Public Law 94-493
94th Congress

Joint Resolution

Consenting to an extension and renewal of the interstate compact to conserve oil and gas.

Oct. 14, 1976
[S.J. Res. 126]

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the consent of Congress is hereby given to an extension and renewal from September 1, 1974, to December 31, 1978, of the interstate compact to conserve oil and gas, as amended, which was signed in its initial form in the city of Dallas, Texas, the 16th day of February 1935, by the representatives of Oklahoma, Texas, California, and New Mexico, and at the same time and place was signed by the representatives, as a recommendation for approval to the Governors and legislatures of the States of Arkansas, Colorado, Illinois, Kansas, and Michigan, and which, prior to August 27, 1935, was presented to and approved by the legislatures and Governors of the States of New Mexico, Kansas, Oklahoma, Illinois, Colorado, and Texas, and which so approved by the six States last above named was deposited in the Department of State of the United States, and thereafter was consented to by the Congress in Public Resolution Numbered 64, Seventy-fourth Congress, approved August 27, 1935, for a period of two years, and thereafter was extended by the representatives of the compacting States and consented to by the Congress for successive periods, without interruption, the last extension being for the period from September 1, 1971, to September 1, 1974, consented to by Congress by Public Law Numbered 92-322, Ninety-second Congress, approved June 30, 1972. The agreement to amend, extend, and renew said compact effective September 1, 1971, duly executed by representatives of the States of Alabama, Alaska, Arizona, Arkansas, Colorado, Florida, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Michigan, Mississippi, Montana, Nebraska, Nevada, New Mexico, New York, North Dakota, Ohio, Oklahoma, Pennsylvania, South Dakota, Tennessee, Texas, Utah, West Virginia, and Wyoming has been deposited in the Department of State of the United States, and reads as follows:

Oil and gas conservation compact. Extension and renewal.

49 Stat. 939.

86 Stat. 383.

"AN AGREEMENT TO AMEND, EXTEND AND RENEW THE INTERSTATE COMPACT TO CONSERVE OIL AND GAS

"WHEREAS, on the 16th day of February, 1935, in the City of Dallas, Texas, there was executed 'An Interstate Compact to Conserve Oil and Gas' which was thereafter formally ratified and approved by the States of Oklahoma, Texas, New Mexico, Illinois, Colorado and Kansas, the original of which is now on deposit with the Department of State of the United States;

"WHEREAS, effective as of September 1, 1971, the several compacting states deem it advisable to amend said compact so as to provide that upon the giving of Congressional consent thereto in its amended form, said Compact will remain in effect until Congress withdraws such consent;

"WHEREAS, the original of said Compact as so amended will, upon execution thereof, be deposited promptly with the Department of State of the United States, a true copy of which follows:

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

89-194 O—78—pt. 2——57

"'AN INTERSTATE COMPACT TO CONSERVE OIL AND GAS

"'ARTICLE I

"'This agreement may become effective within any compacting state at any time as prescribed by that state, and shall become effective within those states ratifying it whenever any three of the States of Texas, Oklahoma, California, Kansas and New Mexico have ratified and Congress has given its consent. Any oil-producing state may become a party hereto as hereinafter provided.

"'ARTICLE II

"'The purpose of this compact is to conserve oil and gas by the prevention of physical waste thereof from any cause.

"'ARTICLE III

"'Each state bound hereby agrees that within a reasonable time it will enact laws, or if the laws have been enacted, then it agrees to continue the same in force, to accomplish within reasonable limits the prevention of:

"'(a) The operation of any oil well with an inefficient gas-oil ratio.

"'The drowning with water of any stratum capable of producing oil or gas, or both oil and gas, in paying quantities.

"'(c) The avoidable escape into the open air or the wasteful burning of gas from a natural gas well.

"'(d) The creation of unnecessary fire hazards.

"'(e) The drilling, equipping, locating, spacing or operating of a well or wells so as to bring about physical waste of oil or gas or loss in the ultimate recovery thereof.

"'(f) The inefficient, excessive or improper use of the reservoir energy in producing any well.

"'The enumeration of the foregoing subjects shall not limit the scope of the authority of any state.

"'ARTICLE IV

"'Each state bound hereby agrees that it will, within a reasonable time, enact statutes, or if such statutes have been enacted then that it will continue the same in force, providing in effect that oil produced in violation of its valid oil and/or gas conservation statutes or any valid rule, order or regulation promulgated thereunder, shall be denied access to commerce; and providing for stringent penalties for the waste or either oil or gas.

