SENATE SUBSTITUTE

FOR

SENATE BILL NO. 476

AN ACT

To repeal sections 259.010, 259.020, 259.030, 259.050, 259.070, 259.080, 259.100, 259.190, 259.210, 260.500, 644.011, and 644.016, RSMo, and to enact in lieu thereof thirteen new sections relating to the department of natural resources.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI, AS FOLLOWS:

- 1 Section A. Sections 259.010, 259.020, 259.030, 259.050,
- 2 259.070, 259.080, 259.100, 259.190, 259.210, 260.500, 644.011,
- 3 and 644.016, RSMo, are repealed and thirteen new sections enacted
- 4 in lieu thereof, to be known as sections 259.010, 259.020,
- 5 259.030, 259.050, 259.052, 259.070, 259.080, 259.100, 259.190,
- 6 259.210, 260.500, 644.011, and 644.016, to read as follows:
- 7 259.010. There shall be a "State Oil and Gas Council"
- 8 composed of the following members in accordance with the
- 9 provisions of section 259.020:
- 10 (1) [One member from the division of geology and land
- 11 survey] The state geologist;
- 12 (2) One member from the department of economic development;
- 13 (3) One member from the Missouri public service commission;
- 14 (4) One member from the clean water commission;
- 15 (5) One member from the Missouri University of Science and
- 16 Technology petroleum engineering program;
- 17 (6) One member from the Missouri Independent Oil and Gas
- 18 Association; and

- 1 (7) Two members from the public.
- 2 259.020. The member entities in section 259.010 shall be
- 3 represented on the council by the executive head of each
- 4 respective entity, except that:
- 5 (1) The Missouri University of Science and Technology shall 6 be represented by a professor of petroleum engineering employed
- 7 at the university;

- (2) The Missouri Independent Oil and Gas Association shall be represented by a designated member of the association; and
- 10 (3) The public members shall be appointed to the council by
- 11 the governor, with the advice and consent of the senate. Both
- 12 public members shall have an interest in and knowledge of the oil
- and gas industry, and both shall be residents of Missouri[, and
- 14 at least one shall also be a resident of a county of the third or
- fourth classification]. The executive head of any member state
- 16 agency, the professor of petroleum engineering at the Missouri
- 17 University of Science and Technology and the member from the
- 18 Missouri Independent Oil and Gas Association may from time to
- 19 time authorize any member of the state agency's staff, another
- 20 professor of petroleum engineering at the Missouri University of
- 21 Science and Technology or another member of the Missouri
- 22 Independent Oil and Gas Association, respectively, to represent
- 23 it on the council and to fully exercise any of the powers and
- 24 duties of the member representative.
- 25 259.030. 1. The council shall elect a chairman and vice
- 26 chairman from the members of the council [other than the
- 27 representative of the division of geology and land survey]. A
- chairman and vice chairman may serve more than a one-year term,

- 1 if so elected by the members of the council.
- 2 2. The state geologist shall act as administrator for the
- 3 council and shall be responsible for enforcing the provisions of
- 4 this chapter.
- 5 259.050. Unless the context otherwise requires, the
- following words mean:
- 7 (1) "Certificate of clearance" means a permit prescribed by
- 8 the council for the transportation or the delivery of oil or gas
- 9 or product and issued or registered in accordance with the rule,
- 10 regulation, or order requiring such permit;
- 11 (2) "Council", the state oil and gas council established by
- 12 section 259.010;
- 13 (3) "Department", the department of natural resources;
- 14 (4) "Field", the general area underlaid by one or more
- pools;
- [(4)] (5) "Gas", all natural gas and all other fluid
- 17 hydrocarbons which are produced at the wellhead and not
- 18 hereinbelow defined as oil;
- [(5)] (6) "Illegal gas" means gas which has been produced
- 20 from any well within this state in excess of the quantity
- 21 permitted by any rule, regulation, or order of the council;
- [(6)] (7) "Illegal oil" means oil which has been produced
- from any well within the state in excess of the quantity
- 24 permitted by any rule, regulation, or order of the council;
- [(7)] (8) "Illegal product" means any product derived in
- 26 whole or in part from illegal oil or illegal gas;
- [(8)] (9) "Noncommercial gas well", a gas well drilled for
- 28 the sole purpose of furnishing gas for private domestic

- consumption by the owner and not for resale or trade;
- 2 [(9)] (10) "Oil", crude petroleum oil and other
- 3 hydrocarbons regardless of gravity which are produced at the
- 4 wellhead in liquid form and the liquid hydrocarbons known as
- 5 distillate or condensate recovered or extracted from gas, other
- 6 than gas produced in association with oil and commonly known as
- 7 casinghead gas. The term shall also include hydrocarbons that do
- 8 not flow to a wellhead but are produced by other means, including
- 9 those contained in oil-shale and oil-sand;
- [(10)] (11) "Owner", the person who has the right to drill
- into and produce from a pool and to appropriate the oil or gas he
- 12 produced therefrom either for himself or others or for himself
- 13 and others;

