably necessary for building up  
48 or maintaining reasonable working stocks and reasonable reserves of oil or gas  
49 or product;

50 (15) "Waste" means and includes:

51 (a) Physical waste, as that term is generally understood in the oil and gas  
52 industry, but not including unavoidable or accidental waste;

53 (b) The inefficient, excessive, or improper use of, or the unnecessary  
54 dissipation of, reservoir energy;

55 (c) The location, spacing, drilling, equipping, operating, or producing of  
56 any oil or gas well or wells in a manner which causes, or tends to cause, reduction  
57 in the quantity of oil or gas ultimately recoverable from a pool under prudent and  
58 proper operations, or which causes or tends to cause unnecessary or excessive  
59 surface loss or destruction of oil or gas;

60 (d) The inefficient storing of oil;

61 (e) The production of oil or gas in excess of transportation or marketing  
62 facilities or in excess of reasonable market demand; and

63 (f) Through negligence, the unnecessary or excessive surface loss or  
64 destruction of oil or gas resulting from evaporation, seepage, leakage or deliberate  
65 combustion;

66 (16) "Well", any hole drilled in the earth for or in connection with the  
67 exploration, discovery, or recovery of oil or gas, or for or in connection with the  
68 underground storage of gas in natural formation, or for or in connection with the  
69 disposal of salt water, nonusable gas or other waste accompanying the production  
70 of oil or gas.

**259.052. 1. There is hereby created in the state treasury the "Oil  
2 and Gas Resources Fund" which shall consist of all gifts, donations,  
3 transfers, moneys appropriated by the general assembly, permit  
4 application fees collected under section 259.080, operating fees, closure  
5 fees, late fees, severance fees, and bequests to the fund. The fund shall  
6 be administered by the department of natural resources.**

**7 2. The state treasurer shall be custodian of the fund and may  
8 approve disbursements from the fund in accordance with sections  
9 30.170 and 30.180. Notwithstanding the provisions of section 33.080 to  
10 the contrary, any moneys remaining in the fund at the end of the  
11 biennium shall not revert to the credit of the general revenue  
12 fund. The state treasurer shall invest moneys in the fund in the same  
13 manner as other funds are invested. Any interest and moneys on such  
14 investments shall be credited to the fund.**

**15 3. After appropriation by the general assembly, the money in  
16 such fund shall be expended by the department to administer the  
17 provisions of chapter 259, and to collect, process, manage, interpret,  
18 and distribute geologic and hydrologic resource information pertaining**

19 **to oil and gas potential, and not for any other purpose.**

259.070. 1. The council has the duty of administering the provisions of  
2 this chapter. The council shall meet at least once each calendar quarter of the  
3 year and upon the call of the chairperson.

4 2. The council shall conduct a review of the statutes and rules and  
5 regulations under this chapter on a biennial basis. Based on such review, the  
6 council, if necessary, shall recommend changes to the statutes under this chapter  
7 and shall amend rules and regulations accordingly.

8 3. (1) The council shall have the power and duty to form an advisory  
9 committee to the council for the purpose of reviewing the statutes and rules and  
10 regulations under subsection 2 of this section. The advisory committee shall  
11 make recommendations to the council when necessary to amend current statutes  
12 and rules and regulations under this chapter and shall review any proposed new  
13 or amended statute or regulation before such proposed statute or regulation is  
14 considered by the council.

15 (2) The advisory committee shall be made up of representatives from the  
16 [division of geology and land survey] **department**, the oil and gas industry and  
17 any council member desiring to be on such advisory committee. The advisory  
18 committee shall meet prior to each calendar quarter meeting of the council, if  
19 necessary for the purposes set forth under this subsection, and present any  
20 recommendations to the council at such calendar quarter meeting. The council  
21 shall designate one of its members to serve as the chairperson of the advisory  
22 committee.

23 (3) The advisory committee may make recommendations to the council on  
24 appropriate fees or other funding mechanisms to support the oil and gas program  
25 efforts of the [division of geology and land survey] **department**.