"'ARTICLE V

"'It is not the purpose of this compact to authorize the states joining herein to limit the production of oil or gas for the purpose of stabilizing or fixing the price thereof, or create or perpetuate monopoly, or to promote regimentation, but is limited to the purpose of conserving oil and gas and preventing the avoidable waste thereof within reasonable limitations.

"'ARTICLE VI

"'Each state joining herein shall appoint one representative to a commission hereby constituted and designated as THE INTERSTATE OIL COMPACT COMMISSION, the duty of which said Commission shall be to make inquiry and ascertain from time to time such methods, practices, circumstances, and conditions as may be disclosed for bringing about conservation and the prevention of physical waste of oil and gas, and at such intervals as said Commission deems beneficial it shall report its findings and recommendations to the several states for adoption or rejection.

"'The Commission shall have power to recommend the coordination of the exercise of the police powers of the several states within their several jurisdictions to promote the maximum ultimate recovery from the petroleum reserves of said states, and to recommend measures for the maximum ultimate recovery of oil and gas. Said Commission shall organize and adopt suitable rules and regulations for the conduct of its business.

"'No action shall be taken by the Commission except: (1) By the affirmative votes of the majority of the whole number of the compacting states represented at any meeting, and (2) by a concurring vote of a majority in interest of the compacting states at said meeting, such interest to be determined as follows: Such vote of each state shall be in the decimal proportion fixed by the ratio of its daily average production during the preceding calendar half-year to the daily average production of the compacting states during said period.

"'ARTICLE VII

"'No state by joining herein shall become financially obligated to any other state, nor shall the breach of the terms hereof by any state subject such state to financial responsibility to the other states joining herein.

"'ARTICLE VIII

"'This compact shall continue in effect until Congress withdraws its consent. But any state joining herein may, upon sixty (60) days' notice, withdraw herefrom.

"'The representatives of the signatory states have signed this agreement in a single original which shall be deposited in the archives of the Department of State of the United States, and a duly certified copy shall be forwarded to the governor of each of the signatory states.

"'This compact shall become effective when ratified and approved as provided in Article I. Any oil-producing state may become a party hereto by affixing its signature to a counterpart to be similarly deposited, certified, and ratified.

"'Done in the City, of Dallas, Texas, this sixteenth day of February, 1935.'

"WHEREAS, the said 'Interstate Compact to Conserve Oil and Gas' in its initial form has heretofore been duly renewed and extended with the consent of the Congress to September 1, 1971; and

"WHEREAS, it is desired to amend said 'Interstate Compact to Conserve Oil and Gas' effective September 1, 1971, and to renew and extend said compact as so amended:

"NOW, THEREFORE, THIS WRITING WITNESSETH:

"It is hereby agreed that effective September 1, 1971, the Compact entitled 'An Interstate Compact to Conserve Oil and Gas' executed within the City of Dallas, Tex, on the 16th day of February, 1935,

and now on deposit with the Department of State of the United States, be and the same is hereby amended by amending the first paragraph of Article VIII thereof to read as follows:

"'This compact shall continue in effect until Congress withdraws its consent. But any state joining herein may, upon sixty (60) days' notice, withdraw herefrom.'

and that said compact as so amended be, and the same is hereby renewed and extended. This agreement shall become effective when executed, ratified, and approved as provided in Article I of said compact as so amended.

"The signatory States have executed this agreement in a single original which shall be deposited in the archives of the Department of State of the United States and a duly certified copy thereof shall be forwarded to the Governor of each of the signatory States. Any oil-producing state may become a party hereto by executing a counterpart of this agreement to be similarly deposited, certified, and ratified.

"Executed by the several undersigned states, at their several state capitols, through their proper officials on the dates as shown, as duly authorized by statutes and resolutions, subject to the limitations and qualifications of the acts of the respective State Legislatures.

