HOUSE BILL NO. 562

AN ACT TO AMEND SECTION 53-3-11, MISSISSIPPI CODE OF 1972, TO REQUIRE A PERSON WHO IS ISSUED A PERMIT TO DRILL AN OIL OR GAS WELL TO PROVIDE NOTICE OF THE INTENDED DRILL SITE LOCATION TO THE SURFACE LANDOWNER AT LEAST THIRTY DAYS BEFORE BEGINNING OPERATIONS; TO PROVIDE THAT FAILURE TO GIVE THE REQUIRED NOTICE SHALL INVALIDATE THE WELL PERMIT; 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.

(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...
30 by the operator listed in the drilling permit and, in case of a 
31 surety bond, by a corporate surety licensed to do business in the 
32 State of Mississippi. Such bond shall cover all subsequent 
33 drilling permits issued to such nonresident operator and shall be 
34 for a term co-extensive with the terms of the permits. 
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(b) The Secretary of State is hereby designated as the 
36 agent upon whom process may be served in any action against such 
37 nonresident operator to recover damages to the surface estate 
38 arising from mineral exploration and/or production. Any such 
39 action for damages shall be commenced within six (6) years next 
40 after the closing of the well. 
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(3) A person issued a permit to drill an oil or gas well 
42 under this section is required to provide notice of the intended 
43 drill site location at least thirty (30) days before beginning 
44 operations. The notice shall be sent by United States certified 
45 mail to the taxpayer shown on the most recent county ad valorem 
46 tax receipt available in the office of the tax collector of the 
47 county in which the well site is located, and shall be posted to 
48 the mailing address shown on that ad valorem tax receipt. The 
49 notice shall include a copy of the unit plat showing the proposed 
50 well location. The notification requirement of this subsection 
51 (3) shall apply only to permits to drill new wells and shall not 
52 apply to well reentries, recompletions or reworking operations on 
53 existing or previously permitted wells. Failure to give the 
54 notice provided for in this subsection (3) shall invalidate 
55 the well permit. 
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(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. 
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SECTION 2. This act shall take effect and be in force from 
61 and after July 1, 2001.