26 4. The council, **acting through the department**, has the duty and  
27 authority to make such investigations as it deems proper to determine whether  
28 waste exists or is imminent or whether other facts exist which justify action.

29 5. The council, acting through the [office of the state geologist]  
30 **department**, has the authority:

31 (1) To require **through the issuance of appropriate orders**:

32 (a) Identification of ownership of oil or gas wells, producing leases, tanks,  
33 plants, structures, and facilities for the refining or intrastate transportation of  
34 oil and gas;

35 (b) The making and filing of all mechanical well logs and the filing of

36 directional surveys if taken, and the filing of reports on well location, drilling and  
37 production, and the filing free of charge of samples and core chips and of complete  
38 cores less tested sections, when requested in the office of the state geologist  
39 within six months after the completion or abandonment of the well;

40 (c) The drilling, casing, operation, and plugging of wells in such manner  
41 as to prevent the escape of oil or gas out of one stratum into another; the  
42 intrusion of water into oil or gas stratum; the pollution of fresh water supplies  
43 by oil, gas, or highly mineralized water; to prevent blowouts, cavings, seepages,  
44 and fires; and to prevent the escape of oil, gas, or water into workable coal or  
45 other mineral deposits;

46 (d) The furnishing of a reasonable bond with good and sufficient surety,  
47 conditioned upon the full compliance with the provisions of this chapter, and the  
48 rules and regulations of the council prescribed to govern the production of oil and  
49 gas on state and private lands within the state of Missouri; [provided that, in lieu  
50 of a bond with a surety, an applicant may furnish to the council his own personal  
51 bond, on conditions as described in this paragraph, secured by a certificate of  
52 deposit or an irrevocable letter of credit in an amount equal to that of the  
53 required surety bond or secured by some other financial instrument on conditions  
54 as above described or as provided by council regulations;]

55 (e) That the production from wells be separated into gaseous and liquid  
56 hydrocarbons, and that each be accurately measured by such means and upon  
57 such standards as may be prescribed by the council;

58 (f) The operation of wells with efficient gas-oil and water-oil ratios, and  
59 to fix these ratios;

60 (g) Certificates of clearance in connection with the transportation or  
61 delivery of any native and indigenous Missouri produced crude oil, gas, or any  
62 product;

63 (h) Metering or other measuring of any native and indigenous  
64 Missouri-produced crude oil, gas, or product in pipelines, gathering systems,  
65 barge terminals, loading racks, refineries, or other places; and

66 (i) That every person who produces, sells, purchases, acquires, stores,  
67 transports, refines, or processes native and indigenous Missouri-produced crude  
68 oil or gas in this state shall keep and maintain within this state complete and  
69 accurate records of the quantities thereof, which records shall be available for  
70 examination by the council or its agents at all reasonable times and that every  
71 such person file with the council such reports as it may prescribe with respect to

72 such oil or gas or the products thereof;

73 (2) To regulate pursuant to rules adopted by the council:

74 (a) **The release and forfeiture of bonds required under paragraph**

75 **(d) of subdivision (1) of subsection 5 of this section;**

76 (b) The drilling, producing, and plugging of wells, and all other operations

77 for the production of oil or gas;

78 [(b)] (c) The [shooting and chemical] treatment of wells;

79 [(c)] (d) The spacing of wells;

80 [(d)] (e) Operations to increase ultimate recovery such as cycling of gas,

81 the maintenance of pressure, and the introduction of gas, water, or other

82 substances into producing formations; and

83 [(e)] (f) Disposal of highly mineralized water and oil field wastes;

84 (3) To limit and to allocate the production of oil and gas from any field,

85 pool, or area;

86 (4) To classify wells as oil or gas wells for purposes material to the

87 interpretation or enforcement of this chapter;

88 (5) To promulgate and to enforce rules, regulations, and orders to

89 effectuate the purposes and the intent of this chapter;

90 (6) To make rules, regulations, or orders for the classification of wells as

91 oil wells or dry natural gas wells; or wells drilled, or to be drilled, for geological

92 information; or as wells for secondary recovery projects; or wells for the disposal

93 of highly mineralized water, brine, or other oil field wastes; or wells for the