- [(11)] (12) "Pool", an underground reservoir containing a
- 15 common accumulation of oil or gas or both; each zone of a
- structure which is completely separated from any other zone in
- 17 the same structure is a "pool", as that term is used in this
- 18 chapter;
- 19 [(12) "Producer", the owner of a well or wells capable of
- 20 producing oil or gas or both;]
- 21 (13) "Product", any commodity made from oil or gas and
- 22 includes refined crude oil, crude tops, topped crude, processed
- 23 crude, processed crude petroleum, residue from crude petroleum,
- 24 cracking stock, uncracked fuel oil, fuel oil, treated crude oil,
- 25 residuum, gas oil, casinghead gasoline, natural-gas gasoline,
- 26 kerosene, [benzine] benzene, wash oil, waste oil, blended
- 27 gasoline, lubricating oil, blends or mixtures of oil with one or
- 28 more liquid products or by-products derived from oil or gas, and

- 1 blends or mixtures of two or more liquid products or by-products
- 2 derived from oil or gas whether [hereinabove] <u>herein</u> enumerated
- 3 or not;
- 4 (14) "Reasonable market demand" means the demand for oil or
- 5 gas for reasonable current requirements for consumption and use
- 6 within and without the state, together with such quantities as
- 7 are reasonably necessary for building up or maintaining
- 8 reasonable working stocks and reasonable reserves of oil or gas
- 9 or product;
- 10 (15) "Waste" means and includes:
- 11 (a) Physical waste, as that term is generally understood in
- 12 the oil and gas industry, but not including unavoidable or
- 13 accidental waste;
- 14 (b) The inefficient, excessive, or improper use of, or the
- unnecessary dissipation of, reservoir energy;
- 16 (c) The location, spacing, drilling, equipping, operating,
- or producing of any oil or gas well or wells in a manner which
- 18 causes, or tends to cause, reduction in the quantity of oil or
- 19 gas ultimately recoverable from a pool under prudent and proper
- 20 operations, or which causes or tends to cause unnecessary or
- 21 excessive surface loss or destruction of oil or gas;
- 22 (d) The inefficient storing of oil;
- 23 (e) The production of oil or gas in excess of
- transportation or marketing facilities or in excess of reasonable
- 25 market demand; and
- 26 (f) Through negligence, the unnecessary or excessive
- 27 surface loss or destruction of oil or gas resulting from
- evaporation, seepage, leakage or deliberate combustion;

- 1 (16) "Well", any hole drilled in the earth for or in 2 connection with the exploration, discovery, or recovery of oil or 3 gas, or for or in connection with the underground storage of gas 4 in natural formation, or for or in connection with the disposal 5 of salt water, nonusable gas or other waste accompanying the 6 production of oil or gas.
- 259.052. 1. There is hereby created in the state treasury
 the "Oil and Gas Resources Fund" which shall consist of all
 gifts, donations, transfers, moneys appropriated by the general
 assembly, permit application fees collected under section
 259.080, operating fees, closure fees, late fees, severance fees,
 and bequests to the fund. The fund shall be administered by the
 department of natural resources.

- 2. The state treasurer shall be custodian of the fund and may approve disbursements from the fund in accordance with sections 30.170 and 30.180. Notwithstanding the provisions of section 33.080 to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund. The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys on such investments shall be credited to the fund.
- 3. After appropriation by the general assembly, the money in such fund shall be expended by the department to administer the provisions of chapter 259, and to collect, process, manage, interpret, and distribute geologic and hydrologic resource information pertaining to oil and gas potential, and not for any other purpose.

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

- 2. The council shall conduct a review of the statutes and rules and regulations under this chapter on a biennial basis.

 Based on such review, the council, if necessary, shall recommend changes to the statutes under this chapter and shall amend rules and regulations accordingly.
- 3. (1) The council shall have the power and duty to form an advisory committee to the council for the purpose of reviewing the statutes and rules and regulations under subsection 2 of this section. The advisory committee shall make recommendations to the council when necessary to amend current statutes and rules and regulations under this chapter and shall review any proposed new or amended statute or regulation before such proposed statute or regulation is considered by the council.
- (2) The advisory committee shall be made up of representatives from the [division of geology and land survey] department, the oil and gas industry and any council member desiring to be on such advisory committee. The advisory committee shall meet prior to each calendar quarter meeting of the council, if necessary for the purposes set forth under this subsection, and present any recommendations to the council at such calendar quarter meeting. The council shall designate one of its members to serve as the chairperson of the advisory committee.
 - (3) The advisory committee may make recommendations to the

- 1 council on appropriate fees or other funding mechanisms to
- 2 support the oil and gas program efforts of the [division of
- 3 geology and land survey] <u>department</u>.
- 4. The council, acting through the department, has the duty
- 5 and authority to make such investigations as it deems proper to
- 6 determine whether waste exists or is imminent or whether other
- 7 facts exist which justify action.

