



Rules of
Department of Natural Resources
Division 50—Oil and Gas Council
Chapter 1—Organization, Purpose, and Definitions

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**Title 10—DEPARTMENT OF
NATURAL RESOURCES**

**Division 50—Oil and Gas Council
Chapter 1—Organization, Purpose,
and Definitions**

10 CSR 50-1.010 Organization

PURPOSE: This rule sets out the organization of the State Oil and Gas Council.

(1) Chapter 259, RSMo, establishes the State Oil and Gas Council. The council consists of eight (8) members: the state geologist; members representing Department of Economic Development, Missouri Public Service Commission, Clean Water Commission, Missouri University of Science and Technology Petroleum Engineering Program, and Missouri Independent Oil and Gas Association; and two (2) other persons knowledgeable of the oil and gas industry are appointed to the council by the governor with the advice and consent of the senate.

(2) Member agencies are represented on the council by the executive head of the agency, except that the Missouri University of Science and Technology shall be represented by a professor of petroleum engineering and the Missouri Independent Oil and Gas Association shall be represented by a designated member of the association.

(3) The state geologist shall act as a supervisor charged with the duty of enforcing the rules and orders of the council applicable to the crude oil and natural gas resources of the state. The authority to engage in oil and gas drilling or producing operations will be granted by the state geologist when the requirements of 10 CSR 50 and Chapter 259, RSMo have been complied with.

AUTHORITY: sections 259.010, 259.020, and 259.030, RSMo Supp. 2015, and section 259.040, RSMo Supp. 2013. Original rule filed Oct. 11, 1966, effective Oct. 22, 1966. Amended: Filed Sept. 12, 1973, effective Sept. 22, 1973. Amended: Filed June 14, 1976, effective Nov. 12, 1976. Amended: Filed Sept. 15, 2015, effective March 30, 2016.*

**Original authority: 259.010, RSMo 1965, amended 1972, 2012, 2015; 259.020, RSMo 1965, amended 1972, 2012, 2015; 259.030, RSMo 1965, amended 2012, 2015; and 259.040, RSMo 1965, amended 1972, 2012.*

10 CSR 50-1.020 General Procedures

PURPOSE: This rule provides for the general practice and procedure of the council and

the application of rules promulgated by the council.

(1) All rules promulgated shall be statewide in application unless otherwise specifically excepted by a written order of the council.

(2) No order or amendment, except in an emergency, shall be made by the council without a public hearing upon at least ten (10) days' notice. The public hearing shall be held at a time and place as may be prescribed by the council and any interested person shall be entitled to be heard. The notice requirements in this regulation apply to each hearing arising under Chapter 259, RSMo, and implementing regulations heard by the council or any agent appointed by the council.

(A) Notice of the hearing shall be published by the council in a newspaper of general circulation in the county where the land affected, or some part thereof, is situated. If the notice is applicable throughout the state, then it shall be published in a newspaper of general circulation which is published in Jefferson City.

(B) A copy of the notice of the hearing shall be mailed by the council to each person who has filed for the purpose of receiving notice. The notice shall be mailed not less than ten (10) business days prior to the hearing date.

(C) In addition to notice required in subsection (2)(A), the council also shall provide notice to any person whose property interests may be affected by the outcome of the hearing.

(3) When the council determines an emergency requiring immediate action exists, the council is authorized to issue an emergency order without notice of hearing, which shall be effective when issued. No emergency order shall remain effective for more than fifteen (15) calendar days.

(4) The department or its authorized representatives shall have the authority to enter property, with the consent of the owner or operator, to conduct investigations or inspections as are consistent with the intent of Chapter 259, RSMo.

(5) The council, after a hearing as provided by law, may order an operation to cease or wells to be plugged upon a finding that any provisions of the laws, rules, or conditions of the council have been violated or that any fraud, deceit, or misrepresentation was made to obtain the approval of a permit. Appeals of any decision of the council may be made as provided by law.

(6) Information submitted pursuant to Chapter 259, RSMo, and implementing regulations shall use Missouri nomenclature.

(7) Confidentiality. Information gathered pursuant to Chapter 259, RSMo, and implementing regulations is public record pursuant to the Missouri Sunshine law, Chapter 610, RSMo. Confidentiality may be granted upon request, in accordance with section 640.155.1, RSMo. Cancelled permits are not considered confidential.

