

SENATE FILE NO. SF0040

Oil and gas commission-security.

Sponsored by: Senator(s) Hawks and Representative(s)  
Stafford

A BILL

for

1 AN ACT relating to the Wyoming oil and gas conservation  
2 commission; specifying types of security the commission may  
3 accept for certain purposes; and providing for an effective  
4 date.

5

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

7

8 **Section 1.** W.S. 30-5-101(a) by creating a new  
9 paragraph (x) and 30-5-104(d)(i)(D), (v) and (vii) are  
10 amended to read:

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12 **30-5-101. Definitions.**

13

14 (a) As used in this act unless the context otherwise  
15 requires:

16

1           (x) The term "surety bond or other guaranty"  
2 means a surety bond, a first priority security interest in  
3 a deposit of the proceeds of a collected cashier's check, a  
4 first priority security interest in a certificate of  
5 deposit or an irrevocable letter of credit, all in an  
6 amount and including other terms, conditions and  
7 requirements determined by the commission.

8

9           **30-5-104. Oil and gas conservation commission; powers**  
10 **and duties; investigations; rules and regulations.**

11

12           (d) The commission has authority:

13

14                   (i) To require:

15

16                           (D) The furnishing of a ~~reasonable bond~~  
17 ~~with good and sufficient~~ surety bond or other guaranty,  
18 conditioned for or securing the performance of the duty to  
19 plug each dry or abandoned well or the repair of wells  
20 causing waste and compliance with the rules and orders of  
21 the commission;

22

23                   (v) To adopt rules and regulations to regulate  
24 the plugging, sealing or capping of seismic shot holes, and

1 to require, and fix the amount of, ~~bonds or deposits a~~  
2 surety bond or other guaranty to ensure compliance with  
3 regulations governing all geophysical operations;

4  
5 (vii) To use funds collected under W.S.  
6 30-5-116(b) to plug wells and seismic holes and reclaim the  
7 surrounding area affected by them, if the commission is  
8 unable to enforce its regulations and laws requiring the  
9 owner, seismic contractor or hole plugger to plug and  
10 reclaim and if the owner, seismic contractor or hole  
11 plugger does not have an adequate surety bond or other  
12 guaranty to cover the cost of plugging and reclamation. If  
13 the surety bond or other guaranty is inadequate to cover  
14 the cost of plugging or reclamation, the producer shall be  
15 liable for all costs not covered by the surety bond or  
16 other guaranty. Nothing in this paragraph shall be  
17 construed to create any liability by the state for failure  
18 to adequately plug or reclaim wells or holes. If oil field  
19 equipment appears to have been abandoned in the area of a  
20 well or hole which is plugged or reclaimed under this  
21 paragraph, the commission may, after notice and a hearing  
22 as provided in W.S. 30-5-105 and 30-5-106 and a finding  
23 that the equipment is abandoned, dispose of the equipment.  
24 The commission may dispose of the equipment by public sale

1 or by transferring it to the contractor who performs the  
2 plugging and reclamation for the commission. The transfer  
3 or proceeds of the sale shall be used to defray the cost of  
4 plugging or reclamation. The commission shall promulgate  
5 rules to implement this paragraph.

6

7 **Section 2.** This act is effective July 1, 2002.

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9

(END)