

IN FORCE, TO ACCOMPLISH WITHIN REASONABLE LIMITS THE PREVENTION OF:

(A) THE OPERATION OF ANY OIL WELL WITH AN INEFFICIENT GAS-OIL RATIO.

(B) 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 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 OF 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