(A) If a written request for confidentiality is made to the state geologist within one hundred twenty (120) days of the spud date or the date of commencement of recompletion of the well, all information, samples, or cores filed as required in 10 CSR 50-2.050 shall be held in confidential custody for an initial period of one (1) year from the written request.

(B) All rights to confidentiality shall be lost if the filings are not timely, as provided in 10 CSR 50-2.050, or if the request for confidentiality is not timely, as provided in subsection (7)(A).

(C) Samples, cores, or information may be released before the expiration of the one- (1-) year period only upon written approval of the operator.

(D) If a request for an extension is made at least thirty (30) days before the expiration of the initial one- (1-) year period, the period of confidentiality may be extended for one (1) additional year.

AUTHORITY: sections 259.070 and 259.190, RSMo Supp. 2015, and sections 259.140 and 259.200, RSMo 2000. Original rule filed Oct. 11, 1966, effective Oct. 21, 1966. Amended: Filed Sept. 12, 1973, effective Sept. 22, 1973. Amended: Filed Sept. 13, 1983, effective Dec. 11, 1983. Amended: Filed Sept. 15, 2015, effective March 30, 2016.*

**Original authority: 259.070, RSMo 1965, amended 1972, 1983, 1987, 1993, 1995, 2012, 2015; 259.140, RSMo 1965; 259.190, RSMo 1965, amended 1983, 2015; and 259.200, RSMo 1965.*

10 CSR 50-1.030 Definitions

PURPOSE: This rule provides the definitions for terms used in 10 CSR 50.

(1) The terms used in 10 CSR 50 shall have the meanings set forth in section 259.050, RSMo, or this rule, unless the context of the term clearly indicates otherwise.

(A) Terms beginning with the letter A.

1. Abandoned site, any property or lease that is no longer operated as an active site for oil and gas production and injection projects.



2. Abandoned well, a well that is no longer operated for its intended use and has not been shut in, converted to another type of well, or plugged.

3. Area of review, an area surrounding an injection well(s) that extends a minimum of one-half (1/2) mile from the well(s) or from the unit boundary of an enhanced recovery project.

4. Area of review well, any well including, but not limited to, water wells, abandoned wells, plugged wells and dry holes, located within the area of review, which penetrates the injection interval.

(B) Terms beginning with the letter B.

1. (Reserved)

(C) Terms beginning with the letter C.

1. Casing, the impervious, durable, tubular materials used to line a wellbore.

2. Casinghead gas, gas produced that was in solution with oil in its original state in the reservoir.

3. Cement, portland cement or a blend of portland cement.

4. Coalbed natural gas, natural gas produced from either coal seams or associated shale.

5. Commercial well, a well from which oil or gas is recovered and sold, traded or otherwise used for profit.

6. Common source of supply, synonymous with "pool" as defined in this rule.

7. Confining strata, geologic stratum or strata that serve as a barrier between water-, oil-, or gas-bearing strata.

8. Core, a continuous section of geologic materials recovered during drilling.

9. Corrective action, remedial action on any well to prevent the migration of fluids from the surface or from one (1) stratum to another.

10. Correlative rights, the right of each owner or operator in a pool to obtain that owner's or operator's just and equitable share of the oil or gas resource, or an economic equivalent of that share of the resource, produced in a manner or amount that will not have any of the following effects:

A. Damage the reservoir;

B. Take an undue proportion of the obtainable oil or gas; or

C. Cause undue drainage between developed leases.

11. Council, the State Oil and Gas Council established by section 259.010, RSMo.

(D) Terms beginning with the letter D.

1. Department, the Department of Natural Resources.

2. Disposal well, an injection well used to place produced water, non-usable gas or other liquid or gaseous waste associated with the production of oil or gas or both into an

injection zone and is not used for enhanced recovery.

(E) Terms beginning with the letter E.

1. Enhanced recovery, any process used to increase the recovery of oil or gas from a pool through secondary or tertiary recovery. Enhanced recovery includes, but is not limited to, water floods, pressure maintenance projects, cycling or recycling projects, steam floods, fire floods, carbon dioxide injection projects, high-density well drilling projects, and approved technologies that are either unconventional or in any way redirect the natural movement of oil or gas or formation water in the pool. Enhanced recovery typically involves the use of injection wells of some kind as part of a production unit.

2. Enhanced recovery injection well, an injection well used to move underground fluids to production wells through the use of water, steam, gas, or any other substance in order to redirect or facilitate the natural movement of oil, gas, or water in a pool.