94 storage of dry natural gas, or casinghead gas; or wells for the development of

95 reservoirs for the storage of liquid petroleum gas;

96 (7) To detail such personnel and equipment or enter into such contracts

97 as it may deem necessary for carrying out the plugging of or other remedial

98 measures on wells which have been abandoned and not plugged according to the

99 standards for plugging set out in the rules and regulations promulgated by the

100 council pursuant to this chapter. Members of the council, **the department**, or

101 authorized representatives may, with the consent of the owner or person in

102 possession, enter any property for the purpose of investigating, plugging, or

103 performing remedial measures on any well, or to supervise the investigation,

104 plugging, or performance of remedial measures on any well. A reasonable effort

105 to contact the owner or the person in possession of the property to seek his

106 permission shall be made before members of the council, **the department**, or

107 authorized representatives enter the property for the purposes described in this

108 paragraph. If the owner or person in possession of the property cannot be found  
109 or refuses entry or access to any member of the council, **the department**, or to  
110 any authorized representative presenting appropriate credentials, the council **or**  
111 **the department** may request the attorney general to initiate in any court of  
112 competent jurisdiction an action for injunctive relief to restrain any interference  
113 with the exercise of powers and duties described in this subdivision. Any entry  
114 authorized under this subdivision shall be construed as an exercise of the police  
115 power for the protection of public health, safety and general welfare and shall not  
116 be construed as an act of condemnation of property nor of trespass  
117 thereon. Members of the council [and], **the department**, or authorized  
118 representatives shall not be liable for any damages necessarily resulting from the  
119 entry upon land for purposes of investigating, plugging, or performing remedial  
120 measures or the supervision of such activity. However, if growing crops are  
121 present, arrangements for timing of such remedial work may be agreed upon  
122 between the state and landowner in order to minimize damages;

123 (8) To develop such facts and make such investigations or inspections as  
124 are consistent with the purposes of this chapter. [Members of the council] **The**  
125 **department** or **its** authorized representatives may, with the consent of the  
126 owner or person in possession, enter upon any property for the purposes of  
127 inspecting or investigating any condition which the [council] **department** shall  
128 have probable cause to believe is subject to regulation under this chapter, the  
129 rules and regulations promulgated pursuant thereto or any permit issued by the  
130 [council] **department**. If the owner or person in possession of the property  
131 refuses entry or access for purposes of the inspections or investigations described,  
132 the [council] **department** or authorized representatives shall make application  
133 for a search warrant. Upon a showing of probable cause in writing and under  
134 oath, a suitable restricted search warrant shall be issued by any judge having  
135 jurisdiction for purposes of enabling inspections authorized under this  
136 subdivision. The results of any inspection or investigation pursuant to this  
137 subdivision shall be reduced to writing with a copy furnished to the owner, person  
138 in possession, or operator;

139 (9) To cooperate with landowners with respect to the conversion of wells  
140 drilled for oil and gas to alternative use as water wells as follows: the state  
141 geologist shall determine the feasibility of the conversion of a well drilled under  
142 a permit for oil and gas for use as a water well and shall advise the landowner  
143 of modifications required for conversion of the well in a manner that is consistent

144 with the requirements of this chapter. If such conversion is carried out, release  
145 of the operator from legal liability or other responsibility shall be required and  
146 the expense of the conversion shall be borne by the landowner.

147 6. No rule or portion of a rule promulgated under the authority of this  
148 chapter shall become effective unless it has been promulgated pursuant to the  
149 provisions of section 536.024.

259.080. 1. It shall be unlawful to commence operations for the drilling  
2 of a well for oil or gas, or to commence operations to deepen any well to a  
3 different geological formation, **or to commence injection activities for**  
4 **enhanced recovery of oil or gas or for disposal of fluids**, without first  
5 giving the state geologist notice of intention to drill **or intention to inject** and  
6 first obtaining a permit from the state geologist under such rules and regulations  
7 as may be prescribed by the council.

