

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 and for the purpose of addressing 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. For the purpose of assuring compliance with this minimum bonding requirement, the commission may pool parcels of land of different surface owners where no single parcel exceeds forty (40) acres;

1 **30-5-404. Surety bond or guaranty; approval;**
2 **objections; release of surety bond or guaranty.**

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4 (b) The surety bond or other guaranty shall be in an
5 amount of not less than two thousand dollars (\$2,000.00)
6 per well site on the land unless the operations involve
7 seismic activities. If the operations involve seismic
8 activities, the surety bond shall be as provided in W.S.
9 30-5-104(d)(v)(A). As used in this subsection, seismic
10 activities do not include waves or vibrations originating
11 outside the property in question. At the request of the oil
12 and gas operator, after attempted consultation with the
13 surface owner the commission may establish a blanket bond
14 or other guaranty in an amount covering oil and gas
15 operations on the surface owner's land as identified by an
16 oil and gas operator in the written notice required under
17 W.S. 30-5-402(e). Neither the minimum amount of the ~~per~~
18 ~~well-site~~ bond or other guaranty specified or referenced in
19 this subsection nor a blanket bond or other guaranty
20 established by the commission is intended to establish any
21 amount for reasonable and foreseeable damages. A permit
22 issued under this section shall include a statement that it
23 shall not constitute authorization or permission to
24 trespass on the surface estate. The commission shall not

1 accept a surety bond for seismic activities for land which
2 the oil and gas operator or seismic activity operator has
3 no right to enter. The operator shall provide evidence of
4 the right to enter by:

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6 (i) A pertinent surface use agreement or
7 authorization signed by the owner of the surface estate of
8 the land in question; or

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10 (ii) Authorization from a mineral owner or
11 lessee of the land in question.

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13 (c) Within seven (7) days following receipt of a ~~per~~
14 ~~well-site~~ surety bond or other guaranty or the
15 establishment of a blanket bond or other guaranty specified
16 or referenced in this section, the commission shall notify
17 the surface owner of receipt of the ~~per well-site~~ surety
18 bond or other guaranty or the establishment of a blanket
19 bond or other guaranty based on the oil and gas operator's
20 request and the written notice required under W.S.
21 30-5-402(e). The commission's notice shall also include a
22 description of the amount and the type of the bond or
23 guaranty received or established and provide to the surface
24 owner a copy of the statement required under W.S.

1 30-5-403(a). If, at the expiration of thirty (30) days
2 after receipt of the commission's notice by the surface
3 owner, he makes no objection to the amount or the type of
4 the surety bond or guaranty, the commission shall approve
5 the surety bond or guaranty. If the surface owner objects
6 in writing to the amount or the type of the surety bond or
7 guaranty, the commission shall give immediate consideration
8 to the surety bond or guaranty objected to and the
9 accompanying papers filed by the oil and gas operator in
10 support of the surety bond or guaranty amount and the type
11 of surety bond or guaranty submitted or established, and
12 the surface owner's objections, and the commission shall
13 render a final decision as to the acceptability of the
14 amount and type of the surety bond or guaranty and shall
15 notify the parties of the decision. Proof of any
16 additional surety bond or guaranty required by the
17 commission shall be filed with the commission within thirty
18 (30) days of the commission's final decision. Any
19 aggrieved party may appeal the final decision of the
20 commission to the district court in accordance with the
21 Wyoming Administrative Procedure Act.

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

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(END)