3. Exempted aquifer, an aquifer or its portion that meets the criteria in the definition of Underground Source of Drinking Water set forth in paragraph (1)(U)1. of this rule but which has been exempted for operation of an injection well.

(F) Terms beginning with the letter F.

1. Field, the general area underlain by one (1) or more pools.

2. Fluid, any material or substance which flows or moves whether in a semi-solid, liquid, sludge, or gaseous state.

3. Formation water, water that occurs naturally within the pores of a geologic formation or stratum.

(G) Terms beginning with the letter G.

1. Gas, all natural gas and all other fluid hydrocarbons which are produced at the wellhead and not herein below defined as oil.

(H) Terms beginning with the letter H.

1. Horizontal well, a well drilled at an angle to the vertical, typically parallel to the geologic strata containing oil or gas.

(I) Terms beginning with the letter I.

1. Increased well density, the drilling of an additional primary production well in a spacing unit.

2. Injection, emplacement of fluids into the subsurface through a well.

3. Injection well, a well into which fluids are injected during all or part of the life of the well for disposal or enhanced recovery projects or for underground storage of gas that is liquid at standard temperature and pressure, but not including oil- or gas-producing wells undergoing approved well stimulation treatment.

4. Injection zone, a geological stratum, group of strata, or part of a stratum that

receives fluids through a well.

(J) Terms beginning with the letter J.

1. (Reserved)

(K) Terms beginning with the letter K.

1. (Reserved)

(L) Terms beginning with the letter L.

1. Location exception, authorization given by the state geologist to drill a well at a location other than that which is prescribed by these regulations.

(M) Terms beginning with the letter M.

1. Mechanical integrity, a well shall be considered to have mechanical integrity if there is no significant leakage in the casing, tubing, or packer; and there is no significant fluid movement into an underground source of drinking water through vertical channels adjacent to the wellbore.

2. Missouri nomenclature, Missouri-specific geologic terminology as provided by the state geologist including, but not limited to, names of geologic strata, pools, and geologic features.

3. Multiple completion, the completion of any well that permits production from two (2) or more pools that are completely segregated by confining strata.

(N) Terms beginning with the letter N.

1. Non-commercial gas well, a gas well drilled for the sole purpose of providing gas for private domestic consumption by the owner and not for resale or trade.

(O) Terms beginning with the letter O.

1. Oil, crude petroleum oil and other hydrocarbons regardless of gravity which are produced at the wellhead in liquid form and the liquid hydrocarbons known as distillate or condensate recovered or extracted from gas, other than gas produced in association with oil and commonly known as casinghead gas. The term shall also include hydrocarbons that do not flow to a wellhead but are produced by other means, including those contained in oil-shale and oil-sand.

2. Oil and Gas Remedial Fund, the fund established by section 259.190.5, RSMo into which forfeited bond monies and proceeds from the sale of illegal oil, illegal gas, and illegal product are deposited, which is to be used for plugging abandoned wells as provided for in 10 CSR 50-2.060(3)(F).

3. Oil and Gas Resources Fund, the fund established by section 259.052, RSMo, into which all gifts, donations, transfers, moneys appropriated by the General Assembly, permit application fees, operating fees, closure fees, late fees, severance fees, and bequests are deposited, which is to be used to administer the provisions of Chapter 259, RSMo, and implementing regulations, and to collect, process, manage, interpret, and distribute geologic and hydrologic resource



information pertaining to oil and gas potential.

4. Open well, a well that has not been plugged including, but not limited to, abandoned, operating, or shut-in wells.

5. Operator, a person who drills, maintains, operates, or controls wells associated with oil or gas production, storage, or injection projects.

6. Owner, the person who has the right to drill into and produce from a pool and to appropriate the oil or gas he produced therefrom either for himself or others or for himself and others.

(P) Terms beginning with the letter P.

1. Person, any individual, partnership, co-partnership, firm, company, public or private corporation, association, joint stock company, trust, estate, governmental or political subdivision, or any other legal entity.

2. Plugged well, a well that has been filled or partially filled with cement or other materials to prevent the migration of fluids within the well.

3. Pool, an underground reservoir containing a common accumulation of oil or gas or both; each zone of a structure which is completely separated from any other zone in the same structure is a "pool," as that term is used in Chapter 259, RSMo, and in these regulations.