8 2. **The department of natural resources may conduct a**  
9 **comprehensive review, and propose a new fee structure, or propose**  
10 **changes to the oil and gas fee structure, which may include but need**  
11 **not be limited to permit application fees, operating fees, closure fees,**  
12 **and late fees, and an extraction or severance fee. The comprehensive**  
13 **review shall include stakeholder meetings in order to solicit**  
14 **stakeholder input from each of the following groups: oil and gas**  
15 **industry representatives, the advisory committee, and any other**  
16 **interested parties. Upon completion of the comprehensive review, the**  
17 **department shall submit a proposed fee structure or changes to the oil**  
18 **and gas fee structure with stakeholder agreement to the oil and gas**  
19 **council. The council shall review such recommendations at the**  
20 **forthcoming regular or special meeting, but shall not vote on the fee**  
21 **structure until a subsequent meeting. If the council approves, by vote**  
22 **of two-thirds majority, the fee structure recommendations, the council**  
23 **shall authorize the department to file a notice of proposed rulemaking**  
24 **containing the recommended fee structure, and after considering public**  
25 **comments may authorize the department to file the final order of**  
26 **rulemaking for such rule with the joint committee on administrative**  
27 **rules under sections 536.021 and 536.024 no later than December first**  
28 **of the same year. If such rules are not disapproved by the general**  
29 **assembly in the manner set out in this section, they shall take effect on**  
30 **January first of the following year, at which point the existing fee**

31 structure shall expire. Any regulation promulgated under this  
32 subsection shall be deemed beyond the scope and authority provided  
33 in this subsection, or detrimental to permit applicants, if the general  
34 assembly, within the first sixty calendar days of the regular session  
35 immediately following the filing of such regulation, disapproves the  
36 regulation by concurrent resolution. If the general assembly so  
37 disapproved any regulation filed under this subsection, the department  
38 and the council shall not implement the proposed fee structure and  
39 shall continue to use the previous fee structure. The authority of the  
40 council to further revise the fee structure as provided in this  
41 subsection shall expire on August 28, 2025.

42           3. Failure to pay the fees, or any portion thereof, established  
43 under this section or to submit required reports, forms or information  
44 by the due date shall result in the imposition of a late fee established  
45 by the council. The department may issue an administrative order  
46 requiring payment of unpaid fees or may request that the attorney  
47 general bring an action in the appropriate circuit court to collect any  
48 unpaid fee, late fee, interest, or attorney's fees and costs incurred  
49 directly in fee collection. Such action may be brought in the circuit  
50 court of Cole County, or, in the case of well fees, in the circuit court of  
51 the county in which the well is located.

259.100. 1. The council shall set spacing units as follows:

2           (1) When necessary to prevent waste, to avoid the drilling of unnecessary  
3 wells, or to protect correlative rights, the council shall establish spacing units for  
4 a pool. Spacing units when established shall be of uniform size and shape for the  
5 entire pool, except that when found to be necessary for any of the purposes above  
6 mentioned, the council is authorized to divide any pool into zones and establish  
7 spacing units for each zone, which units may differ in size and shape from those  
8 established in any other zone;

9           (2) The size and shape of spacing units are to be such as will result in the  
10 efficient and economical development of the pool as a whole;

11           (3) An order establishing spacing units for a pool shall specify the size  
12 and shape of each unit and the location of the permitted well thereon in  
13 accordance with a reasonably uniform spacing plan. Upon application, if the  
14 state geologist finds that a well drilled at the prescribed location would not  
15 produce in paying quantities, or that surface conditions would substantially add

16 to the burden or hazard of drilling such well, the [state geologist] **department**  
17 is authorized to enter an order permitting the well to be drilled at a location  
18 other than that prescribed by such spacing order; however, the state geologist  
19 shall include in the order suitable provisions to prevent the production from the  
20 spacing unit of more than its just and equitable share of the oil and gas in the  
21 pool;

22 (4) An order establishing **spacing** units for a pool shall cover all lands  
23 determined or believed to be underlaid by such pool, and may be modified by the  
24 [state geologist] **department** from time to time to include additional areas  
25 determined to be underlaid by such pool. When found necessary for the  
26 prevention of waste, or to avoid the drilling of unnecessary wells or to protect  
27 correlative rights, an order establishing spacing units in a pool may be modified  
28 by the state geologist to increase the size of spacing units in the pool or any zone  
29 thereof, or to permit the drilling of additional wells on a reasonable uniform plan  
30 in the pool, or any zone thereof. Orders of the [state geologist] **department** may  
31 be appealed to the council within thirty days.

