

ARTICLE 8. TRANSPORTATION OF OILS.

§22-8-1. Scope of article.

Every person, corporation or company now engaged, or which shall hereafter engage, in the business of transporting or storing petroleum, by means of pipeline or lines or storage by tanks, shall be subject to the provisions of this article and shall conduct such business in conformity herewith: Provided, That the provisions of this article shall be subject to all federal laws regulating interstate commerce on the same subject.

§22-8-2. Duty of pipeline companies to accept and transport oil.

Any company heretofore or hereafter organized for the purpose of transporting petroleum or other oils or liquids by means of pipeline or lines shall be required to accept all petroleum offered to it in merchantable order in quantities of not less than two thousand gallons at the wells where the same is produced, making at its own expense all necessary connections with the tanks or receptacles containing such petroleum, and to transport and deliver the same at any delivery station, within or without the state, on the route of its line of pipes, which may be designated by the owners of the petroleum so offered.

§22-8-3. Oil of 35 degrees Baume at 60 degrees Fahrenheit; inspection, grading and measurement; receipt; deduction for waste.

All petroleum of a gravity of thirty-five degrees Baume or under, at a temperature of sixty degrees Fahrenheit, offered for transportation by means of pipeline or lines, shall, before the same is transported, as provided by section two of this article, be inspected, graded and measured at the expense of the pipeline company, and the company accepting the same for transportation shall give to the owner thereof a receipt stating therein the number of barrels or gallons so received, and the grade, gravity and measurement thereof, and within a reasonable time thereafter, upon demand of the owner or the owner's assigns, shall deliver to the owner or the owner's assigns at the point of delivery a like quantity and grade or gravity of petroleum in merchantable condition as specified in such receipt; except that the company may deduct for waste one percent of the amount of petroleum specified in such receipt.

§22-8-4. Oil over 35 degrees Baume at 60 degrees Fahrenheit; inspection and measurement; loss.

All petroleum of a gravity exceeding thirty-five degrees Baume, at a temperature of sixty degrees Fahrenheit, offered for transportation by means of pipeline or lines, shall be inspected and measured at the expense

of the company transporting the same, before the same is transported. The company accepting the same for transportation shall give to the owner thereof, or to the person in charge of the well or wells from which such petroleum has been produced and run, a ticket signed by its gauger, stating the number of feet and inches of petroleum which were in the tank or receptacle containing the same before the company began to run the contents from such tank, and the number of feet and inches of petroleum which remained in the tank after such run was completed. All deductions made for water, sediment or the like shall be made at the time such petroleum is measured. Within a reasonable time thereafter the company shall, upon demand, deliver from the petroleum in its custody to the owner thereof, or to the owner's assignee, at such delivery station on the route of its line of pipes as the owner or the owner's assignee may elect, a quantity of merchantable petroleum, equal to the quantity of petroleum run from such tank, or receptacle, which shall be ascertained by computation; except that the company transporting such petroleum may deduct for evaporation and waste two percent of the amount of petroleum so run, as shown by such run ticket, and except that in case of loss of any petroleum while in the custody of the company caused by fire, lightning, storm or other like unavoidable cause, such loss shall be borne pro rata by all the owners of such petroleum at the time thereof. But the company shall be liable for all petroleum that is lost while in its custody by the bursting of pipes or tanks, or by leakage from pipes or tanks; and it shall also be liable for all petroleum lost from tanks at the wells produced before the same has been received for transportation, if such loss be due to faulty connections made to such tanks; and the company shall be liable for all petroleum lost by the overflow of any tanks with which pipeline connections have been made, if such overflow be due to the negligence of such company, and for all the petroleum lost by the overflow of any tanks with which pipeline connections should have been made under the provisions of this article, but were not so made by reason of negligence or delay on the part of the company.

§22-8-5. Lien for charges.

Any company engaged in transporting or storing petroleum shall have a lien upon such petroleum until all charges for transporting and storing the same are paid.

§22-8-6. Accepted orders and certificates for oil -- Negotiability.

Accepted orders and certificates for petroleum, issued by any company engaged in the business of transporting and storing petroleum in this state by means of pipeline or lines and tanks, shall be negotiable, and may be transferred by indorsement either in blank or to the order of another, and any person to whom such accepted orders and certificates shall be so transferred shall be deemed and taken to be the owner of the petroleum therein specified.

§22-8-7. Same -- Further provisions.