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- 5. The council, acting through the [office of the state geologist] department, has the authority:
- 10 (1) To require through the issuance of appropriate orders:
- 11 (a) Identification of ownership of oil or gas wells,
 12 producing leases, tanks, plants, structures, and facilities for
 13 the refining or intrastate transportation of oil and gas;
 - (b) The making and filing of all mechanical well logs and the filing of directional surveys if taken, and the filing of reports on well location, drilling and production, and the filing free of charge of samples and core chips and of complete cores less tested sections, when requested in the office of the state geologist within six months after the completion or abandonment of the well;
 - (c) The drilling, casing, operation, and plugging of wells in such manner as to prevent the escape of oil or gas out of one stratum into another; the intrusion of water into oil or gas stratum; the pollution of fresh water supplies by oil, gas, or highly mineralized water; to prevent blowouts, cavings, seepages, and fires; and to prevent the escape of oil, gas, or water into workable coal or other mineral deposits;
 - (d) The furnishing of a reasonable bond with good and

provisions of this chapter, and the rules and regulations of the council prescribed to govern the production of oil and gas on state and private lands within the state of Missouri; provided that, in lieu of a bond with a surety, an applicant may furnish to the council his own personal bond, on conditions as described in this paragraph, secured by a contificate of deposit or an

sufficient surety, conditioned upon the full compliance with the

- 7 in this paragraph, secured by a certificate of deposit or an
- 8 irrevocable letter of credit in an amount equal to that of the
- 9 required surety bond or secured by some other financial
- 10 instrument on conditions as above described or as provided by
- 11 council regulations;

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- (e) That the production from wells be separated into gaseous and liquid hydrocarbons, and that each be accurately measured by such means and upon such standards as may be prescribed by the council;
 - (f) The operation of wells with efficient gas-oil and water-oil ratios, and to fix these ratios;
 - (g) Certificates of clearance in connection with the transportation or delivery of any native and indigenous Missouri produced crude oil, gas, or any product;
 - (h) Metering or other measuring of any native and indigenous Missouri-produced crude oil, gas, or product in pipelines, gathering systems, barge terminals, loading racks, refineries, or other places; and
 - (i) That every person who produces, sells, purchases, acquires, stores, transports, refines, or processes native and indigenous Missouri-produced crude oil or gas in this state shall keep and maintain within this state complete and accurate records

- of the quantities thereof, which records shall be available for examination by the council or its agents at all reasonable times and that every such person file with the council such reports as
- 4 it may prescribe with respect to such oil or gas or the products
- 5 thereof;

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- 6 (2) To regulate pursuant to rules adopted by the council:
- 7 (a) The release and forfeiture of bonds required under
 8 paragraph (d) of subdivision (1) of subsection 5 of this section;
- 9 <u>(b)</u> The drilling, producing, and plugging of wells, and all other operations for the production of oil or gas;
- [(b)] (c) The [shooting and chemical] treatment of wells;
- [(c)] $\underline{(d)}$ The spacing of wells;
- [(d)] (e) Operations to increase ultimate recovery such as cycling of gas, the maintenance of pressure, and the introduction of gas, water, or other substances into producing formations; and
- [(e)] (f) Disposal of highly mineralized water and oil field wastes;
- 18 (3) To limit and to allocate the production of oil and gas 19 from any field, pool, or area;
 - (4) To classify wells as oil or gas wells for purposes material to the interpretation or enforcement of this chapter;
 - (5) To promulgate and to enforce rules, regulations, and orders to effectuate the purposes and the intent of this chapter;
 - (6) To make rules, regulations, or orders for the classification of wells as oil wells or dry natural gas wells; or wells drilled, or to be drilled, for geological information; or as wells for secondary recovery projects; or wells for the disposal of highly mineralized water, brine, or other oil field

- wastes; or wells for the storage of dry natural gas, or
 casinghead gas; or wells for the development of reservoirs for
 the storage of liquid petroleum gas;
- To detail such personnel and equipment or enter into 5 such contracts as it may deem necessary for carrying out the 6 plugging of or other remedial measures on wells which have been 7 abandoned and not plugged according to the standards for plugging 8 set out in the rules and regulations promulgated by the council 9 pursuant to this chapter. Members of the council, the 10 department, or authorized representatives may, with the consent 11 of the owner or person in possession, enter any property for the 12 purpose of investigating, plugging, or performing remedial 13 measures on any well, or to supervise the investigation, 14 plugging, or performance of remedial measures on any well. 15 reasonable effort to contact the owner or the person in 16 possession of the property to seek his permission shall be made before members of the council, the department, or authorized 17 18 representatives enter the property for the purposes described in 19 this paragraph. If the owner or person in possession of the 20 property cannot be found or refuses entry or access to any member 21 of the council, the department, or to any authorized 22 representative presenting appropriate credentials, the council or 23 the department may request the attorney general to initiate in 24 any court of competent jurisdiction an action for injunctive 25 relief to restrain any interference with the exercise of powers 26 and duties described in this subdivision. Any entry authorized 27 under this subdivision shall be construed as an exercise of the 28 police power for the protection of public health, safety and

general welfare and shall not be construed as an act of 1 2 condemnation of property nor of trespass thereon. Members of the 3 council [and], the department, or authorized representatives shall not be liable for any damages necessarily resulting from 4 the entry upon land for purposes of investigating, plugging, or 5 6 performing remedial measures or the supervision of such activity. 7 However, if growing crops are present, arrangements for timing of 8 such remedial work may be agreed upon between the state and 9 landowner in order to minimize damages;