32 2. [The provisions of subsection 1 of this section shall not apply to  
33 noncommercial gas wells.

34 3.] Applicants seeking a permit for a noncommercial gas well shall file a  
35 bond [or other instrument of credit acceptable to the council equal to the greater  
36 of three hundred dollars or one dollar and fifty cents per well foot] **under**  
37 **paragraph (d) of subdivision (1) of subsection 5 of section 259.070** and  
38 meet the following conditions and procedures: an owner of a noncommercial gas  
39 well with drilling rights may apply for the establishment of a drilling unit  
40 [containing no less than three acres,] with a well set back of one hundred  
41 sixty-five feet on which a well no deeper than eight hundred feet in depth may be  
42 drilled. An owner **of a noncommercial gas well** may apply to the [council]  
43 **department** for a variance to establish a [drilling] **spacing** unit [of less than  
44 three acres and/or less than one hundred sixty-five feet], **to set back distances,**  
45 **or both.**

259.190. 1. Illegal oil, illegal gas, and illegal product are declared to be  
2 contraband and are subject to seizure and sale as herein provided; seizure and  
3 sale to be in addition to any and all other remedies and penalties provided in this  
4 chapter for violations relating to illegal oil, illegal gas, or illegal  
5 product. Whenever the council believes that any oil, gas or product is illegal, the  
6 council, acting by the attorney general, shall bring a civil action in rem in the

7 circuit court of the county where such oil, gas, or product is found, to seize and  
8 sell the same, or the council may include such an action in rem for the seizure  
9 and sale of illegal oil, illegal gas, or illegal product in any suit brought for an  
10 injunction or penalty involving illegal oil, illegal gas, or illegal product. Any  
11 person claiming an interest in oil, gas, or product affected by any such action  
12 shall have the right to intervene as an interested party in such action.

13           2. Actions for the seizure and sale of illegal oil, illegal gas, or illegal  
14 product shall be strictly in rem, and shall proceed in the name of the state as  
15 plaintiff against the illegal oil, illegal gas, or illegal products as defendant. No  
16 bond or similar undertaking shall be required of the plaintiff. Upon the filing of  
17 the petition for seizure and sale, the attorney general shall issue a notice, with  
18 a copy of the complaint attached thereto, which shall be served in the manner  
19 provided for service of original notices in civil actions, upon any and all persons  
20 having or claiming any interest in the illegal oil, illegal gas, or illegal products  
21 described in the petition. Service shall be completed by the filing of an affidavit  
22 by the person making the service, stating the time and manner of making such  
23 service. Any person who fails to appear and answer within the period of thirty  
24 days shall be forever barred by the judgment based on such service. If the court,  
25 on a properly verified petition, or affidavits, or oral testimony, finds that grounds  
26 for seizure and for sale exist, the court shall issue an immediate order of seizure,  
27 describing the oil, gas, or product to be seized and directing the sheriff of the  
28 county to take such oil, gas, or product into his custody, actual or constructive,  
29 and to hold the same subject to the further order of the court. The court, in such  
30 order of seizure, may direct the sheriff to deliver the oil, gas, or product seized by  
31 him under the order to an agent appointed by the court as the agent of the court;  
32 such agent to give bond in an amount and with such surety as the court may  
33 direct, conditioned upon his compliance with the orders of the court concerning  
34 the custody and disposition of such oil, gas, or product.

