

State of South Dakota

EIGHTY-EIGHTH SESSION
LEGISLATIVE ASSEMBLY, 2013

753U0046

SENATE BILL NO. 1

Introduced by: Senators Maher, Rampelberg, Rhoden, Sutton, and Tieszen and Representatives Magstadt, Hawley, Hoffman, Olson (Betty), Rozum, Schrempp, and Solum at the request of the Interim Oil and Gas Study Committee

1 FOR AN ACT ENTITLED, An Act to revise the provisions regarding plugging and
2 performance bonds for oil and gas wells and to repeal the supplemental restoration bond
3 requirement.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

5 Section 1. That § 45-9-15 be amended to read as follows:

6 45-9-15. Without limiting its general authority, the Board of Minerals and Environment may
7 require, or may delegate to the secretary of environment and natural resources, specific authority
8 to require the furnishing of a plugging and performance bond in the amount of ~~five~~ fifty
9 thousand dollars per well drilled, or ~~twenty~~ one hundred thousand dollars blanket, with good and
10 sufficient surety, conditioned for the performance of the duty to plug each dry or abandoned
11 well, to restore the premises, insofar as possible, to the condition that existed before the filing
12 of the application to drill; and conditioned on the proper performance of all of the requirements
13 of §§ 45-9-5 to 45-9-18, inclusive. The condition of the bond insofar as it relates to restoration
14 of the surface is deemed to have been complied with if the landowner or lessee and the producer



1 or driller adopt a different plan as approved by the board. The board may require additional
2 bond if the circumstances require.

3 Section 2. That § 45-9-15.1 be repealed.

4 ~~45-9-15.1. The Board of Minerals and Environment shall require the furnishing of a surface~~
5 ~~restoration bond if the landowner or lessee is not a party to the oil or gas leasing agreement in~~
6 ~~the amount of two thousand dollars per well drilled, or ten thousand dollars blanket, with good~~
7 ~~and sufficient surety, conditioned for the performance of the duty to restore the premises, insofar~~
8 ~~as possible, to the condition which existed before the filing of the application to drill. The term,~~
9 ~~premises, as used in this section, includes the surface property of the landowner or lessee, both~~
10 ~~real and personal, and the ingress to and the egress from the real property.~~