

By: Representative Frierson

To: Oil, Gas and Other Minerals

HOUSE BILL NO. 189

1 AN ACT TO AMEND SECTION 53-3-11, MISSISSIPPI CODE OF 1972, TO
2 REQUIRE THAT ANY PERSON PROPOSING TO PERFORM SEISMIC OIL
3 EXPLORATION SHALL FIRST SECURE THE WRITTEN CONSENT OF THE SURFACE
4 LAND OWNER; AND FOR RELATED PURPOSES.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

6 SECTION 1. Section 53-3-11, Mississippi Code of 1972, is
7 amended as follows:

8 53-3-11. (1) Any person desiring or proposing to drill any
9 well in search of oil or gas, before commencing the drilling of
10 any such well, shall notify the oil and gas supervisor upon such
11 form as the board may prescribe. The drilling of any well for oil
12 or gas is hereby prohibited until such notice is given and a
13 permit therefor is issued. Any person proposing to perform
14 seismic oil exploration, shall first secure the written consent of
15 the surface owner of the land upon such form as the board may
16 prescribe.

17 (2) (a) Before any nonresident not qualified to do business
18 in this state is issued a permit pursuant to subsection (1) of
19 this section, such nonresident shall file with the Secretary of
20 State, on a form prescribed by him, a surety or cash bond in a sum
21 of not less than Ten Thousand Dollars (\$10,000.00), or in a
22 greater amount if so approved by the Secretary of State,
23 conditioned that such sum be paid to the State of Mississippi for
24 the benefit of all persons interested, their legal
25 representatives, attorneys or assigns, in the event the operator
26 of such well shall fail to reasonably restore the land and
27 improvements of the surface estate as a result of mineral
28 exploration and/or production, or in the event the operator shall



29 fail to properly plug a dry or abandoned well in the manner
30 prescribed by the rules of the board. Such bond shall be executed
31 by the operator listed in the drilling permit and, in case of a
32 surety bond, by a corporate surety licensed to do business in the
33 State of Mississippi. Such bond shall cover all subsequent
34 drilling permits issued to such nonresident operator and shall be
35 for a term co-extensive with the terms of the permits.

36 (b) The Secretary of State is hereby designated as the
37 agent upon whom process may be served in any action against such
38 nonresident operator to recover damages to the surface estate
39 arising from mineral exploration and/or production. Any such
40 action for damages shall be commenced within six (6) years next
41 after the closing of the well.

42 (3) A person issued a permit to drill an oil or gas well
43 under this section is required to provide notice of the intended
44 drill site location prior to commencing operations. The notice
45 shall be sent by United States certified mail to the taxpayer
46 shown on the most recent county ad valorem tax receipt available
47 in the office of the tax collector of the county in which the well
48 site is located, and shall be posted to the mailing address shown
49 on that ad valorem tax receipt. The notice shall include a copy
50 of the unit plat showing the proposed well location. The
51 notification requirement of this subsection (3) shall apply only
52 to permits to drill new wells and shall not apply to well
53 reentries, recompletions or reworking operations on existing or
54 previously permitted wells. Failure to give the notice provided
55 for in this subsection (3) shall not invalidate the well permit.

56 (4) The drilling of any well, which is not in accordance
57 with a spacing pattern fixed by the board, is hereby prohibited
58 until and unless a permit is issued by the board after notice and
59 hearing.

60 SECTION 2. This act shall take effect and be in force from
61 and after July 1, 2001.

