

By: Representative Hudson

To: Oil, Gas and Other Minerals

HOUSE BILL NO. 1235

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; TO REQUIRE A PERSON WHO IS ISSUED A PERMIT TO DRILL AN
5 OIL OR GAS WELL TO PROVIDE NOTICE OF THE INTENDED DRILL SITE
6 LOCATION TO THE SURFACE LANDOWNER AT LEAST THIRTY DAYS BEFORE
7 BEGINNING OPERATIONS; TO PROVIDE THAT FAILURE TO GIVE THE REQUIRED
8 NOTICE SHALL INVALIDATE THE WELL PERMIT; AND FOR RELATED PURPOSES.

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

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

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

22 (2) (a) Before any nonresident not qualified to do business
23 in this state is issued a permit pursuant to subsection (1) of
24 this section, such nonresident shall file with the Secretary of
25 State, on a form prescribed by him, a surety or cash bond in a sum
26 of not less than Ten Thousand Dollars (\$10,000.00), or in a
27 greater amount if so approved by the Secretary of State,
28 conditioned that such sum be paid to the State of Mississippi for
29 the benefit of all persons interested, their legal

30 representatives, attorneys or assigns, in the event the operator
31 of such well shall fail to reasonably restore the land and
32 improvements of the surface estate as a result of mineral
33 exploration and/or production, or in the event the operator shall
34 fail to properly plug a dry or abandoned well in the manner
35 prescribed by the rules of the board. Such bond shall be executed
36 by the operator listed in the drilling permit and, in case of a
37 surety bond, by a corporate surety licensed to do business in the
38 State of Mississippi. Such bond shall cover all subsequent
39 drilling permits issued to such nonresident operator and shall be
40 for a term co-extensive with the terms of the permits.

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

47 (3) A person issued a permit to drill an oil or gas well
48 under this section is required to provide notice of the intended
49 drill site location at least thirty (30) days before beginning
50 operations. The notice shall be sent by United States certified
51 mail to the taxpayer shown on the most recent county ad valorem
52 tax receipt available in the office of the tax collector of the
53 county in which the well site is located, and shall be posted to
54 the mailing address shown on that ad valorem tax receipt. The
55 notice shall include a copy of the unit plat showing the proposed
56 well location. The notification requirement of this subsection
57 (3) shall apply only to permits to drill new wells and shall not
58 apply to well reentries, recompletions or reworking operations on
59 existing or previously permitted wells. Failure to give the
60 notice provided for in this subsection (3) shall * * * invalidate
61 the well permit.

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

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