35           3. Any person having an interest in oil, gas, or product described in an  
36 order of seizure and contesting the right of the state to the seizure and sale  
37 thereof may, prior to the sale thereof as herein provided, obtain the release  
38 thereof, upon furnishing bond to the sheriff, approved by the court, in an amount  
39 equal to one hundred fifty percent of the market value of the oil, gas, or product  
40 to be released, and conditioned as the court may direct upon redelivery to the  
41 sheriff of such product released or upon payment to the sheriff of the market  
42 value thereof as the court may direct, if and when ordered by the court, and upon

43 full compliance with the further orders of the court.

44 4. If the court, after a hearing upon a petition for the seizure and sale of  
45 oil, gas, or product, finds that such oil, gas, or product is contraband, the court  
46 shall order the sale thereof by the sheriff in the same manner and upon the same  
47 notice of sale as provided by law for the sale of personal property on execution of  
48 judgment entered in a civil action except that the court may order that the illegal  
49 oil, illegal gas, or illegal product be sold in specified lots or portions and at  
50 specified intervals. Upon such sale, title to the oil, gas, or product sold shall vest  
51 in the purchaser free of the claims of any and all persons having any title thereto  
52 or interest therein at or prior to the seizure thereof, and the same shall be legal  
53 oil, legal gas, or legal product, as the case may be, in the hands of the purchaser.

54 5. All proceeds derived from the sale of illegal oil, illegal gas, or illegal  
55 product, as above provided, after payment of costs of suit and expenses incident  
56 to the sale, **and** all amounts obtained by the council from the forfeiture of [surety  
57 or personal] bonds required under paragraph (d) of subdivision (1) **of subsection**  
58 **5** of section 259.070, [and any money recovered under subsection 1 of section  
59 259.200] shall be paid to the state treasurer and credited to the "Oil and Gas  
60 Remedial Fund", which is hereby created. The money in the oil and gas remedial  
61 fund may be used by the [council] **department** to pay for the plugging of, or  
62 other remedial measures on, wells [and to pay the expenses incurred by the  
63 council in performing the duties imposed on it by this chapter. Any unexpended  
64 balance in the fund at the end of the fiscal year not exceeding fifty thousand  
65 dollars is exempt from the provisions of section 33.080 relating to transfer of  
66 unexpended balances to the ordinary revenue funds]. **The state treasurer**  
67 **shall be custodian of the fund and may approve disbursements from the**  
68 **fund in accordance with sections 30.170 and 30.180. Notwithstanding**  
69 **the provisions of section 33.080, to the contrary, any moneys remaining**  
70 **in the fund at the end of the biennium shall not revert to the credit of**  
71 **the general revenue fund. The state treasurer shall invest moneys in**  
72 **the fund in the same manner as other funds are invested. Any interest**  
73 **and moneys earned on such investments shall be credited to the fund.**

259.210. 1. Whenever it appears that any person is violating or  
2 threatening to violate any provision of this chapter, or any rule, regulation, or  
3 order of the council, the council [shall] **or the department may request that**  
4 **the attorney general** bring suit against such person in the circuit court of any  
5 county where the violation occurs or is threatened, to restrain such person from

6 continuing the violation or from carrying out the threat of violation. In any such  
7 suit, the court shall have jurisdiction to grant to the council, without bond or  
8 other undertaking, such prohibitory and mandatory injunctions as the facts may  
9 warrant, including temporary restraining orders, preliminary injunctions,  
10 temporary, preliminary, or final orders restraining the movement or disposition  
11 of any illegal oil, illegal gas, or illegal product, any of which the court may order  
12 to be impounded or placed in the custody of an agent appointed by the court.

13         2. If the council shall fail to bring suit to enjoin a violation or a  
14 threatened violation of any provision of this chapter, or any rule, regulation, or  
15 order of the council, within ten days after receipt of written request to do so by  
16 any person who is or will be adversely affected by such violation, the person  
17 making such request may bring suit in his own behalf to restrain such violation  
18 or threatened violation in any court in which the council might have brought  
19 suit. The council shall be made a party defendant in such suit in addition to the  
20 person violating or threatening to violate a provision of this chapter, or a rule,  
21 regulation, or order of the council, and the action shall proceed and injunctive  
22 relief may be granted to the council or the petitioner without bond in the same  
23 manner as if suit had been brought by the council.

Bill ✓  
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