

Mississippi Secretary of State
 700 North Street P. O. Box 136, Jackson, MS 39205-0136

ADMINISTRATIVE PROCEDURES NOTICE FILING

AGENCY NAME Mississippi State Oil & Gas Board		CONTACT PERSON Howard O. Leach	TELEPHONE NUMBER 1-601-576-4921	
ADDRESS 500 Greymont Avenue – Suite E		CITY Jackson	STATE MS	ZIP 39202
EMAIL hleach@ogb.state.ms.us	SUBMIT DATE 12/19/14	Statewide Rule 1.61 ("Firewalls")		

Short explanation of rule/amendment/repeal and reason(s) for proposing rule/amendment/repeal:

Amend existing Statewide Rule 1.61 to prescribe new regulatory requirements governing the construction and operation of dikes or firewalls surrounding oil and saltwater tanks and tank batteries. MCA Sec. 53-1-17(3) (1972)

List all rules repealed, amended, or suspended by the proposed rule: Statewide Rule 1.61 ("Firewalls")

ORAL PROCEEDING:

An oral proceeding is scheduled for this rule on Date: January 21, 2015 Time: 10:00 o'clock, A. M. Place: Hearing Room, Miss. State Oil & Gas Board, 500 Greymont Avenue, Suite E, Jackson, Mississippi

Presently, an oral proceeding is not scheduled on this rule.

If an oral proceeding is not scheduled, an oral proceeding must be held if a written request for an oral proceeding is submitted by a political subdivision, an agency or ten (10) or more persons. The written request should be submitted to the agency contact person at the above address within twenty (20) days after the filing of this notice of proposed rule adoption and should include the name, address, email address, and telephone number of the person(s) making the request; and, if you are an agent or attorney, the name, address, email address, and telephone number of the party or parties you represent. At any time within the twenty-five (25) day public comment period, written submissions including arguments, data, and views on the proposed rule/amendment/repeal may be submitted to the filing agency.

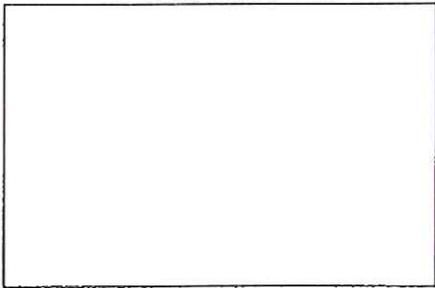
ECONOMIC IMPACT STATEMENT:

Economic impact statement not required for this rule. Concise summary of economic impact statement attached.

TEMPORARY RULES	PROPOSED ACTION ON RULES	FINAL ACTION ON RULES
<input type="checkbox"/> Original filing <input type="checkbox"/> Renewal of effectiveness To be in effect in _____ days Effective date: <input type="checkbox"/> Immediately upon filing <input type="checkbox"/> Other (specify): _____	Action proposed: <input type="checkbox"/> New rule(s) <input checked="" type="checkbox"/> Amendment to existing rule(s) <input type="checkbox"/> Repeal of existing rule(s) <input type="checkbox"/> Adoption by reference Proposed final effective date: <input type="checkbox"/> 30 days after filing <input checked="" type="checkbox"/> Other (specify): _____ Effective 45 days after approval	Date Proposed Rule Filed: _____ Action taken: <input type="checkbox"/> Adopted with no changes in text <input type="checkbox"/> Adopted with changes <input type="checkbox"/> Adopted by reference <input type="checkbox"/> Withdrawn <input type="checkbox"/> Repeal adopted as proposed Effective date: <input type="checkbox"/> 30 days after filing <input type="checkbox"/> Other (specify): _____

Printed name and Title of person authorized to file rules: Howard O. Leach, Staff Attorney

Signature of person authorized to file rules: _____

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Accepted for filing by <u>#20955</u> 	Accepted for filing by

The entire text of the Proposed Rule including the text of any rule being amended or changed is attached.



DELBERT HOSEMANN
Secretary of State

CONCISE SUMMARY OF ECONOMIC IMPACT STATEMENT

An Economic Impact Statement is required for this proposed rule by Section 25-43-3.105 of the Administrative Procedures Act. This is a Concise Summary of the Economic Impact Statement which must be filed with the Secretary of State's Office.

AGENCY NAME Mississippi State Oil & Gas Board	CONTACT PERSON Howard O. Leach (Staff Attorney)	TELEPHONE NUMBER (601) 576-4921	
ADDRESS 500 Greymont Avenue - Suite E	CITY Jackson	STATE MS	ZIP 39202
EMAIL hleach@ogb.state.ms.us	DESCRIPTIVE TITLE OF PROPOSED RULE Statewide Rule 1.61 ("Firewalls")		
Specific Legal Authority Authorizing the promulgation of Rule: MCA Sec. 53-1-17(3) (1972)	Reference to Rules repealed, amended or suspended by the Proposed Rule: Statewide Rule 1.61 ("Firewalls")		

