

45M. As used in this sub-title, unless the context otherwise requires:

(a) "Waste" means and includes (1) physical waste, as that term is generally understood in the oil and gas industry; (2) the inefficient, excessive, or improper use of, or the unnecessary dissipation of reservoir energy, except that formation pressure decline resulting from delivery of gas or oil to a bona fide market shall not be termed, or adjudged as inefficient, excessive, or improper use of or the unnecessary dissipation of reservoir energy; (3) the locating, 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, except that wells classified as gas wells shall not be deemed to reduce the ultimate recovery of oil when gas is marketed to a bona fide market, or which causes or tends to cause unnecessary or excessive surface loss or destruction of oil or gas; (4) the inefficient storing of oil.

(b) "Department" means the Department of Geology, Mines and Water Resources.

(c) "Person" means and includes any natural person, corporation, association, partnership, receiver, trustee, executor, administrator, guardian, fiduciary or other representative of any kind and includes any department, agency or instrumentality of the State or of any governmental sub-division thereof; the masculine gender, in referring to a person, includes the feminine and the neuter genders.

(d) "Oil" means and includes crude petroleum oil and other hydrocarbons regardless of gravity which are produced at the wellhead in liquid form except liquid hydrocarbons known as distillate or condensate recovered or extracted from gas.

(e) "Gas" means and includes all natural gas and all other fluid hydrocarbons not hereinabove defined as oil that are produced from a natural reservoir.

(f) "Pool" means an underground reservoir containing a common accumulation of oil or gas or both; a zone is a specified geological interval of formation or formations of a structure which is completely separated from any other zone in the same structure defined by the Department; each defined zone is a pool, as that term is used in this sub-title.