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

1 or operator;

- To cooperate with landowners with respect to the conversion of wells drilled for oil and gas to alternative use as water wells as follows: the state geologist shall determine the feasibility of the conversion of a well drilled under a permit for oil and gas for use as a water well and shall advise the landowner of modifications required for conversion of the well in a manner that is consistent with the requirements of this chapter. If such conversion is carried out, release of the operator from legal liability or other responsibility shall be required and the expense of the conversion shall be borne by the landowner.
 - 6. No rule or portion of a rule promulgated under the authority of this chapter shall become effective unless it has been promulgated pursuant to the provisions of section 536.024.
 - 259.080. 1. It shall be unlawful to commence operations for the drilling of a well for oil or gas, or to commence operations to deepen any well to a different geological formation, or to commence injection activities for enhanced recovery of oil or gas or for disposal of fluids, without first giving the state geologist notice of intention to drill or intention to inject and first obtaining a permit from the state geologist under such rules and regulations as may be prescribed by the council.
 - 2. The department of natural resources may conduct a comprehensive review, and propose a new fee structure, or propose changes to the oil and gas fee structure, which may include but need not be limited to permit application fees, operating fees,

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closure fees, and late fees, and an extraction or severance fee.
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      The comprehensive review shall include stakeholder meetings in
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      order to solicit stakeholder input from each of the following
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      groups: oil and gas industry representatives, the advisory
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      committee, and any other interested parties. Upon completion of
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      the comprehensive review, the department shall submit a proposed
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      fee structure or changes to the oil and gas fee structure with
      stakeholder agreement to the oil and gas council. The council
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      shall review such recommendations at the forthcoming regular or
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      special meeting, but shall not vote on the fee structure until a
      subsequent meeting. If the council approves, by vote of two-
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      thirds majority, the fee structure recommendations, the council
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      shall authorize the department to file a notice of proposed
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      rulemaking containing the recommended fee structure, and after
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      considering public comments may authorize the department to file
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      the final order of rulemaking for such rule with the joint
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      committee on administrative rules under sections 536.021 and
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      536.024 no later than December first of the same year. If such
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      rules are not disapproved by the general assembly in the manner
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      set out in this section, they shall take effect on January first
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      of the following year, at which point the existing fee structure
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      shall expire. Any regulation promulgated under this subsection
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      shall be deemed beyond the scope and authority provided in this
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      subsection, or detrimental to permit applicants, if the general
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      assembly, within the first sixty calendar days of the regular
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      session immediately following the filing of such regulation,
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      disapproves the regulation by concurrent resolution. If the
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      general assembly so disapproved any regulation filed under this
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- 1 <u>subsection</u>, the department and the council shall not implement
- 2 the proposed fee structure and shall continue to use the previous
- 3 fee structure. The authority of the council to further revise
- 4 the fee structure as provided in this subsection shall expire on
- 5 August 28, 2025.
- 6 <u>3. Failure to pay the fees, or any portion thereof,</u>
- 7 established under this section or to submit required reports,
- 8 <u>forms or information by the due date shall result in the</u>
- 9 imposition of a late fee established by the council. The
- department may issue an administrative order requiring payment of
- 11 unpaid fees or may request that the attorney general bring an
- 12 action in the appropriate circuit court to collect any unpaid
- 13 fee, late fee, interest, or attorney's fees and costs incurred
- 14 <u>directly in fee collection</u>. Such action may be brought in the
- circuit court of Cole County, or, in the case of well fees, in
- 16 <u>the circuit court of the county in which the well is located.</u>
- 17 259.100. 1. The council shall set spacing units as
- 18 follows:
- 19 (1) When necessary to prevent waste, to avoid the drilling
- of unnecessary wells, or to protect correlative rights, the
- 21 council shall establish spacing units for a pool. Spacing units
- 22 when established shall be of uniform size and shape for the
- entire pool, except that when found to be necessary for any of
- the purposes above mentioned, the council is authorized to divide
- 25 any pool into zones and establish spacing units for each zone,
- 26 which units may differ in size and shape from those established
- in any other zone;

(2) The size and shape of spacing units are to be such as

will result in the efficient and economical development of the pool as a whole;

