

HOUSE BILL NO. HB0016

Seismic exploration.

Sponsored by: Joint Judiciary Interim Committee

A BILL

for

1 AN ACT relating to oil and gas; modifying surety provisions
2 for seismic activities; modifying rule requirements;
3 conforming provisions; and providing for an effective date.
4

5 *Be It Enacted by the Legislature of the State of Wyoming:*
6

7 **Section 1.** W.S. 30-5-104(d)(v)(A) and 30-5-404(b) and
8 (c) are amended to read:
9

10 **30-5-104. Oil and gas conservation commission; powers**
11 **and duties; investigations; rules and regulations.**
12

13 (d) The commission has authority:
14

15 (v) To adopt rules and regulations to:
16

1 (A) Regulate the plugging, sealing or
2 capping of seismic shot holes, and to require, and fix the
3 amount of, a surety bond or other guaranty to ensure
4 compliance with regulations governing all geophysical
5 operations and to ensure compliance with W.S. 30-5-401
6 through 30-5-410. When oil and gas operations as defined in
7 W.S. 30-5-401(a)(iv) involve seismic activities, the rules
8 shall require a surety or other guaranty which is
9 sufficient to protect the interests of the surface owners
10 affected by the activities and which, in all events, shall
11 be in an amount of not less than five thousand dollars
12 (\$5,000.00) for the first one thousand (1,000) acres or
13 portion thereof per surface owner for which access is
14 sought for seismic activities and not less than one
15 thousand dollars (\$1,000.00) for each additional one
16 thousand (1,000) acres or portion thereof per surface owner
17 for which access is sought for seismic activities;

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19 **30-5-404. Surety bond or guaranty; approval;**
20 **objections; release of surety bond or guaranty.**

21

22 (b) The surety bond or other guaranty shall be in an
23 amount of not less than two thousand dollars (\$2,000.00)
24 per well site on the land unless the operations involve

1 seismic activities. If the operations involve seismic
2 activities, the surety bond shall be as provided in W.S.
3 30-5-104(d)(v)(A) and shall only be accepted from and
4 posted by the oil and gas operator who has a valid lease or
5 posted by a person who is an agent of, under contract with,
6 or is the assignee of the lessee of a valid lease. No
7 person shall be authorized to conduct operations involving
8 seismic activities who is not an operator with a valid
9 lease or a person who is an agent of, under contract with,
10 or the assignee of the lessee of a valid lease. At the
11 request of the oil and gas operator, after attempted
12 consultation with the surface owner the commission may
13 establish a blanket bond or other guaranty in an amount
14 covering oil and gas operations on the surface owner's land
15 as identified by an oil and gas operator in the written
16 notice required under W.S. 30-5-402(e). Neither the
17 minimum amount of the ~~per well site~~ bond or other guaranty
18 specified or referenced in this subsection nor a blanket
19 bond or other guaranty established by the commission is
20 intended to establish any amount for reasonable and
21 foreseeable damages.

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23 (c) Within seven (7) days following receipt of a ~~per~~
24 ~~well site~~ surety bond or other guaranty or the

1 establishment of a blanket bond or other guaranty specified
2 or referenced in this section, the commission shall notify
3 the surface owner of receipt of the ~~per well site~~ surety
4 bond or other guaranty or the establishment of a blanket
5 bond or other guaranty based on the oil and gas operator's
6 request and the written notice required under W.S.
7 30-5-402(e). The commission's notice shall also include a
8 description of the amount and the type of the bond or
9 guaranty received or established and provide to the surface
10 owner a copy of the statement required under W.S.
11 30-5-403(a). If, at the expiration of thirty (30) days
12 after receipt of the commission's notice by the surface
13 owner, he makes no objection to the amount or the type of
14 the surety bond or guaranty, the commission shall approve
15 the surety bond or guaranty. If the surface owner objects
16 in writing to the amount or the type of the surety bond or
17 guaranty, the commission shall give immediate consideration
18 to the surety bond or guaranty objected to and the
19 accompanying papers filed by the oil and gas operator in
20 support of the surety bond or guaranty amount and the type
21 of surety bond or guaranty submitted or established, and
22 the surface owner's objections, and the commission shall
23 render a final decision as to the acceptability of the
24 amount and type of the surety bond or guaranty and shall

1 notify the parties of the decision. Proof of any
2 additional surety bond or guaranty required by the
3 commission shall be filed with the commission within thirty
4 (30) days of the commission's final decision. Any
5 aggrieved party may appeal the final decision of the
6 commission to the district court in accordance with the
7 Wyoming Administrative Procedure Act.

8

9 **Section 2.** This act is effective July 1, 2013.

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(END)