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2 90th General Assembly  
3 Regular Session, 2015  
4

*As Engrossed: S1/21/15*

# A Bill

SENATE BILL 47

5 By: Senator B. Pierce  
6 By: Representatives Shepherd, Baine  
7

## For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW REGARDING BRINE PRODUCTION;  
10 TO AUTHORIZE THE ARKANSAS OIL AND GAS COMMISSION TO  
11 FORM BRINE EXPANSION UNITS CONTAINING ONE (1) OR MORE  
12 PRODUCTION WELLS OR BRINE INJECTION WELLS; TO PROTECT  
13 THE CORRELATIVE RIGHTS OF BRINE PRODUCTION OWNERS IN  
14 BRINE EXPANSION UNITS; TO CLARIFY THAT THE FORMULA TO  
15 MAKE THE ANNUAL ADJUSTMENT TO THE IN-LIEU ROYALTY  
16 PAYMENT FOR THE PRODUCTION OF BRINE SHALL BE BASED ON  
17 THE PRODUCER PRICE INDEX FOR PROCESSED GOODS FOR  
18 INTERMEDIATE DEMAND AS PUBLISHED BY THE UNITED STATES  
19 DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS; TO  
20 DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

## Subtitle

21  
22  
23 TO AUTHORIZE THE ARKANSAS OIL AND GAS  
24 COMMISSION TO FORM BRINE EXPANSION UNITS  
25 CONTAINING ONE OR MORE BRINE PRODUCTION  
26 WELLS OR BRINE INJECTION WELLS AND TO  
27 CLARIFY THE ANNUAL ADJUSTMENT OF IN-LIEU  
28 ROYALTY PAYMENTS.  
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31  
32 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
33

34 SECTION 1. Arkansas Code § 15-76-302 is amended to read as follows:

35 As used in this subchapter, ~~unless the context otherwise requires:~~

36 (1) "Aquifer" means any subsurface geological interval in which



1 brine may lie or from which brine is being produced and saved or sold for the  
2 primary purpose of extracting chemical substances contained ~~therein~~ in the  
3 subsurface geological interval;

4 (2)(A) "Brine" means salt water, whether contained in or removed  
5 from an aquifer, and all other chemical substances produced with or extracted  
6 from such salt water except for commercial production of oil and gas.

7 (B) "Brine" does not include brine produced as an incident  
8 to the production of oil and gas, unless the brine is saved or sold for the  
9 purpose of extracting the chemical substances ~~therein~~ in the brine, ~~shall not~~  
10 ~~be considered brine for purposes of this subchapter~~;

11 (3) "Brine expansion unit" means each separate composite area of  
12 land so designated by order of the Oil and Gas Commission as an expansion  
13 area adjacent to an existing brine production unit for the production of  
14 brine or the injection of effluent;

15 ~~(3)(4)~~ (4) "Brine production unit" ~~or "unit"~~ means each separate  
16 composite area of land so designated by order of the commission for the  
17 production of brine and the injection of effluent;

18 ~~(4)(5)~~ (5) "Commission" means the Oil and Gas Commission;

19 ~~(5)(6)~~ (6) "Director" means the Director of Production and  
20 Conservation of the commission;

21 ~~(6)(7)~~ (7) "Effluent" means the liquid remaining after extraction  
22 of any chemical substances from brine and any other material or chemicals in  
23 solution therein or associated therewith;

24 ~~(7)(8)~~ (8) "Injection well" means a well utilized for injecting  
25 effluent or other substances into an aquifer for disposal purposes;

26 ~~(8)(9)~~ (9) "Just and equitable share of brine" of an owner in:

27 (A) ~~a developed unit~~ A brine production unit or brine  
28 expansion unit containing one (1) or more production wells is that part of  
29 the actual production of brine from the unit which is in the same proportion  
30 to the total production of brine from the unit as the interest of the owner  
31 in the brine of the unit expressed in surface acres is to the total surface  
32 acreage of the unit; and

33 (B) A brine expansion unit containing only one (1) or more  
34 injection wells is that part of the average production of brine from all  
35 production wells in the adjacent brine production unit that is in the same  
36 proportion to the average production as the interest of the owner in the

1 brine of the brine expansion unit expressed in surface acres is to the total  
2 surface acreage of the brine expansion unit;

3 ~~(9)~~(10) "Owner" means the person who has the right to drill  
4 into and to produce brine from an aquifer and to appropriate the production  
5 either for himself or for himself and another or others;

