

APPROVED AND SIGNED BY THE GOVERNOR

Date 3-24-79

Time 2:00 p.m.

WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1979



ENROLLED

SENATE BILL NO. 385

(By Mr. Brotherton, Mr. President)

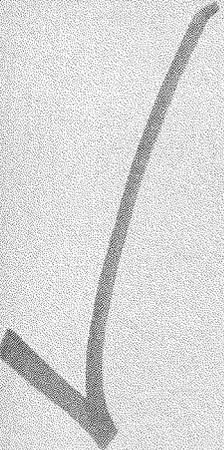


PASSED March 6, 1979

In Effect from Passage



No. 385



ENROLLED

Senate Bill No. 385

(By MR. BROTHERTON, MR. PRESIDENT)

[Passed March 6, 1979; in effect from passage.]

AN ACT to amend and reenact sections one, one-a and one-b, article four, chapter twenty-two of the code of West Virginia, one thousand nine hundred thirty-one, as amended, all relating to the creation of an office of oil and gas within the department of mines; definitions; purposes; rules and regulations; administrator of the office of oil and gas; powers and duties; processing fee; public records; and eligibility.

Be it enacted by the Legislature of West Virginia:

That sections one, one-a and one-b, article four, chapter twenty-two of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

ARTICLE 4. OIL AND GAS WELLS.

§22-4-1. Definitions.

- 1 Unless the context in which used clearly requires a
- 2 different meaning, as used in this article:
- 3 (a) "Casing" means a string or strings of pipe com-
- 4 monly placed in wells drilled for natural gas or petroleum
- 5 or both;
- 6 (b) "Cement" means hydraulic cement properly mixed
- 7 with water;
- 8 (c) "Chairman" means the chairman of the West Vir-
- 9 ginia shallow gas well review board as provided for in
- 10 section four, article four-b of this chapter;
- 11 (d) "Chief" means chief of the division of water re-
- 12 sources of the department of natural resources;
- 13 (e) "Coal operator" means any person or persons,
- 14 firm, partnership, partnership association or corporation
- 15 that proposes to or does operate a coal mine;

16 (f) "Coal seam" and "workable coal bed" are inter-
17 changeable terms and mean any seam of coal twenty
18 inches or more in thickness, unless a seam of less thick-
19 ness is being commercially worked, or can in the judg-
20 ment of the department foreseeably be commercially
21 worked and will require protection if wells are drilled
22 through it;

23 (g) "Deep well" means any well drilled and com-
24 pleted in a formation at or below the top of the upper-
25 most member of the "Onondaga Group" or at a depth
26 of or greater than six thousand feet, whichever is shal-
27 lower;

28 (h) "Department" or "department of mines" means,
29 for purposes of this article and articles five and seven
30 of this chapter, the office of oil and gas of the department
31 of mines.

32 (i) "Administrator" means the head of the office of oil
33 and gas of the department of mines and all references
34 to the "deputy director" shall be defined to mean the
35 administrator of the office of oil and gas.

36 (j) "Expanding cement" means any cement approved
37 by the office of oil and gas which expands during the
38 hardening process, including but not limited to regular
39 oil field cements with the proper additives;

40 (k) "Facility" means any facility utilized in the oil
41 and gas industry in this state and specifically named or
42 referred to in this article or in articles five or seven of
43 this chapter, other than a well or well site;

44 (l) "Gas" means all natural gas and all other fluid
45 hydrocarbons not defined as oil in subdivision (m) of
46 this section;

47 (m) "Oil" means natural crude oil or petroleum and
48 other hydrocarbons, regardless of gravity, which are
49 produced at the well in liquid form by ordinary produc-
50 tion methods and which are not the result of condensa-
51 tion of gas after it leaves the underground reservoirs;

52 (n) "Owner" when used with reference to any well,
53 shall include any person or persons, firm, partnership,
54 partnership association or corporation that owns, manages,
55 operates, controls or possesses such well as principal,

56 or as lessee or contractor, employee or agent of such
57 principal;

58 (o) "Owner" when used with reference to any coal
59 seam, shall include any person or persons who own,
60 lease or operate such coal seam;

61 (p) "Person" means any natural person, **corporation,**
62 firm, partnership, partnership association, venture, re-
63 ceiver, trustee, executor, administrator, guardian, fidu-
64 ciary or other representative of any kind, and includes
65 any government or any political subdivision or any
66 agency thereof;

67 (q) "Plat" means a map, drawing or print showing the
68 location of a well or wells as herein defined;

69 (r) "Review board" means the West Virginia shallow
70 gas well review board as provided for in section four,
71 article four-b of this chapter;

72 (s) "Safe mining through of a well" means the mining
73 of coal in a workable coal bed up to a well which pene-
74 trates such workable coal bed and through such well
75 so that the casing or plug in the well bore where the
76 well penetrates the workable coal bed is severed;

77 (t) "Shallow well" means any gas well drilled and
78 completed in a formation above the top of the upper-
79 most member of the "Onondaga Group" or at a depth less
80 than six thousand feet, whichever is shallower;

81 (u) "Stimulate" means any action taken by well
82 operator to increase the inherent productivity of an oil
83 or gas well including, but not limited to, fracturing,
84 shooting or acidizing, but excluding cleaning out, bailing
85 or workover operations;

86 (v) "Well" means any shaft or hole sunk, drilled,
87 bored or dug into the earth or into underground strata
88 for the extraction or injection or **placement of any liquid**
89 or gas, or any shaft or hole sunk or used in conjunction
90 with such extraction or injection or **placement. The term**
91 "well" does not include any shaft or hole sunk, drilled,
92 bored or dug into the earth for the sole purpose of core
93 drilling or pumping or extracting therefrom potable,
94 fresh or usable water for household, domestic, industrial,
95 agricultural or public use; and

96 (w) "Well operator" or "operator" means any person
97 or persons, firm, partnership, partnership association or
98 corporation that proposes to or does locate, drill, operate
99 or abandon any well as herein defined.

