

353.520 Territorial application of KRS 353.500 to 353.720 -- Waste of oil and gas prohibited.

- (1) KRS 353.500 to 353.720 shall apply to all lands located in the Commonwealth, however owned, including any lands owned or administered by any government or any agency or political subdivision thereof, over which the Commonwealth has jurisdiction under its police power.
- (2) The waste of oil and gas is hereby prohibited. The waste prohibited includes physical waste as that term is generally understood in the oil and gas industry and includes:
 - (a) The locating, drilling, equipping, operating or producing of any oil or gas well, or wells drilled, deepened, or reopened in a manner that causes, or tends to cause, a reduction in the quantity of oil or gas ultimately recoverable from a pool under prudent and proper operations, or contrary to any provision of, or any order, rule or regulation promulgated or issued under KRS 353.500 to 353.720;
 - (b) Permitting the migration of oil, gas or water from the stratum in which it is found into other strata, thereby ultimately resulting in the loss of recoverable oil or gas, or both;
 - (c) The drowning with water of any stratum or part thereof capable of producing oil or gas in paying quantities, except for secondary recovery purposes, or in hydraulic fracturing or other completion practices;
 - (d) The unreasonable damage to underground, fresh or mineral water supply, workable coal seams, or other mineral deposits in the operations for the discovery, development, production or handling of oil and gas;
 - (e) The unnecessary or excessive loss of oil and gas by spillage or venting or destruction of oil or gas or their constituents; and
 - (f) The drilling of more wells than are reasonably required to recover efficiently the maximum amount of oil and gas from a pool.
- (3) The production of oil or gas from any well in any pool unless a permit has been issued as required by KRS 353.500 to 353.720, or in violation of the spacing provisions of KRS 353.500 to 353.720, is prohibited; except that this subsection shall not prohibit the continuation of production of oil or gas from a well producing oil or gas on June 16, 1960.

Effective: June 24, 2003

History: Amended 2003 Ky. Acts ch. 150, sec. 8, effective June 24, 2003. -- Amended 1974 Ky. Acts ch. 45, sec. 2. -- Created 1960 Ky. Acts ch. 103, sec. 3, effective June 16, 1960.