A. Estimated Costs and Benefits

1. Briefly summarize the benefits that may result from this regulation and who will benefit: The approval of the proposed amendments to Statewide Rule 1.61 will strengthen the existing requirements regarding the construction and operation of dikes or firewalls or retaining walls surrounding oil tanks and oil tank batteries and/or saltwater tanks and saltwater tank batteries in the State of Mississippi. The strengthening of these construction and operating requirements for dikes and firewalls will further reduce the likelihood of crude oil and/or other confirmed substances escaping from tanks and/or tank batteries during overflows, ruptures and equipment malfunctions. The principal beneficiaries of these additional regulatory requirements will be the surrounding landowners whose surface lands, crops, timber, livestock and waters are potentially damaged when these tanks and/or tank batteries rupture, overflow, spill or otherwise malfunction.
2. Briefly describe the need for the proposed rule: Statewide Rule 1.61 currently requires that permanent oil tanks and oil tank batteries be surrounded by dikes, firewalls or retaining walls of sufficient height and size as to be equal to 150% of the capacity of the largest tank in the tank battery. The proposed amendments and revisions to Statewide Rule 1.61 would extend the requirement for these dikes or firewalls to saltwater tanks or saltwater tank batteries and would increase the size of the required dikes or firewalls to the larger of either 150% of the capacity of the largest tank in the tank battery or 150% of the volume of the largest vessel to be produced into the battery during a 24-hour period, whichever is larger. In addition, the proposed amendments require that dikes, firewalls or retaining walls surrounding these tanks and tank batteries be constructed of impermeable materials. Finally, these proposed amendments authorize oil and gas operators the option of installing automatic shutdown devices on these tanks and tank batteries to prevent leakage or

spillage from reaching a level within six (6) inches of the top of the surrounding firewall. It is the belief of the Mississippi State Oil & Gas Board that these additional construction and operating requirements will afford greater protection against the overflow or spillage of these oil and saltwater tanks and tank batteries onto the surrounding lands.

3. Briefly describe the effect the proposed action will have on the public health, safety, and welfare: The public health, safety and welfare will be enhanced by the approval of more stringent construction and operating requirements for the dikes, firewalls or retaining walls surrounding these oil tank and oil tank batteries and/or saltwater tank and saltwater tank batteries by further reducing the likelihood of spillage or overflow from these tanks or tank batteries as a result of overflows, ruptures or equipment malfunctions.
4. Estimated Cost of implementing proposed action:
 - a. To the agency
 Nothing Minimal Moderate Substantial Excessive
 - b. To other state or local government entities
 Nothing Minimal Moderate Substantial Excessive
5. Estimated Cost and/or economic benefit to all persons directly affected by the proposed rule:
 - c. Cost:
 Nothing Minimal Moderate Substantial Excessive
 - d. Economic Benefit:
 Nothing Minimal Moderate Substantial Excessive
6. Estimated impact on small businesses:
 Nothing Minimal Moderate Substantial Excessive
 - a. Estimate of the number of small businesses subject to the proposed regulation:
50-60
 - b. Projected costs for small businesses to comply: The estimated costs to oil and gas operators to comply with these additional construction and operating standards for dikes (firewalls) and retaining walls surrounding these tanks and tank batteries (including the installation of automatic shutdown devices) would probably be less than \$1,000.00. This relatively low expenditure is more than offset by the additional protection which will be afforded to surrounding landowners by further reducing the likelihood of crude oil or saltwater spills or discharges onto surrounding lands.
 - c. Statement of probable effect on impacted small businesses: The approval of the proposed amendments will ultimately benefit oil and gas operators by further reducing the likelihood of unauthorized spills and discharges of crude oil and saltwater from these tanks and tank batteries and the significant clean-up costs associated with such pollution incidents.
7. The cost of adopting the rule compared to not adopting the rule or significantly amending the existing rule (check option):
 substantially less than moderately less than minimally less than

- the same as X minimally more than moderately more than
 substantially more than excessively more than

8. The benefit of adopting the rule compared to not adopting the rule or significantly amending the existing rule (check option):

- substantially less than moderately less than minimally less than
 the same as minimally more than moderately more than
 X substantially more than excessively more than

B. Reasonable Alternative Methods

1. Other than adopting this rule, are there less costly or less intrusive methods for achieving the purpose of the proposed rule?
 yes X no
2. If yes, please briefly describe available, reasonable alternative(s) and the reasons for rejecting those alternatives in favor of the proposed rule. (Please see §25-43-4.104 for factors you must consider.) Not applicable

C. Data and Methodology

1. Please briefly describe the data and methodology you used in making the estimates required by this form. The estimates and conclusions set forth above are based upon the MSO&GB's extensive experience over the past approximately eighty (80) years in serving as Mississippi's oil and gas conservation agency. During that period this agency has permitted and regulated the day-to-day operations of thousands of oil and gas wells and related E&P facilities in this state.

D. Public Notice

1. Where, when, and how may someone present their views on the proposed rule and request an oral proceeding on the proposed rule if one is not already scheduled? The MSO&GB will conduct a public hearing in these rule-making proceedings commencing at 10:00 o'clock, A. M. on January 21, 2015, in the Hearing Room of the MSO&GB located at 500 Greymont Avenue, Suite E, Jackson, Mississippi. In addition, written comments and/or formal docket contests may be filed with the agency up until 5:00 o'clock, P. M. on Tuesday, January 13, 2015.

SIGNATURE 	TITLE Staff Attorney (MSO&GB)
DATE December 19, 2014	PROPOSED EFFECTIVE DATE OF RULE Statewide Rule 1.61 ("Firewalls")