100 (x) "Office of oil and gas" or "office" means the office
101 of oil and gas within the department of mines charged
102 with the responsibility of administering the provisions
103 of chapter twenty-two, articles four, five and seven of
104 the code of West Virginia, one thousand nine hundred
105 thirty-one, as amended.

**§22-4-1a. Office of oil and gas—purposes; rules and regulations;
administration; appointment; powers and duties;
public records.**

1 (a) There is hereby created, under the jurisdiction of
2 the director of the department of mines, an office of oil
3 and gas which shall have as its purpose the supervision
4 of the execution and enforcement of matters related to
5 oil and gas set out in this article and in articles five and
6 seven of this chapter.

7 (b) The office of oil and gas is authorized to enact
8 rules and regulations necessary to effectuate the above
9 stated purposes.

10 (c) There shall be an employee of the office of oil
11 and gas whose title shall be "administrator of the office
12 of oil and gas" who shall be appointed by the director of
13 the department of mines to serve at the will and pleasure
14 of the director and whose salary shall be set by the
15 director. The administrator shall have full charge of
16 the oil and gas matters set out in this article and in
17 articles five and seven of this chapter, subject always to
18 the direct supervision and control of the director of the
19 department of mines. As such the administrator shall
20 have the power and duty to:

21 (1) Supervise and direct the activities of the office of
22 oil and gas and see that the purposes set forth in sub-
23 sections (a) and (b) of this section are carried out;

24 (2) Employ a supervising oil and gas inspector and not
25 more than twelve oil and gas inspectors upon approval
26 by the director;

27 (3) Supervise and direct such oil and gas inspectors
28 and supervising inspector in the performance of their
29 duties;

30 (4) Suspend for good cause any oil and gas inspector
31 or supervising inspector without compensation for a
32 period not exceeding thirty days in any calendar year;

33 (5) Prepare report forms to be used by oil and gas
34 inspectors or the supervising inspector in making their
35 findings, orders and notices, upon inspections made in
36 accordance with this chapter;

37 (6) Employ a hearing officer and such clerks, stenog-
38 raphers and other employees, as may be necessary to
39 carry out his duties and the purposes of the office of
40 oil and gas, and fix their compensation;

41 (7) Hear and determine applications made by owners,
42 well operators, and coal operators for the annulment or
43 revision of orders made by oil and gas inspectors or the
44 supervising inspector, and to make inspections, in ac-
45 cordance with the provision of this article and articles
46 five and seven of this chapter;

47 (8) Cause a properly indexed permanent and public
48 record to be kept of all inspections made by himself
49 or by oil and gas inspectors or the supervising inspector;

50 (9) Make annually a full and complete written report
51 to the director of the department of mines in such form
52 and detail as the director may from time to time request,
53 so that the director can complete the preparation of the
54 director's annual report to the governor of the state;

55 (10) Conduct such research and studies as the director
56 shall deem necessary to aid in protecting the health and
57 safety of persons employed within or at potential or
58 existing oil or gas production fields within this state, to
59 improve drilling and production methods and to provide
60 for the more efficient protection and preservation of oil
61 and gas-bearing rock strata and property used in con-
62 nection therewith;

63 (11) Perform any and all acts necessary to carry out
64 and implement the state requirements established by
65 92 Statutes at Large 3352, et seq., the "Natural Gas Policy
66 Act of 1978", which are to be performed by a designated

67 state jurisdictional agency regarding determinations that
68 wells within the state qualify for a maximum lawful
69 price under certain categories of natural gas as set forth
70 by the provisions of the said "Natural Gas Policy Act of
71 1978".

72 (12) Collect a filing and processing fee of twenty-five
73 dollars for each well, for which a determination of quali-
74 fication to receive a maximum lawful price under the
75 provisions of the "Natural Gas Policy Act of 1978" is
76 sought from the administrator; all revenues from such
77 fees to be placed in the general revenue fund of the state.

78 (13) Perform all other duties which are expressly
79 imposed upon him by the provisions of this chapter, as
80 well as duties assigned to him by the director of the
81 department of mines.

82 (d) All records of the department shall be open to the
83 public.

§22-4-1b. Administrator—eligibility.

1 The administrator of the office of oil and gas shall be a
2 citizen of West Virginia, shall be a competent person of
3 good reputation and temperate habits and be a registered
4 professional engineer and shall have had at least ten
5 years' practical experience in the oil and gas industry.
6 A degree in geology or in mining or petroleum engineer-
7 ing shall be counted as two years' practical experience.
8 The administrator shall devote all of his time to his
9 duties, and shall not be directly or indirectly interested
10 financially in any oil or gas production or drilling or in
11 any coal mine in this state.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

James L. Davis
Chairman Senate Committee

Bonnie K. Christensen
Chairman House Committee

Originated in the Senate.

To take effect from passage.

J. C. Sullivan Jr.
Clerk of the Senate

W. Blankenship
Clerk of the House of Delegates

A. J. B. [Signature]
President of the Senate

[Signature]
Speaker House of Delegates

The within *is approved* this the *21*
day of *March*, 1979.

[Signature]
Governor



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