

By: Representative Taylor

To: Oil, Gas and Other Minerals

HOUSE BILL NO. 518

1 AN ACT TO AMEND SECTION 53-3-11, MISSISSIPPI CODE OF 1972, TO
2 PROVIDE THAT SURFACE OWNERS SHALL BE NOTIFIED BEFORE ANY OIL AND
3 GAS ACTIVITY IS BEGUN ON THEIR LAND; AND FOR RELATED PURPOSES.

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

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

7 53-3-11. (1) Any person desiring or proposing to drill any
8 well in search of oil or gas, before commencing any mineral
9 exploration or drilling of any such well, shall notify the oil and
10 gas supervisor and the surface owner of the land upon such form as
11 the board may prescribe. The drilling of any well for oil or gas
12 is hereby prohibited until such notice is given and a permit
13 therefor is issued.

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

28 by the operator listed in the drilling permit and, in case of a
29 surety bond, by a corporate surety licensed to do business in the
30 State of Mississippi. Such bond shall cover all subsequent
31 drilling permits issued to such nonresident operator and shall be
32 for a term coextensive with the terms of the permits.

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

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

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

57 **SECTION 2.** This act shall take effect and be in force from
58 and after July 1, 2005.