6 ~~(10)~~(11) "Person" means any natural person, corporation,  
7 association, partnership, receiver, trustee, guardian, executor,  
8 administrator, fiduciary, or representative of any kind;

9 ~~(11)~~(12) "Producer" means the owner of an existing well or wells  
10 capable of producing brine, as well as any owner or owners who are capable  
11 and willing to incur the capital investment required for purposes of  
12 drilling, completing, and equipping the proposed well or wells within any  
13 *existing or proposed brine production unit; and*

14 (13) "Unit" means a brine production unit or a brine expansion  
15 unit; and

16 ~~(12)~~(14) "Waste" in addition to its ordinary meaning shall  
17 include:

18 (A) Inefficient, excessive, or improper use or  
19 dissipation of energy or alteration of fluid levels contained within an  
20 aquifer; and the location, spacing, drilling, or operating of any producing  
21 or injection well or wells in a manner which results in a significant  
22 reduction in the economic recoverability of brine from an aquifer or the  
23 chemical substances contained therein;

24 (B) Abuse of the correlative rights and opportunities of  
25 each owner of brine in an aquifer due to nonuniform and disproportionate  
26 withdrawals causing undue drainage between units;

27 (C) Injecting effluent or other wastes in a manner as to  
28 cause unnecessary water channeling or undue forced migration of brine between  
29 units;

30 (D) The undue drowning with effluent of any stratum or  
31 part thereof of a stratum containing commercial quantities of oil or gas; or

32 (E) The employment of any practice with respect to brine  
33 in an aquifer which results or tends to result in a significant reduction in  
34 the economic recoverability of ~~such~~ the brine or the chemical substances  
35 contained ~~therein~~ in the brine.

36

1 SECTION 2. Arkansas Code § 15-76-306(c), concerning the authority of  
2 the Oil and Gas Commission to regulate brine production is amended to read as  
3 follows:

4 (c) The commission shall have the authority to make, after hearing and  
5 notice as provided in this section, such reasonable rules, regulations, and  
6 orders as may be necessary from time to time in the proper administration and  
7 enforcement of this subchapter, including rules, regulations, or orders for  
8 the following purposes:

9 (1) To form brine production units and brine expansion units;

10 (2) To require the drilling, casing, and plugging of wells to be  
11 done in such a manner as to prevent the escape of brine and effluent from one  
12 stratum to another, to prevent the pollution of fresh water supplies by brine  
13 and effluent, and to require reasonable financial assurance acceptable to the  
14 commission conditioned for the performance of the duty to plug each dry hole  
15 or abandoned well;

16 (3) To require the making of reports showing the location of  
17 brine wells utilized for production and of injection wells used for disposal  
18 and the filing of logs and drilling records for those wells;

19 (4) To require the return of the brine to the same formation  
20 from which it was produced unless the commission authorizes the disposal of  
21 effluent into one (1) or more other formations upon finding that neither  
22 underground damage nor waste results ~~therefrom~~ from the disposal;

23 (5) To prevent the drowning by brine and effluent of any stratum  
24 or part ~~thereof~~ of a stratum capable of producing oil or gas in paying  
25 quantities;

26 (6) To prevent “blowouts”, “caving”, and “seepage” in the sense  
27 that conditions indicated by these terms are generally understood;

28 (7) To identify the ownership of all wells utilized for  
29 producing brine and of all injection wells and all pipelines, plants, ponds,  
30 structures, and storage facilities;

31 (8) To regulate the “shooting”, perforating, and chemical  
32 treatment of wells;

33 (9) To regulate the introduction or injection of effluent and  
34 other substances into an aquifer;

35 (10)(A) To regulate the spacing of wells for the production of  
36 brine and injection wells for the introduction of effluent into an aquifer.

1 (B) However, the commission shall have no authority to  
2 allow wells or other installations on the surface of lands without the  
3 consent of the surface owner;

4 (11) To formulate rules and regulations for the proper  
5 transportation of brine from the producing wells to the plant and from the  
6 plant to the injection wells and for the maintenance and surveillance of the  
7 transportation facilities; and

8 (12) To prevent, so far as is practical, reasonably avoidable  
9 drainage between brine production units and brine expansion units.

10  
11 SECTION 3. Arkansas Code § 15-76-308 is amended to read as follows:  
12 15-76-308. Formation of brine production units.

13 (a)(1) All producers, as defined in § 15-76-302, may make application  
14 to the Oil and Gas Commission for the establishment of brine production units  
15 and brine expansion units.

