

HOUSE BILL NO. HB0141

State land oil and gas leases-operator requirement.

Sponsored by: Representative(s) Western, Banks, Burkhart,
Conrad, Henderson and Walters and Senator(s)
Anderson, Boner and Ellis

A BILL

for

1 AN ACT relating to state lands; specifying evaluation and
2 review requirements before issuance of oil and gas leases
3 on state lands; requiring rulemaking; specifying
4 applicability; and providing for an effective date.

5

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

7

8 **Section 1.** W.S. 36-6-101 by creating a new subsection
9 (p) is amended to read:

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11 **36-6-101. Terms of leases; extensions; lessees**
12 **specified; rules and regulations; rent and royalties;**
13 **assignment of leases; grazing and agricultural leases;**
14 **cooperation with United States or its lessees, in**
15 **cooperative or unit plans.**

1

2 (p) Before issuing a lease of any state lands or
3 state school lands for oil and gas production under this
4 article, the director, subject to criteria established by
5 the board, shall review the highest bid offered by an
6 applicant to determine if the applicant is a qualified oil
7 and gas lease applicant in accordance with rules of the
8 board. If the highest bidder is not a qualified bidder,
9 then the board shall consider the second highest bidder to
10 determine whether that bidder is a qualified applicant,
11 upon which the board may issue the lease if the applicant
12 agrees to lease the lands for the highest amount bid before
13 the disqualified applicant entered the lease auction or
14 process or for the amount that the second highest bidder
15 bid, whichever is lower. Any applicant whose bid is
16 rejected under this subsection because the applicant is not
17 a qualified oil and gas lease applicant shall be subject to
18 a civil penalty in the amount of the applicant's highest
19 bid. The attorney general may bring an action in a court of
20 competent jurisdiction to recover the penalty specified in
21 this subsection from the applicant.

22

1 **Section 2.** The board of land commissioners shall
2 promulgate all rules necessary to implement this act,
3 including defining the term "qualified bidder" or
4 "qualified oil and gas applicant" for purposes of bidding
5 on oil and gas production leases on state land.

6

7 **Section 3.** Nothing in this act shall be construed to
8 alter, amend or impair any oil or gas lease for state lands
9 or state school lands or lease assignment issued or made
10 before the effective date of this act.

11

12 **Section 4.** This act is effective immediately upon
13 completion of all acts necessary for a bill to become law
14 as provided by Article 4, Section 8 of the Wyoming
15 Constitution.

16

17

(END)