4. Pooling, the contractual agreement of those holding the rights to mineral interests within a single spacing unit for primary production, whether that agreement is voluntary or by order of the council, to produce oil or gas or both from that unit.

5. Primary production, the process of recovery of oil or gas from a pool in which one (1) well is capable of efficiently draining the pool or portion thereof that resides within the confines of the spacing unit and the drainage of oil, gas, or formation water into the well occurs naturally.

6. Produced water, formation water that is associated with the production of oil or gas and either requires disposal or is used as part of an enhanced recovery project.

7. Product, any commodity made from oil or gas and includes refined crude oil, crude tops, topped crude, processed crude, processed crude petroleum, residue from crude petroleum, cracking stock, uncracked fuel oil, fuel oil, treated crude oil, residuum, gas oil, casinghead gasoline, natural gas gasoline, kerosene, benzene, wash oil, waste oil, blended gasoline, lubricating oil, blends or mixtures of oil with one (1) or more liquid products or by-products derived from oil or gas, and blends or mixtures of two (2) or more liquid products or by-products, derived from oil or gas whether herein enumerated or not.

8. Production unit, an uninterrupted block of acreage of any size and any shape that has a definite outer boundary and in which wells may be drilled for enhanced recovery. The acreage that composes a production unit may include default spacing units, acreage for which spacing units have or have not been explicitly ordered by the state geologist or council, pooled or non-pooled mineral acreage, and all or parts of past and present production units.

9. Production well, any well used for recovery of oil or gas or both.

(Q) Terms beginning with the letter Q.

1. (Reserved)

(R) Terms beginning with the letter R.

1. Reasonable market demand, the demand for oil or gas for reasonable current requirements for consumption and use within and without the state, together with such quantities as are reasonably necessary for building up or maintaining reasonable working stocks and reasonable reserves of oil or gas or product.

2. Recompletion, the process of reworking or repairing a well after its initial well completion.

3. Reference well, a well used to collect data to establish a maximum injection pressure as approved by the state geologist.

(S) Terms beginning with the letter S.

1. Seismic shot hole, a hole drilled for the purpose of generating a seismic signal to be used in the exploration or development of oil or gas or both.

2. Shut-in well, any well that has not been operated for ninety (90) calendar days or more.

3. Spacing Unit, an arbitrary block of acreage of specified size and shape for a single pool that is based on the U.S. Public Land Survey System in which only one (1) production well may be drilled for primary production that is no closer than a specified minimum distance from the unit boundary.

4. Special project, research and development of a new process or technology that increases the amount of oil or gas recoverable from a pool or improves oil or gas operations.

5. Spill or 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.

6. Spud date, the date of first penetration of the earth with a drilling bit.

7. Storage well, a well used to inject or extract natural gas or other gaseous hydrocarbons for storage purposes.

8. Stratum or strata, a layer or layers of rock composed of substantially the same lithology that is distinctive visually from other layers above and below; often a lithologic unit.

9. Stratigraphic test well, a well drilled to obtain information on the thickness, lithology, sequence, porosity, permeability, or any other properties of rock, or to locate the position of a geologic horizon in the evaluation of potentially productive oil or gas strata and is not utilized for generating a seismic signal.

(T) Terms beginning with the letter T.

1. (Reserved)

(U) Terms beginning with the letter U.

1. Underground source of drinking water, an aquifer or any portion thereof that—

A. Supplies any private well or public water supply system; or

B. Contains a sufficient quantity of groundwater to supply a private well or public water system; and

(I) Currently supplies drinking water for human consumption; or

(II) Contains less than ten thousand (10,000) mg/L total dissolved solids; and

C. Is not an exempted aquifer.

2. Unitization, the contractual agreement of mineral interests owners to form a production unit through a voluntary process or order of the council, to produce oil or gas from that production unit and to designate the operator of the unit.

(V) Terms beginning with the letter V.

1. (Reserved)

(W) Terms beginning with the letter W.

1. Waste, includes, but is not limited to:

A. Physical waste, as that term is generally understood in the oil and gas industry, but not including unavoidable or accidental waste;

B. The inefficient, excessive, or improper use of, or the unnecessary dissipation of, reservoir energy;

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

D. The inefficient storing of oil or gas;

E. The production of oil or gas in excess of transportation or marketing facilities or in excess of reasonable market demand; and



F. Through negligence, the unnecessary or excessive surface loss or destruction of oil or gas resulting from evaporation, seepage, leakage, or deliberate combustion.

