

# Hall of the House of Representatives

88th General Assembly - Regular Session, 2011

## Amendment Form

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### Subtitle of House Bill No. 1393

AN ACT TO PROTECT ARKANSANS FROM LONG-TERM TOXINS BY REQUIRING  
BONDS FOR GAS DRILLING OPERATIONS.

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### Amendment No. 1 to House Bill No. 1393

Amend House Bill No. 1393 as originally introduced:

Page 1, line 8, delete "FROM LONG-TERM TOXINS"

AND

Page 1, line 14, delete "FROM LONG-"

AND

Page 1, line 15, delete "TERM TOXINS"

AND

Delete Section 1 in its entirety and substitute the following:

"SECTION 1. Arkansas Code § 15-72-201 is amended to read as follows:  
15-72-201. Definitions.

As used in this act, unless the context otherwise requires:

(1) "Operator" means the person who has the right to enter upon the lands of another for the purpose of exploring, drilling, and developing for the production of brine, oil, gas, and all other petroleum hydrocarbons;

(2) "Person" means any natural person, corporation, association, partnership, trustee, guardian, executor, administrator, fiduciary, or representative of any kind; ~~and~~

(3) "Plugging" means:

(A) Abandoning a producing or nonproductive well; or

(B) Stopping the flow of water, gas, or oil in a well; and

~~(3)~~(4) "Surface owner" means the owner or owners of record of the surface of the property on which the drilling operation is to occur.

SECTION 2. Arkansas Code Title 15, Chapter 72, Subchapter 2 is amended to add an additional section to read as follows:

15-72-220. Natural Gas Wells -- Bonds.



(a) The General Assembly finds that in the event an operator of a natural gas well declares bankruptcy, dissolves, or otherwise fails to meet its obligations, the current financial assurance is not adequate to pay for:

- (1) The reclamation and closure of the gas well; and
- (2) Any damages the exploration and production at the well site may have caused to water quality or quantity.

(b) The Oil and Gas Commission shall require financial assurance for natural gas wells as follows:

- (1) For one (1) to twenty-five (25) wells, a ten thousand dollar (\$10,000) bond per well; and
- (2) For twenty-six (26) or more wells, a two hundred fifty thousand dollar (\$250,000) bond.

(c) The commission shall require a natural gas well that has not produced in paying quantities in one (1) year to be:

- (1) Returned to production;
- (2) Approved for temporarily abandoned status;
- (3) Plugged and reclaimed; or
- (4) Placed on a bond amount equal to the cost of plugging and reclaiming the well site as determined by the commission.

(d) The commission shall have the authority to increase the bond rate in sections (b) and (c) of this section by rule or on a site-specific basis based on the cost of the reclamation."

The Amendment was read \_\_\_\_\_  
By: Representative Webb  
MMC/MMC - 03/02/11 12:27  
MMC230

\_\_\_\_\_  
Chief Clerk