16 (2) Each application shall be scheduled for public hearing by  
17 the commission to be held no later than the next regularly scheduled hearing  
18 of the commission that will afford proper notice to be given.

19 (b) A Unless a smaller area is requested by a petitioner and  
20 established by order of the commission, a brine production unit or a brine  
21 expansion unit established by order of the commission ~~hereunder~~ shall  
22 comprise no fewer than one thousand two hundred eighty (1,280) contiguous  
23 surface acres which are reasonably established to be underlain by a common  
24 aquifer.

25 (c)(1) A proposed brine production unit shall be approved by the  
26 commission if the existing or proposed plan of development is such as to  
27 drain efficiently the area of the unit and to protect the correlative rights  
28 of each owner therein.

29 (2) Each brine production unit as created by the commission  
30 ~~hereunder~~ under this subchapter shall constitute a brine production unit as  
31 long as a producing well is located therein which is capable of producing  
32 brine in paying quantities.

33 (d)(1) A proposed brine expansion unit shall be approved by the  
34 commission as a stand-alone brine expansion unit if the existing or proposed  
35 plan of development establishes that the operation of an existing brine  
36 production unit can be expanded, enhanced, or made more efficient by the

1 placement of one (1) or more production wells or brine injection wells in an  
 2 expanded area immediately adjacent to the existing brine production unit, if  
 3 the plan of development is such as to:

4 (A) Drain efficiently the area of the brine expansion  
 5 unit; and

6 (B) Protect the correlative rights of each owner of the  
 7 brine expansion unit.

8 (2) Each brine expansion unit as created by the commission under  
 9 this subchapter shall constitute a unit as long as a producing well is  
 10 located within:

11 (A) The brine expansion unit; or

12 (B) The adjacent brine production unit that is capable of  
 13 producing brine in paying quantities.

14  
 15 SECTION 4. Arkansas Code § 15-76-309, concerning the formation of  
 16 brine units is amended to read as follows:

17 *15-76-309. Petition for formation of a brine production unit or a*  
 18 *brine expansion unit.*

19 ~~(a)~~ A petition for formation of a brine production unit or a brine  
 20 expansion unit may be filed by a producer and shall contain the following:

21 (1) A description of the proposed brine production unit or brine  
 22 expansion unit;

23 (2) A statement of the plan of development and operation ~~thereof~~  
 24 of the brine production unit or brine expansion unit;

25 (3) All geological and engineering data necessary for the Oil  
 26 and Gas Commission to be fully advised of the feasibility of the proposed  
 27 plan;

28 (4) A statement detailing all costs and expenses chargeable to  
 29 the proposed brine production unit or a brine expansion unit and a statement  
 30 of all credits due against costs and expenses;

31 (5) A plat of ~~such~~ each proposed brine production unit or brine  
 32 expansion unit which indicates the tracts or parcels of land included ~~therein~~  
 33 in the plat and the location of ~~all wells~~ each well then located within the  
 34 proposed unit for ~~both~~ the production of brine and the injection or disposal  
 35 of effluent and the proposed location of each well that is proposed to be  
 36 drilled for ~~both~~ production and injection or disposal purposes;

1 (6) A list of owners within the unit, including the brine,  
2 interest and last known address of each such owner; and

3 (7)(A) A statement that the petitioner has valid and subsisting  
4 leases or otherwise owns or controls the right to produce brine from not less  
5 than seventy-five percent (75%) of the entire area of the proposed brine  
6 production unit or brine expansion unit.

7 (B) The petitioner may not combine its leases or other  
8 rights to produce brine, relative to an ~~existing~~ adjacent brine production  
9 unit or brine expansion unit, with leases or other rights to produce brine  
10 necessary to achieve the seventy-five percent (75%) lease requirement to form  
11 a separate ~~unit adjacent to the existing~~ brine production unit or brine  
12 expansion unit.

13  
14 SECTION 5. Arkansas Code § 15-76-311 is amended to read as follows:

15 15-76-311. Contents of order.