- An order establishing spacing units for a pool shall specify the size and shape of each unit and the location of the permitted well thereon in accordance with a reasonably uniform spacing plan. Upon application, if the state geologist finds that a well drilled at the prescribed location would not produce in paying quantities, or that surface conditions would substantially add to the burden or hazard of drilling such well, the [state geologist] department is authorized to enter an order permitting the well to be drilled at a location other than that prescribed by such spacing order; however, the state geologist shall include in the order suitable provisions to prevent the production from the spacing unit of more than its just and equitable share of the oil and gas in the pool;
 - (4) An order establishing <u>spacing</u> units for a pool shall cover all lands determined or believed to be underlaid by such pool, and may be modified by the [state geologist] <u>department</u> from time to time to include additional areas determined to be underlaid by such pool. When found necessary for the prevention of waste, or to avoid the drilling of unnecessary wells or to protect correlative rights, an order establishing spacing units in a pool may be modified by the state geologist to increase the size of spacing units in the pool or any zone thereof, or to permit the drilling of additional wells on a reasonable uniform plan in the pool, or any zone thereof. Orders of the [state geologist] <u>department</u> may be appealed to the council within thirty days.

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

- 3.] Applicants seeking a permit for a noncommercial gas well shall file a bond [or other instrument of credit acceptable to the council equal to the greater of three hundred dollars or one dollar and fifty cents per well foot] under paragraph (d) of subdivision (1) of subsection 5 of section 259.070 and meet the following conditions and procedures: an owner of a noncommercial gas well with drilling rights may apply for the establishment of a drilling unit [containing no less than three acres,] with a well set back of one hundred sixty-five feet on which a well no deeper than eight hundred feet in depth may be drilled. An owner of a noncommercial gas well may apply to the [council] department for a variance to establish a [drilling] spacing unit [of less than three acres and/or less than one hundred sixty-five feet], to set back distances, or both.
 - 259.190. 1. Illegal oil, illegal gas, and illegal product are declared to be contraband and are subject to seizure and sale as herein provided; seizure and sale to be in addition to any and all other remedies and penalties provided in this chapter for violations relating to illegal oil, illegal gas, or illegal product. Whenever the council believes that any oil, gas or product is illegal, the council, acting by the attorney general, shall bring a civil action in rem in the circuit court of the county where such oil, gas, or product is found, to seize and sell the same, or the council may include such an action in rem for the seizure and sale of illegal oil, illegal gas, or illegal product in any suit brought for an injunction or penalty

involving illegal oil, illegal gas, or illegal product. Any
person claiming an interest in oil, gas, or product affected by
any such action shall have the right to intervene as an
interested party in such action.

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Actions for the seizure and sale of illegal oil, illegal gas, or illegal product shall be strictly in rem, and shall proceed in the name of the state as plaintiff against the illegal oil, illegal gas, or illegal products as defendant. No bond or similar undertaking shall be required of the plaintiff. Upon the filing of the petition for seizure and sale, the attorney general shall issue a notice, with a copy of the complaint attached thereto, which shall be served in the manner provided for service of original notices in civil actions, upon any and all persons having or claiming any interest in the illegal oil, illegal gas, or illegal products described in the petition. Service shall be completed by the filing of an affidavit by the person making the service, stating the time and manner of making such service. Any person who fails to appear and answer within the period of thirty days shall be forever barred by the judgment based on such service. If the court, on a properly verified petition, or affidavits, or oral testimony, finds that grounds for seizure and for sale exist, the court shall issue an immediate order of seizure, describing the oil, gas, or product to be seized and directing the sheriff of the county to take such oil, gas, or product into his custody, actual or constructive, and to hold the same subject to the further order of the court. The court, in such order of seizure, may direct the sheriff to deliver the oil, gas, or product seized by him under the order to an agent

appointed by the court as the agent of the court; such agent to give bond in an amount and with such surety as the court may direct, conditioned upon his compliance with the orders of the court concerning the custody and disposition of such oil, gas, or product.

- 3. Any person having an interest in oil, gas, or product described in an order of seizure and contesting the right of the state to the seizure and sale thereof may, prior to the sale thereof as herein provided, obtain the release thereof, upon furnishing bond to the sheriff, approved by the court, in an amount equal to one hundred fifty percent of the market value of the oil, gas, or product to be released, and conditioned as the court may direct upon redelivery to the sheriff of such product released or upon payment to the sheriff of the market value thereof as the court may direct, if and when ordered by the court, and upon full compliance with the further orders of the court.
- 4. If the court, after a hearing upon a petition for the seizure and sale of oil, gas, or product, finds that such oil, gas, or product is contraband, the court shall order the sale thereof by the sheriff in the same manner and upon the same notice of sale as provided by law for the sale of personal property on execution of judgment entered in a civil action except that the court may order that the illegal oil, illegal gas, or illegal product be sold in specified lots or portions and at specified intervals. Upon such sale, title to the oil, gas, or product sold shall vest in the purchaser free of the claims of any and all persons having any title thereto or interest therein

