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HOUSE BILL NO. 2843

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Mining and Mineral Resources
on January 29, 1997)

(Patron Prior to Substitute—Delegate Stump)

A *BILL to amend and reenact § 45.1-361.27 of the Code of Virginia and to amend the Code of Virginia by adding in Article 3 of Chapter 22.1 of Title 45.1 a section numbered 45.1-361.42, relating to gas and oil operations.*

Be it enacted by the General Assembly of Virginia:

1. That § 45.1-361.27 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding in Article 3 of Chapter 22.1 of Title 45.1 a section numbered 45.1-361.42 as follows:

§ 45.1-361.27. Duties, responsibilities and authority of the Director.

A. The Director shall promulgate and enforce rules, regulations and orders necessary to ensure the safe and efficient development and production of gas and oil resources located in the Commonwealth. Such rules, regulations and orders shall be designed to:

1. Prevent pollution of state waters and require compliance with the Water Quality Standards adopted by the State Water Control Board;

2. Protect against off-site disturbances from gas, oil, or geophysical operations;

3. Ensure the restoration of all sites disturbed by gas, oil, or geophysical operations;

4. Prevent the escape of the Commonwealth's gas and oil resources;

5. Provide for *safety in coal and mineral mining* ~~safety~~ *and coalbed methane well and related facility operations*;

6. Control wastes from gas, oil, or geophysical operations;

7. Provide for the accurate measurement of gas and oil production and delivery to the first point of sale; and

8. Protect the public safety and general welfare.

B. In promulgating rules and regulations, and when issuing orders for the enforcement of the provisions of this article, the Director shall consider the following factors:

1. The protection of the citizens and environment of the Commonwealth from the public safety and environmental risks associated with the development and production of gas or oil; ~~and~~

2. The means of ensuring the safe recovery of coal and other minerals without substantially affecting the right of coal, minerals, gas, oil, or geophysical operators to explore for and produce coal, minerals, gas, or oil; *and*

3. *The protection of safety and health on permitted sites for coalbed methane wells and related facilities.*

C. In promulgating rules, regulations and orders, the Director shall be authorized to set and enforce standards governing the following: gas or oil ground-disturbing geophysical exploration; the development, drilling, casing, equipping, operating and plugging of gas or oil production, storage, enhanced recovery, or disposal wells; the development, operation and restoration of site disturbances for wells, gathering pipelines and associated facilities; and gathering pipeline safety.

D. Whenever the Director determines that an emergency exists, he shall issue an emergency order without advance notice or hearing. Such orders shall have the same validity as orders issued with advance notice and hearing, but shall remain in force no longer than thirty days from their effective date. After issuing an emergency order, the Director shall promptly notify the public of the order by publication and hold a public hearing for the purposes of modifying, repealing or making permanent the emergency order. Emergency orders shall prevail as against general regulations or orders when in conflict therewith. Emergency orders shall apply to gas, oil, or geophysical operations and to particular fields, geographical areas, subject areas, subject matter or situations.

E. The Director shall also have the authority to:

1. Issue, condition and revoke permits;

2. Issue notices of violation and orders upon violations of any provision of this chapter or regulation adopted thereunder;

3. Issue closure orders in cases of imminent danger to persons or damage to the environment or upon a history of violations;

4. Require or forfeit bonds or other financial securities;

5. Prescribe the nature of and form for the presentation of any information and documentation required by any provision of this article or regulation adopted thereunder;

6. Maintain suit in the city or county where a violation has occurred or is threatened, or wherever a

60 person who has violated or threatens to violate any provision of this chapter may be found, in order to
61 restrain the actual or threatened violation;

62 7. At reasonable times and under reasonable circumstances, enter upon any property and take such
63 action as is necessary to administer and enforce the provisions of this chapter; and

64 8. Inspect and review all properties and records thereof as are necessary to administer and enforce
65 the provisions of this chapter.

66 § 45.1-361.42. *Safety in gas, oil and geophysical operations.*

67 *The Director shall inspect permitted coalbed methane well and related facility operations to ensure*
68 *the safety of persons on permitted sites. When the inspection reveals any hazardous condition that*
69 *creates an imminent danger, the Director shall issue a closure order pursuant to § 45.1-361.27*
70 *requiring the area to be cleared or the equipment removed from use, except for work necessary to*
71 *correct or eliminate the imminent danger. The Director shall lift the closure order when he finds that*
72 *the imminent danger has been corrected or eliminated. When the inspection reveals any other condition*
73 *that creates a risk to the safety or health of any person on the permitted site, the Director shall notify*
74 *the Department of Labor and Industry for actions under Title 40.1, as applicable.*