16 The order requiring the operation of an area as a brine production unit  
17 or a brine expansion unit shall include:

18 (1) A description of the area included within such a brine  
19 production unit or a brine expansion unit;

20 (2) The surface area of each tract in the proposed unit;

21 (3) A provision for any credits and charges to be made in the  
22 adjustment among the owners in the unit for their allocated costs of the  
23 total investment in ~~wells~~ each well within the unit, ~~both for production and~~  
24 ~~injection or disposal purposes~~, pipelines, pumps, machinery, materials, and  
25 equipment required by ~~such~~ the brine operation;

26 (4) A statement of the tangible and intangible expenses of the  
27 development and operation of the unit, including capital investments required  
28 in the development and operation ~~thereof~~ of the brine production unit or the  
29 brine expansion unit, exclusive of the plant of the producer, to be charged  
30 to each ~~tract~~ owner in the unit in the same proportion ~~that the tract shares~~  
31 as the owner's net material interest in ~~the~~ brine production from ~~such~~ the  
32 brine production unit or the brine expansion unit;

33 (5) The time and manner in which all owners in the unit who may  
34 desire to pay their share of the costs outlined in subdivision (4) of this  
35 section and participate in the operations of the unit may elect to do so;

36 (6)(A) The time at which the unit operation shall commence and

1 the approval by the Oil and Gas Commission of the plan of development and  
2 operation of the unit, including, but not limited to, the number and proposed  
3 location of ~~wells~~ each well to be drilled within such unit for ~~both~~  
4 production and injection or disposal purposes and the approximate date upon  
5 which the proposed plan of development is to be commenced and completed.

6 (B) However, the commission shall have no authority to  
7 allow wells or other installations on the surface of lands without the  
8 consent of the surface owner;

9 (7) The name of the operator who shall drill, complete, or  
10 operate the well or wells within the unit; and

11 (8) Those additional provisions which are consistent with this  
12 subchapter and which the commission determines to be appropriate for the  
13 prevention of waste and the protection of correlative rights.

14  
15 SECTION 6. Arkansas Code § 15-76-314 is amended to read as follows:  
16 15-76-314. Participation by owners and royalties.

17 (a)(1) Upon the establishment of a unit, each owner of an unleased  
18 interest ~~therein~~ in the unit shall elect within sixty (60) days from the  
19 effective date of the order establishing ~~such~~ the unit either to participate  
20 affirmatively in the operation of the unit and the production of brine  
21 ~~therefrom~~ or to transfer his or her interest in the brine to the  
22 participating producers thereof upon such terms as are ~~hereinafter~~  
23 in this section.

24 (2) The election shall be made in writing to the operator as  
25 otherwise provided in the order establishing the unit, provided that, if no  
26 such written election is made within the sixty (60) days, the nonelecting  
27 owner shall be deemed to have transferred ~~his or her~~ the nonelecting owner's  
28 interest to the operator as provided ~~herein~~ in this section.

29 (b) If an owner of an unleased interest elects to participate, ~~he or~~  
30 ~~she~~ the owner shall pay the owner's share of the costs set forth in § 15-76-  
31 311 and agree to pay the owner's share of the additional costs to be incurred  
32 in the drilling, equipping, and operating of each completed well within the  
33 unit.

34 (c) A participating owner in a brine production unit shall have the  
35 option, which shall be exercised at the time of the election to participate,  
36 either to:



1           (1) ~~Take his or her~~ the participating owner's just and equitable  
2 share of the brine produced from the unit in kind and, if required by the Oil  
3 and Gas Commission, return it, after ~~his or her~~ the participating owner's  
4 use, to disposal wells within the unit; or

5           (2) Receive the value of ~~his or her~~ the participating owner's  
6 just and equitable share of the brine produced from the unit.

7           (d) A participating owner in a brine expansion unit containing one (1)  
8 or more production wells shall have the option, which shall be exercised at  
9 the time of the election to participate, either to:

10           (1) Take the participating owner's just and equitable share of  
11 brine produced from the brine expansion unit in kind and, if required by the  
12 commission, return it, after the participating owner's use, to injection  
13 wells within the brine expansion unit or injection wells within the adjacent  
14 brine production unit; or

15           (2) Receive the value of the participating owner's just and  
16 equitable share of the brine produced from the participating owner's unit.

17           (e) A participating owner in a brine expansion unit containing only  
18 one (1) or more injection wells shall have the option, which shall be  
19 exercised at the time of the election to participate, either to:

20           (1)(A) Take in kind the participating owner's just and equitable  
21 share of brine produced from a production well of his or her choice in the  
22 adjacent brine production unit.

23           (B) However, the commission may require the participating  
24 owner to return the brine, after the participating owner's use, to injection  
25 wells within the adjacent brine production unit or injection wells within the  
26 brine expansion unit; or

27           (2) Receive the equivalent value of the participating owner's  
28 just and equitable share of brine based on the average production of brine  
29 from all production wells in the adjacent brine production unit.