"THE STATE OF ALABAMA

By _____, Governor
Dated: _____
Attest: _____
Secretary of State (SEAL)

"THE STATE OF ALASKA

By _____, Governor
Dated: _____
Attest: _____
Secretary of State (SEAL)

"THE STATE OF ARIZONA

By _____, Governor
Dated: _____
Attest: _____
Secretary of State (SEAL)

"THE STATE OF ARKANSAS

By _____, Governor
Dated: _____
Attest: _____
Secretary of State (SEAL)

"THE STATE OF COLORADO

By _____, Governor
Dated: _____
Attest: _____
Secretary of State (SEAL)

"THE STATE OF FLORIDA

By _____, Governor
Dated: _____
Attest: _____
Secretary of State (SEAL)

"THE STATE OF ILLINOIS

By _____, Governor
Dated: _____

Attest: _____
Secretary of State (SEAL)

"THE STATE OF INDIANA

By _____, Governor
Dated: _____

Attest: _____
Secretary of State (SEAL)

"THE STATE OF KANSAS

By _____, Governor
Dated: _____

Attest: _____
Secretary of State (SEAL)

"THE STATE OF KENTUCKY

By _____, Governor
Dated: _____

Attest: _____
Secretary of State (SEAL)

"THE STATE OF LOUISIANA

By _____, Governor
Dated: _____

Attest: _____
Secretary of State (SEAL)

"THE STATE OF MARYLAND

By _____, Governor
Dated: _____

Attest: _____
Secretary of State (SEAL)

"THE STATE OF MICHIGAN

By _____, Governor
Dated: _____

Attest: _____
Secretary of State (SEAL)

"THE STATE OF MISSISSIPPI

By _____, Governor
Dated: _____

Attest: _____
Secretary of State (SEAL)

"THE STATE OF MONTANA

By _____, Governor
Dated: _____

Attest: _____
Secretary of State (SEAL)

"THE STATE OF NEBRASKA

By _____, Governor
Dated: _____

Attest: _____
Secretary of State (SEAL)

"THE STATE OF NEVADA

By _____, Governor
Dated: _____
Attest: _____
Secretary of State (SEAL)

"THE STATE OF NEW MEXICO

By _____, Governor
Dated: _____
Attest: _____
Secretary of State (SEAL)

"THE STATE OF NEW YORK

By _____, Governor
Dated: _____
Attest: _____
Secretary of State (SEAL)

"THE STATE OF NORTH DAKOTA

By _____, Governor
Dated: _____
Attest: _____
Secretary of State (SEAL)

"THE STATE OF OHIO

By _____, Governor
Dated: _____
Attest: _____
Secretary of State (SEAL)

"THE STATE OF OKLAHOMA

By _____, Governor
Dated: _____
Attest: _____
Secretary of State (SEAL)

"THE COMMONWEALTH OF PENNSYLVANIA

By _____, Governor
Dated: _____
Attest: _____
Secretary of the Commonwealth (SEAL)

"THE STATE OF SOUTH DAKOTA

By _____, Governor
Dated: _____
Attest: _____
Secretary of State (SEAL)

"THE STATE OF TENNESSEE

By _____, Governor
Dated: _____
Attest: _____
Secretary of State (SEAL)

"THE STATE OF TEXAS

By _____, Governor
Dated: _____
Attest: _____
Secretary of State (SEAL)

"THE STATE OF UTAH

By _____, Governor
Dated: _____
Attest: _____
Secretary of State (SEAL)

"THE STATE OF WEST VIRGINIA

By _____, Governor
Dated: _____
Attest: _____
Secretary of State (SEAL)

"THE STATE OF WYOMING

By _____, Governor
Dated: _____
Attest: _____
Secretary of State (SEAL)".

SEC. 2. (a) The Attorney General of the United States shall make a biennial report to Congress, for the duration of the Interstate Compact to Conserve Oil and Gas as to whether or not the activities of the Interstate Oil Compact Commission and of the States under the provisions of such compact have been consistent with the purposes as set out in Article V of such compact. Report to Congress.

(b) The Attorney General shall also review the activities of any advisory committees to the Commission and the States, and not later than June 30, 1978, report to Congress as to whether the activities of any such advisory committees could tend to create or maintain situations inconsistent with the antitrust laws of the United States. Review; report to Congress.

SEC. 3. The right to alter, amend, or repeal the provisions of the first section of this joint resolution is hereby expressly reserved.

Approved October 14, 1976.

LEGISLATIVE HISTORY:

SENATE REPORT No. 94-771 (Comm. on Interior and Insular Affairs).
CONGRESSIONAL RECORD, Vol. 122 (1976):
May 3, considered and passed Senate.
Sept. 29, considered and passed House.