- at or prior to the seizure thereof, and the same shall be legal oil, legal gas, or legal product, as the case may be, in the hands of the purchaser.
- 5. All proceeds derived from the sale of illegal oil, 5 illegal gas, or illegal product, as above provided, after payment 6 of costs of suit and expenses incident to the sale, and all amounts obtained by the council from the forfeiture of [surety or 7 8 personal] bonds required under paragraph (d) of subdivision (1) 9 of subsection 5 of section 259.070, [and any money recovered 10 under subsection 1 of section 259.200] shall be paid to the state 11 treasurer and credited to the "Oil and Gas Remedial Fund", which is hereby created. The money in the oil and gas remedial fund 12 13 may be used by the [council] department to pay for the plugging 14 of, or other remedial measures on, wells [and to pay the expenses incurred by the council in performing the duties imposed on it by 15 this chapter. Any unexpended balance in the fund at the end of 16 17 the fiscal year not exceeding fifty thousand dollars is exempt 18 from the provisions of section 33.080 relating to transfer of 19 unexpended balances to the ordinary revenue funds]. The state 20 treasurer shall be custodian of the fund and may approve 21 disbursements from the fund in accordance with sections 30.170 22 and 30.180. Notwithstanding the provisions of section 33.080, to 23 the contrary, any moneys remaining in the fund at the end of the 24 biennium shall not revert to the credit of the general revenue 25 fund. The state treasurer shall invest moneys in the fund in the 26 same manner as other funds are invested. Any interest and moneys 27 earned on such investments shall be credited to the fund.
 - 259.210. 1. Whenever it appears that any person is

violating or threatening to violate any provision of this chapter, or any rule, regulation, or order of the council, the council [shall] or the department may request that the attorney general bring suit against such person in the circuit court of any county where the violation occurs or is threatened, to restrain such person from continuing the violation or from carrying out the threat of violation. In any such suit, the court shall have jurisdiction to grant to the council, without bond or other undertaking, such prohibitory and mandatory injunctions as the facts may warrant, including temporary restraining orders, preliminary injunctions, temporary, preliminary, or final orders restraining the movement or disposition of any illegal oil, illegal gas, or illegal product, any of which the court may order to be impounded or placed in the custody of an agent appointed by the court.

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

- 1 been brought by the council.
- 2 260.500. As used in sections 260.500 to 260.550, unless the
- 3 context clearly indicates otherwise, the following terms mean:
- 4 (1) "Cleanup", all actions necessary to contain, collect,
- 5 control, identify, analyze, clean up, treat, disperse, remove, or
- 6 dispose of a hazardous substance;
- 7 (2) "Cleanup costs", all costs incurred by the state or any
- 8 of its political subdivisions, or their agents, or by any other
- 9 person participating with the approval of the department of
- 10 natural resources in the prevention or mitigation of damages from
- 11 a hazardous substance emergency or the cleanup of a hazardous
- 12 substance involved in a hazardous substance emergency, including
- a proportionate share of those costs necessary to maintain the
- services authorized in sections 260.500 to 260.550;
- 15 (3) "Department", the department of natural resources;
- 16 (4) "Director", the director of the department of natural
- 17 resources;
- 18 (5) "Hazardous substance", any substance or mixture of
- 19 substances that presents a danger to the public health or safety
- or the environment and includes:
- 21 (a) Any hazardous waste identified or listed by the
- department pursuant to sections 260.350 to 260.430;
- 23 (b) Any element, compound, mixture, solution, or substance
- 24 designated pursuant to Sections 101(14) and 102 of the
- Comprehensive Environmental Response, Compensation and Liability
- 26 Act of 1980, as amended, and Section 302 of the Superfund
- 27 Amendments and Reauthorization Act of 1986, as amended; and
- 28 (c) Any hazardous material designated by the Secretary of

- the United States Department of Transportation pursuant to the Hazardous Materials Transportation Act;
 - (d) "Hazardous substances" does not include radioactive materials, wastes, emissions or discharges that are licensed or regulated by laws of the federal government or of this state.

 However, such material released due to a transportation accident shall be considered a hazardous substance;
 - (6) "Hazardous substance emergency":

- (a) Any release of hazardous substances in quantities equal to or in excess of those determined pursuant to Section 101(14) or 102 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, and Section 304 of the Superfund Amendments and Reauthorization Act of 1986, as amended;
- (b) Any release of petroleum including crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas) in excess of fifty gallons for liquids or three hundred cubic feet for gases, except that the notification and reporting of any release of natural gas or natural gas mixtures by or from intrastate facilities, regardless of the quantity of such release, shall be as specified by the public service commission rather than pursuant to the notification and reporting requirements contained in, or authorized by, sections 260.500 to 260.550. Interstate natural gas pipeline facilities shall report natural gas releases to the state and the National Response Center in accordance with federal Department of Transportation regulatory requirements;
 - (c) Any release of a hazardous waste which is reportable