30           ~~(e)(f)(1)~~ If, at any time or for any reason, an owner who has elected  
31 to participate defaults in any payments due and owing to the operator or by  
32 written notice manifests his or her intention to withdraw from active  
33 participation, the owner shall be deemed to have transferred all of his or  
34 her interests and rights in the unit to the operator for a reasonable  
35 consideration and on a reasonable basis which, in the absence of agreement  
36 between the parties, shall be determined by the commission, ~~who~~ that, in

1 addition to the other consideration granted to the operator, shall assess a  
2 penalty against the owner.

3 (2) The transfer may be either a permanent transfer or may be  
4 for a limited period pending recoupment by the operator out of the share of  
5 production attributable to the interest so transferred of an amount equal to  
6 those costs that would have been borne by the transferring party had he or  
7 she continued to participate in the operations conducted pursuant to the plan  
8 of development plus an additional sum to be fixed by the commission.

9 ~~(d)~~(g)(1) If an owner elects not to participate affirmatively in the  
10 development of the unit and the production of ~~the~~ brine, he or she shall be  
11 deemed to have transferred his or her right to produce brine to the operator  
12 for the period of time for which the unit is operative for a reasonable  
13 consideration and on a reasonable basis which, in the absence of agreement  
14 between the parties, shall be determined by the commission.

15 (2) Any transfer, the terms of which are established by the  
16 commission, shall be either a permanent transfer or a transfer for a limited  
17 period pending recoupment by the operator, from the nonparticipating owner's  
18 just and equitable share of ~~the brine produced from the unit~~ brine  
19 production, of an amount equal to those costs which the nonparticipating  
20 owner would have borne had he or she elected to participate affirmatively in  
21 the development of the unit and the production of brine ~~therefrom~~ plus an  
22 additional amount assessed as a risk factor by the commission.

23 ~~(e)~~(h) Each owner of an unleased interest in a brine production unit  
24 shall be deemed to be the owner of a royalty interest equal to one-eighth  
25 (1/8) of the value of his or her just and equitable share of the brine  
26 produced from the unit, and the royalty interest shall not be chargeable with  
27 any of the costs of the development and operation of the unit.

28 (i) Each owner of an unleased interest in a brine expansion unit  
29 containing one (1) or more production wells shall be deemed to be the owner  
30 of a royalty interest equal to one eighth (1/8) of the value of the owner's  
31 just and equitable share of the brine produced from the brine expansion unit,  
32 and the royalty interest shall not be chargeable with any of the costs of the  
33 development and operation of the brine expansion unit.

34 (j) Each owner of an unleased interest in a brine expansion unit  
35 containing only one (1) or more injection wells shall be deemed to be the  
36 owner of a royalty interest equal to one eighth (1/8) of the value of the

1 owner's just and equitable share of brine based on the average production of  
 2 brine from all production wells in the adjacent brine production unit, and  
 3 the royalty interest shall not be chargeable with any of the costs of the  
 4 development and operation of the brine expansion unit.

5 ~~(f)~~(k) The provisions of this section shall not alter, modify, or  
 6 otherwise amend the terms of any lease or agreement with respect to payments  
 7 of royalty or in lieu of royalty in force and effect as of July 20, 1979, or  
 8 which may be executed after that date.

9  
 10 SECTION 7. Arkansas Code § 15-76-315(a)(3), concerning the valuation  
 11 of brine, is amended to read as follows:

12 (3) However, no valuation of brine or any other alternate method  
 13 of computing royalty or in lieu of royalty shall ever result in compensation  
 14 which is less than thirty-two dollars (\$32.00) per acre per year, as  
 15 increased or decreased annually based on changes in the Producer Price Index  
 16 for ~~Intermediate Materials, Supplies and Components~~ Processed goods for  
 17 intermediate demand published by the United States Department of Labor,  
 18 Bureau of Labor Statistics, or its successor.

19  
 20 SECTION 8. Arkansas Code § 15-76-315(a)(4)(C), concerning the  
 21 valuation of brine, is amended to read as follows:

22 (C) The formula to make the adjustment is as follows:  
 23 New in-lieu royalty payment = Base in-lieu royalty payment multiplied times A  
 24 divided by B

25 Where:

26 (i) Base in-lieu royalty payment = \$32.00 per acre;  
 27 (ii)(a) A = Index for the month of December prior to  
 28 the year the adjustment is made, as increased or decreased annually.

