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

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

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

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

(2) (a) Before any nonresident not qualified to do business in this state is issued a permit pursuant to subsection (1) of this section, such nonresident shall file with the Secretary of State, on a form prescribed by him, a surety or cash bond in a sum of not less than Ten Thousand Dollars ($10,000.00), or in a greater amount if so approved by the Secretary of State, conditioned that such sum be paid to the State of Mississippi for the benefit of all persons interested, their legal representatives, attorneys or assigns, in the event the operator of such well shall fail to reasonably restore the land and improvements of the surface estate as a result of mineral exploration and/or production, or in the event the operator shall
fail to properly plug a dry or abandoned well in the manner prescribed by the rules of the board. Such bond shall be executed by the operator listed in the drilling permit and, in case of a surety bond, by a corporate surety licensed to do business in the State of Mississippi. Such bond shall cover all subsequent drilling permits issued to such nonresident operator and shall be for a term co-extensive with the terms of the permits.

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

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

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

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