

1 AN ACT relating to natural resources.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 350.600 is amended to read as follows:

- 4 (1) The General Assembly finds that~~[there has been a]~~ recent interest in~~[the~~  
5 ~~Commonwealth in the]~~ mining and processing of oil shale ***in the Commonwealth is***  
6 due to the critical need for fossil fuel~~[which has developed in this country]~~. The  
7 General Assembly further finds that the development of this fossil fuel could be of  
8 significant long-range benefit to the Commonwealth and to the United States of  
9 America; ***however,***~~[but that]~~ the unregulated extraction and processing of oil shale  
10 within the Commonwealth could cause soil erosion, water pollution, and the  
11 destruction of aesthetic and agricultural values. The General Assembly further finds  
12 that, in order to effectively regulate the extraction and processing of oil shale, the  
13 Energy and Environment Cabinet shall conduct extensive research concerning the  
14 process, waste production, and potentially adverse environmental impacts of such  
15 recovery operations.
- 16 (2) It is the intent of the General Assembly to provide ***for the***~~[such]~~ regulation and  
17 control of~~[the]~~ mining ***activity*** and ***the*** processing of oil shale~~[as]~~ to minimize and  
18 prevent its adverse effects on the citizens and the environment of the  
19 Commonwealth. The General Assembly further finds that the Energy and  
20 Environment Cabinet is the most competent agency to regulate the extraction and  
21 processing of oil shale due to its expertise in the handling of the surface mining of  
22 other minerals and in the regulation of other sources of air and water pollution.
- 23 (3) The Energy and Environment Cabinet shall file with the ***administrative*** regulations  
24 compiler reasonable rules and ***administrative*** regulations ***in accordance with KRS***  
25 ***Chapter 13A*** pertaining to oil shale mining operations, which shall include strip  
26 mining as defined by KRS 350.010, the surface effects of underground mining of  
27 oil shale, and the in situ mining of oil shale by June 30, 1981. No person shall

1 engage in the commercial mining or processing of oil shale until such time as the  
2 cabinet promulgates rules and administrative regulations in accordance with KRS  
3 Chapter 13A to provide standards for such mining.

4 (4) In promulgating administrative regulations pursuant to subsection (3) of this  
5 section, the secretary shall make written finding that the administrative regulations  
6 promulgated are based on sound scientific and engineering data and are reasonably  
7 necessary to protect the people and environment of the Commonwealth from the  
8 adverse effects of oil shale extraction. The secretary shall promulgate  
9 administrative regulations consistent with existing standards for land, water, and air  
10 protection. The secretary may conduct a public hearing on the subject of the  
11 cabinet's administrative regulation of the extraction and processing of oil shale for  
12 the purpose of collecting data and receiving public comments on this issue. The  
13 hearing will be held at a time and place to be determined by the secretary in  
14 accordance with the policy of the cabinet.

15 (5) Prior to the adoption of the administrative regulations required by this section, any  
16 person may conduct core drilling, experimentation, removal of samples, or a pilot  
17 and demonstration project which involves the mining of not more than five (5)  
18 acres for the production of oil shale in any one (1) county. ~~[Such]~~ Core drilling,  
19 experimentation, removal of samples, or pilot and demonstration project involving  
20 the mining of not more than five (5) acres for the production of oil shale in any one  
21 (1) county shall not be initiated until written notification of the intent to perform  
22 such operations shall be filed at least fifteen (15) days prior to commencement of  
23 such projects by registered mail by the mine operator with the secretary of the  
24 Energy and Environment Cabinet of the Commonwealth of Kentucky and with the  
25 person(s) holding title to the surface of the land to be utilized for the~~[such]~~  
26 operations.

27 (6) The secretary of the Energy and Environment Cabinet of the Commonwealth of

1           Kentucky shall be granted the right to monitor such core drilling, experimentation,  
2           removal of samples, or pilot and demonstration project as it may deem necessary  
3           for the purpose of establishing sound and reasonable scientific and engineering data  
4           upon which rules and regulations pertaining to oil shale mining operations in the  
5           Commonwealth of Kentucky can be based.