2. Waters of the state, shall have the same meaning as defined in the Missouri Clean Water Law, section 644.016, RSMo.

3. Well, any hole drilled in the earth for, or in connection with, the exploration, discovery, or recovery of oil or gas, or for or in connection with the underground storage of gas in natural formation, or for or in connection with the disposal of salt water, nonusable gas, or other waste accompanying the production of oil or gas. Wells drilled for the production of water are regulated by the Water Well Drillers' Act, Chapter 256, RSMo, and the implementing Missouri Well Construction rules, 10 CSR 23. A well includes, but is not limited to, the following:

- A. Disposal well;
- B. Enhanced recovery injection well;
- C. Horizontal well;
- D. Injection well;
- E. Production well;
- F. Seismic shot hole;
- G. Storage well; or
- H. Stratigraphic test well.

4. Well stimulation treatment, a treatment of a well designed to enhance oil and gas production or recovery by increasing the secondary permeability of the geologic strata. Well stimulation is a short-term and non-continual process for the purposes of opening and stimulating channels for the flow of oil or gas or both. Examples of well stimulation treatments include hydraulic fracturing, acid fracturing, and acid matrix stimulation. Well stimulation treatment does not include routine well cleanout work; routine well maintenance; routine treatment for the purpose of removal of geologic strata damage due to drilling; bottom hole pressure surveys; routine activities that do not affect the integrity of the well or the geologic strata; the removal of scale or precipitate from the perforations, casing, or tubing; or a treatment that does not penetrate into the geologic strata more than thirty-six (36) inches from the wellbore.

5. Whipstock, a long wedge-shaped steel device or casing that uses an inclined plane to cause the bit to deflect from the original borehole at a slight angle, sometimes used in an oil or gas well to control directional drilling, to straighten crooked boreholes, or to sidetrack to avoid unretrieved items left in a well.

- (X) Terms beginning with the letter X.
 - 1. (Reserved)
- (Y) Terms beginning with the letter Y.
 - 1. (Reserved)
- (Z) Terms beginning with the letter Z.
 - 1. (Reserved)

(2) All other words used in this rule shall be given their usual customary and accepted meaning, and all words of a technical nature, or specific to the oil and gas industry, shall be given that meaning which is generally accepted in the oil and gas industry.

AUTHORITY: sections 259.050, 259.070, and 259.190, RSMo Supp. 2015, and section 259.140, RSMo 2000. Original rule filed Oct. 11, 1966, effective Oct. 22, 1966. Amended: Filed Sept. 12, 1973, effective Sept. 22, 1973. Amended: Filed Oct. 14, 1981, effective Feb. 11, 1982. Amended: Filed Sept. 13, 1983, effective Dec. 11, 1983. Amended: Filed May 18, 1987, effective July 24, 1987. Amended: Filed Sept. 15, 2015, effective March 30, 2016.*

**Original authority: 259.050, RSMo 1965, amended 1972, 1987, 2015; 259.070, RSMo 1965, amended 1972, 1983, 1987, 1993, 1995, 2012, 2015; 259.140, RSMo 1965; and 259.190, RSMo 1965, amended 1983, 2015.*

10 CSR 50-1.040 Enforcement Action and Appeal Procedures

PURPOSE: This rule outlines the procedures the state geologist and council will take when an alleged violation has occurred or when an operator is affected by an adverse action.

(1) The state geologist shall cause investigations to be made upon the request of the council or upon receipt of information concerning alleged violations of Chapter 259, RSMo, and implementing regulations or any standard, limitation, or order pursuant thereto, or any term or condition of any permit, and may cause to be made any other investigations consistent with the purposes of Chapter 259, RSMo.

(2) If, in the opinion of the state geologist, an investigation discloses that a violation of Chapter 259, RSMo, or implementing regulations does exist, the state geologist may issue an order as provided in section 259.070, RSMo, requiring the remediation or abatement of the specified condition(s). The order shall be served by registered mail, return receipt requested. The order shall specify the violations of Chapter 259, RSMo, or implementing regulations or any standard, limitation, or order pursuant thereto, or any term or condition of any permit violated.

