HOUSE BILL NO. 1235

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; 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 any mineral exploration or drilling of any such well, shall notify the oil and gas supervisor and the surface owner of the land upon such form as the board may prescribe in accordance with subsection (3) of this section. 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
eexploration 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 at least thirty (30) days before beginning
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 * * * 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.