

SENATE FILE NO. SF0136

Seismic exploration-3.

Sponsored by: Senator(s) Burns, Christensen, Driskill,
Esquibel, F., Hicks, Perkins and Rothfuss
and Representative(s) Barlow, Brown,
Davison, Greene and Lubnau

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.

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

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

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

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13 (d) The commission has authority:

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15 (v) To adopt rules and regulations to:

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

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

(b) The surety bond or other guaranty shall be in an amount of not less than two thousand dollars (\$2,000.00)

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

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

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

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

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(END)