

LEGISLATIVE BILL 804

Approved By the Governor March 1, 1974

Introduced by Clark, 47

AN ACT to amend section 57-906, Reissue Revised Statutes of Nebraska, 1943, and section 57-919, Revised Statutes Supplement, 1973, relating to oil and gas conservation; to increase the fee paid to the commission; to increase the charge levied and assessed on the value of oil and gas; to repeal the original sections; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

Section 1. That section 57-906, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

57-906. (1) It shall be unlawful to commence operations for the drilling of a well for oil or gas without first giving to the commission notice of intention to drill, and without first obtaining a permit from the commission, under such rules and regulations as may be reasonably prescribed by the commission, and by paying to the commission a fee of ~~fifty seventy-five~~ fifty dollars for each such permit.

(2) It shall be unlawful to commence operations for the abandonment of a well with production casing in the hole without first giving to the commission notice of intention to abandon and without first obtaining the approval of the commission for such abandonment and paying to the commission a fee of twenty-five dollars.

Sec. 2. That section 57-919, Revised Statutes Supplement, 1973, be amended to read as follows:

57-919. (1) All money collected by the commission or as civil penalties under the provisions of sections 57-901 to 57-921 shall be remitted to the State Treasurer for deposit in a special fund to be known as the Oil and Gas Conservation Fund. Expenses incident to the administration of sections 57-901 to 57-921 shall be paid out of the Oil and Gas Conservation Fund. Any money in the Oil and Gas Conservation Fund available for investment shall be invested by the state investment officer pursuant to the provisions of sections 72-1237 to 72-1259.

(2) There is hereby levied and assessed on the value at the well of all oil and gas produced, saved and sold or transported from the premises in Nebraska where produced a charge not to exceed ~~two~~ four mills on the dollar. The commission shall by order fix the amount of such charge in the first instance and may, from time to time, reduce or increase the amount thereof as, in its judgment, the expenses chargeable against the Oil and Gas Conservation Fund may require; Provided, that the amounts fixed by the commission shall not exceed the limit hereinabove prescribed. It shall be the duty of the commission or its authorized representative to make collection of such assessments. The persons owning an interest, working interest, royalty interest, payrents out of production, or any other interest, in the oil and gas, or in the proceeds thereof, subject to the charge hereinabove provided for shall be liable to the producer for such charge in proportion to their ownership at the time of production. The producer shall, on or before the last day of the month next succeeding the month in which the charge was assessed, file a report or return in such form as prescribed by the commission together with all charges due; Provided, that in the event of a sale of oil or gas within this state the purchaser shall file this report or return together with any charges then due. If the final filing date falls on a Saturday, Sunday, or legal holiday, the next secular or business day shall be the final filing date. Such reports or returns shall be considered filed on time if postmarked before midnight of the final filing date; Provided, that for good cause reasonable extensions of time for filing may be granted, but not to exceed ten days in the aggregate for any one return. Any such charge not paid within the time herein specified shall bear interest at the rate of one per cent per month from the date of delinquency until paid, and such charge together with the interest shall be a lien upon the oil or gas against which the same is levied and assessed. The person remitting the charge as provided in this section is hereby authorized, empowered and required to deduct from any amounts due the persons owning an interest in the oil and gas or in the proceeds thereof at the time of production the proportionate amount of such charge before making payment to such persons. This subsection shall apply to all lands in the State of Nebraska, anything in section 57-920 to the contrary notwithstanding; Provided, that there shall be exempted from the charge hereinabove levied and assessed the following: (a) The interest of the United States of America and the interest of the State of Nebraska and the political subdivisions thereof in any oil or gas or in the proceeds thereof; (b) the interest of any Indian or Indian tribe in any oil or gas or in the proceeds thereof, produced from land subject to the supervision of

the United States; and (c) oil and gas used in producing operations or for repressuring or recycling purposes. All money so collected shall be remitted to the State Treasurer for credit to the Oil and Gas Conservation Fund and shall be used exclusively to pay the costs and expenses incurred in connection with the administration and enforcement of the provisions of sections 57-901 to 57-921.

Sec. 3. That original section 57-906, Reissue Revised Statutes of Nebraska, 1943, and section 57-919, Revised Statutes Supplement, 1973, are repealed.

Sec. 4. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.