1 pursuant to sections 260.350 to 260.430;

- 2 (d) Any release of a hazardous substance which requires
 3 immediate notice pursuant to Part 171 of Title 49 of the Code of
 4 Federal Regulations;
 - (e) The department may promulgate rules and regulations identifying the substances and the quantities thereof which, if released, constitute a hazardous substance emergency;
 - (7) "Person", any individual, partnership, copartnership, firm, company, public or private corporation, association, joint stock company, trust, estate, political subdivision, or any agency, board, department, or bureau of the state or federal government, or any other legal entity whatever which is recognized by law as the subject of rights and duties;
 - (8) "Person having control over a hazardous substance", any person producing, handling, storing, transporting, refining, or disposing of a hazardous substance when a hazardous substance emergency occurs, including bailees, carriers, and any other person in control of a hazardous substance when a hazardous substance emergency occurs, whether they own the hazardous substance or are operating under a lease, contract, or other agreement with the legal owner thereof;
 - (9) "Release", any threatened or real emission, discharge, spillage, leakage, pumping, pouring, emptying or dumping of a substance into or onto the land, air or waters of the state unless done in compliance with the conditions of a federal or state permit, unless the substance is confined and is expected to stay confined to property owned, leased or otherwise controlled by the person having control over the substance, or unless, in

- the case of pesticides, if application is done in accordance with the product label;
- 3 (10) "State of Missouri basic emergency operations plan", 4 the state plan, its annexes, and appendices as developed or 5 maintained by the state emergency management agency for response 6 to natural and man-made disasters in this state;

- (11) "Waters of the state", all waters within the jurisdiction of this state, including all rivers, streams, lakes and other bodies of surface and subsurface water lying within or forming a part of the boundaries of the state which are not entirely confined and located completely upon lands owned, leased or otherwise controlled by a single person or by two or more persons jointly or as tenants in common [and includes waters of the United States lying within the state].
- 644.011. Whereas the pollution of the waters of this state constitutes a menace to public health and welfare, creates a public nuisance, is harmful to wildlife, fish and aquatic life and impairs domestic, agricultural, industrial, recreational and other legitimate uses of water, and whereas the problem of water pollution in this state is closely related to the problem of water pollution in adjoining states, and whereas this state must possess the authority required of states in the Federal Water Pollution Control Act as amended if it is to retain control of its water pollution control programs, it is hereby declared to be the public policy of this state to conserve the waters of the state and to protect, maintain, and improve the quality thereof for public water supplies and for domestic, agricultural, industrial, recreational and other legitimate beneficial uses and

- 1 for the propagation of wildlife, fish and aquatic life; to
- 2 provide that no waste be discharged into any waters of the state
- 3 without first receiving the necessary treatment or other
- 4 corrective action to protect the legitimate beneficial uses of
- 5 such waters and meet the requirements of the Federal Water
- 6 Pollution Control Act as amended; to provide for the prevention,
- 7 abatement and control of new or existing water pollution; and to
- 8 cooperate with other agencies of the state, agencies of other
- 9 states, the federal government and any other persons in carrying
- 10 out these objectives. It is also the policy of this state to
- 11 strive to meet these objectives while maintaining maximum
- 12 <u>employment and full industrial development of the state. The</u>
- commission shall seek the accomplishment of these objectives
- through the prevention, abatement, and control of water pollution
- by all practical and economically feasible methods.
- 16 644.016. When used in sections 644.006 to 644.141 and in
- standards, rules and regulations promulgated pursuant to sections
- 18 644.006 to 644.141, the following words and phrases mean:
- 19 (1) "Aquaculture facility", a hatchery, fish farm, or other
- 20 facility used for the production of aquatic animals that is
- 21 required to have a permit pursuant to the federal Clean Water
- 22 Act, as amended, 33 U.S.C. 1251, et seq.;
- 23 (2) "Commission", the clean water commission of the state
- of Missouri created in section 644.021;
- 25 (3) "Conference, conciliation and persuasion", a process of
- 26 verbal or written communications consisting of meetings, reports,
- 27 correspondence or telephone conferences between authorized
- 28 representatives of the department and the alleged violator. The

- 1 process shall, at a minimum, consist of one offer to meet with
- 2 the alleged violator tendered by the department. During any such
- 3 meeting, the department and the alleged violator shall negotiate
- 4 in good faith to eliminate the alleged violation and shall
- 5 attempt to agree upon a plan to achieve compliance;