(3) Any person adversely affected by an order or denial of a permit, license, or transfer issued by the state geologist may appeal the order or denial of a permit, license, or transfer to the council within thirty (30) calendar days of the date the state geologist issued the

order or denial. The appeal must be sent by registered or certified mail to the chairperson of the council. The council shall treat the appeal as a contested case consistent with Chapter 259 and Chapter 536, RSMo. The council may conduct any hearing it requires to decide the appeal, or may appoint a hearing officer to make a recommended decision. If the council elects to appoint a hearing officer, the hearing officer must be a licensed attorney and a member in good standing of the Missouri Bar. The council may sustain, reverse, or modify the state geologist's order or denial of a permit, license, or transfer or may make such other orders as it deems appropriate under the circumstances, subject to rights of judicial review as provided in section 259.170, RSMo. If any order or denial of a permit, license, or transfer issued by the state geologist is not appealed within the time provided in this section, the order or denial of a permit, license, or transfer becomes final and may be enforced as provided in sections 259.200 and/or 259.210, RSMo.

AUTHORITY: sections 259.140, 259.150, 259.160, 259.170, and 259.200, RSMo 2000, and section 259.070, RSMo Supp. 2015. Original rule filed Sept. 15, 2015, effective March 30, 2016.*

**Original authority: 259.070, RSMo 1965, amended 1972, 1983, 1987, 1993, 1995, 2012, 2015; 259.140, RSMo 1965; 259.150, RSMo 1965; 259.160, RSMo 1965; 259.170, RSMo 1965; and 259.200, RSMo 1965.*

10 CSR 50-1.050 Assessment of Costs

PURPOSE: This rule establishes a fee structure for activities conducted under 10 CSR 50.

(1) Beginning January 1, 2017, the following fees shall be assessed and deposited in the Oil and Gas Resources Fund:

(A) A fee of two hundred fifty dollars (\$250) shall be paid upon the submittal of an application for an operator license; except that an applicant for a license who solely operates a non-commercial gas well shall pay a fee of fifty dollars (\$50);

(B) A fee of two hundred fifty dollars (\$250) shall be paid by each operator upon submittal of an operator license renewal form; except that an operator who solely operates a non-commercial gas well shall pay a fee of fifty dollars (\$50);

(C) A fee of one hundred dollars (\$100) shall be paid upon submittal of an application for a permit to drill, deepen, plug-back, or recomplete as follows:

- 1. Any new application for permit to



drill, deepen, plug-back, or recomplete any well;

2. Any application for modification to the permit to drill, deepen, plug-back, or recomplete; or

3. Blanket requests to drill, deepen, plug-back, or recomplete wells proposed to depths no greater than one thousand five hundred feet (1500');

(D) A fee of one hundred dollars (\$100) shall be paid upon submittal of an application for a permit to inject as follows:

1. Any new application for a permit to inject in any well; or

2. Any application for modification to the initial injection well permit including, but not limited to, an increase in the maximum injection pressure and/or the maximum injection rate;

3. No fee shall be assessed for a notice of permit modification as specified in 10 CSR 50-2.055(5)(B);

(E) A fee of twenty-five dollars (\$25) shall be paid upon submittal of an application for extension of the shut-in status of a well;

(F) A fee of fifty dollars (\$50) shall be paid upon submittal of a plugging record for each well plugged;

(G) A fee of sixty cents (\$0.60) on each barrel of oil sold or marketed each month shall be assessed to each operator. The fee and assessment shall apply only to the first purchase of oil from the operator and shall be collected and submitted by the first purchaser of oil;

(H) A fee of seven and one-tenth cents (\$0.071) on each one thousand (1,000) cubic feet of gas sold or marketed each month shall be assessed to each operator. The charge and assessment shall apply only to the first purchase of gas from the operator and shall be collected and submitted by the first purchaser of gas;

(I) In the event any required form or report is not submitted per Chapter 259, RSMo, or implementing regulations, a late fee of no more than one hundred dollars (\$100) per month shall be assessed against the responsible party, and shall be assessed each month until the form or report has been submitted. In no case, however, will a late fee exceed one thousand two hundred dollars (\$1,200) per violation for each well.

(2) Fee nonrefundable. Once paid, each fee shall be nonrefundable.

*AUTHORITY: sections 259.052 and 259.080, RSMo Supp. 2015. * Original rule filed Sept. 15, 2015, effective March 30, 2016.*

**Original authority: 259.052, RSMo 2015 and 259.080, RSMo 1965, amended 1972, 2015.*