No receipt, certificate, accepted order or other voucher shall be issued or put in circulation, nor shall any order be accepted or liability incurred for the delivery of any petroleum, crude or refined, unless the amount of such petroleum represented in or by such receipt, certificate, accepted order, or other voucher or liability, shall have been actually received by and shall then be in the tanks and lines, custody and control of the company issuing or putting in circulation such receipt, certificate, accepted order or voucher, or written evidence of liability. No duplicate receipt, certificate, accepted order or other voucher shall be issued or put in circulation, or any liability incurred for any petroleum, crude or refined, while any former liability remains in force, or any former receipt, certificate, accepted order or other voucher shall be outstanding and uncanceled, except such original papers shall have been lost, in which case a duplicate, plainly marked "duplicate" upon the face, and dated and numbered as the lost original was dated and numbered, may be issued. No receipt, voucher, accepted order, certificate or written evidence of liability of such company on which petroleum, crude or refined, has been delivered, shall be reissued, used or put in circulation. No petroleum, crude or refined, for which a receipt, voucher, accepted order, certificate or liability incurred, shall have been issued or put in circulation, shall be delivered, except upon the surrender of the receipt, voucher, order or liability representing such petroleum, except upon affidavit of loss of such instrument made by the former holder thereof. No duplicate receipt, certificate, voucher, accepted order or other evidence of liability, shall be made, issued or put in circulation until after notice of the loss of the original, and of the intention to apply for a duplicate thereof, shall have been given by advertisement over the signature of the owner thereof as a Class II legal advertisement in compliance with the provisions of article three, chapter fifty-nine of this code, and the publication area for such publication shall be the county where such duplicate is to be issued. Every receipt, voucher, accepted order, certificate or evidence of liability, when surrendered or the petroleum represented thereby delivered, shall be immediately canceled by stamping and punching the same across the face in large and legible letters with the word "canceled," and giving the date of such cancellation; and it shall then be filed and preserved in the principal office of such company for a period of six years.

§22-8-8. Dealing in oil without consent of owner.

No company, its officers or agents, or any person or persons engaged in the transportation or storage of petroleum, crude or refined, shall sell or encumber, ship, transfer, or in any manner remove or procure, or permit to be sold, encumbered, shipped, transferred, or in any manner removed from the tanks or pipes of such company engaged in the business aforesaid, any petroleum, crude or refined, without the written order of the owner or a majority of the owners in interest thereof.

§22-8-9. Monthly statements.

Every company now or hereafter engaged in the business of transporting by pipelines or storing crude or refined petroleum in this state shall, on or before the tenth day of each month, make or cause to be made and posted in its principal business office in this state, in an accessible and convenient place for the examination thereof by any person desiring such examination, and shall keep so posted continuously until the next succeeding statement is so posted, a statement plainly written or printed, signed by the officer, agent, person or persons having charge of the pipes and tanks of such company, and also by the officer or officers, person or persons, having charge of the books and accounts thereof, which statement shall show in legible and intelligible form the following details of the business: (a) How much petroleum, crude or refined, was in the actual and immediate custody of such company at the beginning and close of the previous month, and where the same was located or held; describing in detail the location and designation of each tank or place of deposit, and the name of its owner; (b) how much petroleum, crude or refined, was received by such company during the previous month; (c) how much petroleum, crude or refined, was delivered by such company during the previous month; (d) for how much petroleum, crude or refined, such company was liable for the delivery or custody of to other corporations, companies or persons at the close of the month; (e) how much of such liability was represented by outstanding receipts or certificates, accepted orders or other vouchers, and how much was represented by credit balances; (f) that all the provisions of this article have been faithfully observed and obeyed during the previous month. The statement so required to be made shall also be sworn to by such officer, agent, person or persons before some officer authorized by law to administer oaths, which shall be in writing, and shall assert the familiarity and acquaintance of the deponent with the business and condition of such company, and with the facts sworn to, and that the statements made in such report are true.

§22-8-10. Statements of amount of oil.

All amounts in the statements required by this article, when the petroleum is handled in bulk, shall be given in barrels and hundredths of barrels, reckoning forty-two gallons to each barrel, and when such petroleum is handled in barrels or packages, the number of such barrels or packages shall be given, and such statements shall distinguish between crude and refined petroleum, and give the amount of each. Every company engaged in the business aforesaid shall at all times have in their pipes and tanks an amount of merchantable oil equal to the aggregate of outstanding receipts, certificates, accepted orders, vouchers, acknowledgments, evidences of liability, and credit balances, on the books thereof.

§22-8-11. Penalty -- Wrongful issuance, sale or alteration of receipts, orders, etc.

Any company, or its officers or agents, who shall make or cause to be made, sign or cause to be signed, issue or cause to be issued, put in circulation or cause to be put in circulation, any receipt, accepted order, certificate, voucher or evidence of liability, or shall sell, transfer or alter the same, or cause such sale, transfer or alteration, contrary to the provisions of this article, or shall do or cause to be done any of the acts prohibited by section seven of this article, or omit to do any of the acts by said section directed, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be fined not exceeding one thousand dollars, and, if the offender be a natural person, imprisoned not less than ten days nor exceeding one year.

§22-8-12. Same -- Dealing in oil without consent of owner in interest.

Any company, its officers or agents, who shall sell, encumber, transfer or remove, or cause or procure to be sold, transferred or removed from the tanks or pipes of such company, any petroleum, crude or refined, without the written consent of the owner or a majority of the owners in interest thereof, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be fined one thousand dollars and, if the offender be a natural person, imprisoned in the county jail not less than ninety days nor more than one year.

§22-8-13. Same -- Failure to make report and statement.

Any company engaged in the business of transporting by pipelines or storing petroleum, crude or refined, and each and every officer or agent of such company, who shall neglect or refuse to make the report and statement required by section nine of this article, within the time and the manner directed by said section, shall forfeit and pay the sum of one thousand dollars, and in addition thereto the sum of five hundred dollars for each day after the tenth day of the month that the report and statement required by said section nine shall remain unposted as therein directed.