

All accounts and expenditures of said board shall be certified by the said oil conservation board approved by the board of examiners, and paid by the state treasurer upon warrants drawn by the state auditor out of the oil conservation board fund."

It is to be noted that the only authorization for the use of money from this fund is that for the "purpose of paying all expenses of the board," and it is emphatically set forth that the fund is to be used for no other purpose.

Expenses would mean the disbursements necessary to carry out the purpose of the act creating the Oil Conservation Board and the ordinary outlays reasonably incident to the powers and duties of the board.

Section 3552.1 declares:

"For the purpose of conserving the natural resources of the state and to prevent waste thereof through negligent methods of operation, the board of railroad commissioners of the State of Montana shall prescribe and enforce rules and regulations governing the drilling, casing, and abandonment of oil and gas wells and the waste of oil and gas therefrom upon all lands in the State of Montana."

To carry out this purpose the Oil Conservation Board of the State of Montana was created and established under Section 3554.2.

Section 3554.4 provides for the meetings of the board and says:

"The members of said conservation board shall receive no compensation for their services, but shall be allowed their several expenses incurred in the discharge of their duties."

Section 3554.9 sets out the powers and duties of the conservation board:

"Powers and duties of board. The conservation board shall have general power and it shall be its duty:

1. To have general control, regulation and supervision of the production, transportation and storage of crude petroleum within the State of Montana.

2. To make and prescribe rules and regulations, not inconsistent with the

Opinion No. 193.

Oil Conservation Board—Powers— Expenditures.

HELD: The funds of the Oil Conservation Board may not be used for a campaign advertising Montana domestic petroleum products.

November 16, 1937.

Oil Conservation Board
of the State of Montana
P. O. Box 1314
Great Falls, Montana

Attention of Mr. R. R. Jackson,
Secretary.

Gentlemen:

You have asked if the Oil Conservation Board of the State of Montana has authority to expend funds collected by virtue of Section 3554.14, as amended by Chapter 123, Laws of 1937, for a publicity campaign advertising Montana petroleum products.

Section 3554.17 provides that:

"All money collected under the provisions of this act shall be deposited in a special fund to be known as the 'oil conservation board fund' by the state treasurer of the State of Montana, and the fund to be raised shall be used for the purpose of paying all expenses of said board and for no other purpose. Upon the termination of said board any balance remaining in said fund shall be paid over to the general fund of the state.

constitution and laws of the State of Montana, which shall govern the operation of wells for the production of crude petroleum and the conservation thereof and the transportation and storage of crude petroleum within the State of Montana for the effectual carrying out of any and all laws, regulations and orders with regard to crude petroleum production, transportation and storage made by the United States government, or by the department of the interior of the United States of America, by the national recovery administration of the United States government, or by the authorities administering the code of fair competition for the petroleum industry and/or any amendments thereof or any revision or modification thereof.

3. To determine and prescribe what producing wells shall be defined as 'striper wells,' and to make such orders as in its judgment shall be required to protect said wells, and to provide that such wells may be produced to capacity if it is deemed necessary in the interest of conservation so to do, notwithstanding allocation or restriction of production of other wells.

4. To require each and every producer, transporter, dealer in and/or storer of crude petroleum within the state to furnish monthly, at least, and oftener if required by the board, any and all information and reports to said board on such forms as it may prescribe and within the time specified by the board, regarding any and all of the activities of such producer, transporter, dealer in and/or storer with respect to his said operations.

5. To act as a regulatory board or agency for any allocation and regulation of crude petroleum production and/or storage within the State of Montana under and in accordance with the terms and provisions of the Code of Fair Competition for the Petroleum Industry or any amendments or revision thereof, and to have full power and authority to carry out the provisions of said code and to provide for the conforming thereto of all producers, transporters, dealers in and/or storers of crude petroleum within the State of Montana."

Section 3554.6 authorizes the board to employ a secretary and "such other persons as experts, assistants, clerks, and stenographers as may be necessary to perform the duties that may be required of it," but it is limited in expenditures to the amount actually collected under Section 3554.14 as amended.

A scrutiny of these provisions reveals that the powers of the board in disbursing oil conservation board funds are strictly limited by the statute, and all provisions for expenditures are set forth therein.

Following the familiar rules of statutory interpretation it must be taken that the express authorization for specific expenditures excluded an authorization for other expenditures, and there is no authority for such disbursement as you suggest. Therefore it is my opinion that such an expenditure as you suggest would be beyond the powers granted by Sections 3552.1 to 3554.19 and invalid under the law.