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- 6 (4) "Department", the department of natural resources;
- 7 (5) "Director", the director of the department of natural resources;
- 9 (6) "Discharge", the causing or permitting of one or more 10 water contaminants to enter the waters of the state;
 - (7) "Effluent control regulations", limitations on the discharge of water contaminants;
- 13 (8) "General permit", a permit written with a standard
 14 group of conditions and with applicability intended for a
 15 designated category of water contaminant sources that have the
 16 same or similar operations, discharges and geographical
 17 locations, and that require the same or similar monitoring, and
 18 that would be more appropriately controlled pursuant to a general
 19 permit rather than pursuant to a site-specific permit;
 - (9) "General permit template", a draft general permit that is being developed through a public participation process;
- 22 (10) "Human sewage", human excreta and wastewater,
 23 including bath and toilet waste, residential laundry waste,
 24 residential kitchen waste, and other similar waste from household
 25 or establishment appurtenances;
- 26 (11) "Income" includes retirement benefits, consultant 27 fees, and stock dividends;
- 28 (12) "Minor violation", a violation which possesses a small

- 1 potential to harm the environment or human health or cause
- 2 pollution, was not knowingly committed, and is not defined by the
- 3 United States Environmental Protection Agency as other than
- 4 minor;
- 5 (13) "Permit by rule", a permit granted by rule, not by a
- 6 paper certificate, and conditioned by the permit holder's
- 7 compliance with commission rules;
- 8 (14) "Permit holders or applicants for a permit" shall not
- 9 include officials or employees who work full time for any
- department or agency of the state of Missouri;
- 11 (15) "Person", any individual, partnership, copartnership,
- 12 firm, company, public or private corporation, association, joint
- 13 stock company, trust, estate, political subdivision, or any
- 14 agency, board, department, or bureau of the state or federal
- 15 government, or any other legal entity whatever which is
- 16 recognized by law as the subject of rights and duties;
- 17 (16) "Point source", any discernible, confined and discrete
- 18 conveyance, including but not limited to any pipe, ditch,
- 19 channel, tunnel, conduit, well, discrete fissure, container,
- 20 rolling stock, concentrated animal feeding operation, or vessel
- or other floating craft, from which pollutants are or may be
- 22 discharged. Point source does not include agricultural storm
- 23 water discharges and return flows from irrigated agriculture;
- 24 (17) "Pollution", such contamination or other alteration of
- 25 the physical, chemical or biological properties of any waters of
- the state, including change in temperature, taste, color,
- 27 turbidity, or odor of the waters, or such discharge of any
- 28 liquid, gaseous, solid, radioactive, or other substance into any

waters of the state as will or is reasonably certain to create a nuisance or render such waters harmful, detrimental or injurious to public health, safety or welfare, or to domestic, industrial, agricultural, recreational, or other legitimate beneficial uses,

or to wild animals, birds, fish or other aquatic life;

- introduction of pollutants or water contaminants into publicly owned treatment works or facilities which the commission determines are not susceptible to treatment by such works or facilities or which would interfere with their operation, except that wastes as determined compatible for treatment pursuant to any federal water pollution control act or guidelines shall be limited or treated pursuant to this chapter only as required by such act or guidelines;
 - (19) "Residential housing development", any land which is divided or proposed to be divided into three or more lots, whether contiguous or not, for the purpose of sale or lease as part of a common promotional plan for residential housing;
 - (20) "Sewer system", pipelines or conduits, pumping stations, and force mains, and all other structures, devices, appurtenances and facilities used for collecting or conducting wastes to an ultimate point for treatment or handling;
 - (21) "Significant portion of his or her income" shall mean ten percent of gross personal income for a calendar year, except that it shall mean fifty percent of gross personal income for a calendar year if the recipient is over sixty years of age, and is receiving such portion pursuant to retirement, pension, or similar arrangement;

1 (22) "Site-specific permit", a permit written for 2 discharges emitted from a single water contaminant source and 3 containing specific conditions, monitoring requirements and 4 effluent limits to control such discharges;

- (23) "Treatment facilities", any method, process, or equipment which removes, reduces, or renders less obnoxious water contaminants released from any source;
- (24) "Water contaminant", any particulate matter or solid matter or liquid or any gas or vapor or any combination thereof, or any temperature change which is in or enters any waters of the state either directly or indirectly by surface runoff, by sewer, by subsurface seepage or otherwise, which causes or would cause pollution upon entering waters of the state, or which violates or exceeds any of the standards, regulations or limitations set forth in sections 644.006 to 644.141 or any federal water pollution control act, or is included in the definition of pollutant in such federal act;
 - (25) "Water contaminant source", the point or points of discharge from a single tract of property on which is located any installation, operation or condition which includes any point source defined in sections 644.006 to 644.141 and nonpoint source pursuant to any federal water pollution control act, which causes or permits a water contaminant therefrom to enter waters of the state either directly or indirectly;
 - (26) "Water quality standards", specified concentrations and durations of water contaminants which reflect the relationship of the intensity and composition of water contaminants to potential undesirable effects;

jurisdiction of this state, including all rivers, streams, lakes and other bodies of surface and subsurface water lying within or forming a part of the boundaries of the state which are not entirely confined and located completely upon lands owned, leased or otherwise controlled by a single person or by two or more persons jointly or as tenants in common [and includes waters of the United States lying within the state].