29 (b) The index is the Producer Price Index for  
 30 ~~Intermediate Materials, Supplies and Components~~ Processed Goods for  
 31 Intermediate Demand as published by the United States Department of Labor,  
 32 Bureau of Labor Statistics, in Producer Price Indexes, Table 2 for ~~selected~~  
 33 ~~commodity groupings~~ intermediate demand by commodity type; and

34 (iii) B = The March, 1995, Producer Price Index for  
 35 Intermediate Materials, Supplies and Components as published by the United  
 36 States Department of Labor, Bureau of Labor Statistics, in Producer Price

1 Indexes, Table 2 for selected commodity groupings.

2

3 SECTION 9. Arkansas Code § 15-76-315(b)(2)(A), concerning the  
4 valuation of brine, is amended to read as follows:

5 (2)(A) If there are no sales or purchases of brine for two (2) or more  
6 consecutive years, the value of brine for each consecutive year after the  
7 first year in which there are no such sales shall be the value initially  
8 determined ~~above~~ in subdivision (b)(1) of this section, increased or  
9 decreased annually using the Producer Price Index for ~~Intermediate Materials,  
10 Supplies and Components~~ Processed goods for intermediate demand published by  
11 the United States Department of Labor, Bureau of Labor Statistics, in  
12 Producer Price Indexes, Table 2 for ~~selected commodity groupings~~ intermediate  
13 demand by commodity type.

14

15 SECTION 10. Arkansas Code § 15-76-315(b)(3), concerning the valuation  
16 of brine, is amended to read as follows:

17 (3) For purposes of calculating the value of the royalty interest  
18 under § ~~15-76-314(e)~~ 15-76-314(h), the value of brine as initially determined  
19 and as increased or decreased under this subsection shall not be less than  
20 the value of brine as initially determined under this subsection by utilizing  
21 an average annual lease compensation or payment in lieu of royalty equivalent  
22 to thirty-two dollars (\$32.00) per acre.

23

24 SECTION 11. Arkansas Code § 15-76-316 is amended to read as follows:  
25 15-76-316. Production from tracts within unit.

26 The portion of ~~the~~ brine produced from ~~the~~ a unit created under this  
27 subchapter and allocated to any particular tract shall be deemed, for all  
28 purposes, to have been actually produced from that tract, and operations for  
29 the production of brine from any part of the unit conducted pursuant to the  
30 order of the Oil and Gas Commission shall be deemed for all purposes to be  
31 operations for the production of brine from each separate tract in the  
32 integrated area of the unit.

33

34 SECTION 12. Arkansas Code § 15-76-317 is amended to read as follows:  
35 15-76-317. Liability for unit expenses.

36 (a) The liability of each owner in a unit for the payment of unit

1 expenses shall at all times be several and not joint or collective.

2 (b) In no event shall an owner in a unit be chargeable with, directly  
3 or indirectly, more than the amount charged to his or her interests in such  
4 unit pursuant to the order of the Oil and Gas Commission requiring the  
5 operation of the area as a brine production unit or brine expansion unit.

6  
7 SECTION 13. Arkansas Code § 15-76-320 is amended to read as follows:  
8 15-76-320. Antitrust.

9 The formation of a brine production unit or brine expansion unit as  
10 provided in this subchapter and the operation of the unit under order of the  
11 Oil and Gas Commission shall not be a violation of any statute of this state  
12 relating to trusts, monopolies, contracts, or combinations in restraint of  
13 trade.

14  
15 SECTION 14. EMERGENCY CLAUSE. It is found and determined by the  
16 General Assembly of the State of Arkansas that the brine production industry  
17 faces imminent financial constraints; that the creation of brine expansion  
18 units will mitigate the expected impact of those constraints; and that this  
19 act is immediately necessary because production of brine will suffer each day  
20 that brine expansion units are not available. Therefore, an emergency is  
21 declared to exist, and this act being immediately necessary for the  
22 preservation of the public peace, health, and safety shall become effective  
23 on:

24 (1) The date of its approval by the Governor;

25 (2) If the bill is neither approved nor vetoed by the Governor,  
26 the expiration of the period of time during which the Governor may veto the  
27 bill; or

28 (3) If the bill is vetoed by the Governor and the veto is  
29 overridden, the date the last house overrides the veto.

30  
31 /s/B. Pierce  
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