1	State of Arkansas	As Engrossed: H3/3/11 A Bill	
2	88th General Assembly		
3	Regular Session, 2011		HOUSE BILL 1393
4	Dry Donnocontative Wahh		
5 6	By: Representative Webb		
0 7		For An Act To Be Entitl	ed
, 8	ΑΝ ΑCΤ ΤΟ	PROTECT ARKANSANS BY REQUIRI	
9	GAS DRILLING OPERATIONS; AND FOR OTHER PURPOSES.		
10		,	
11			
12		Subtitle	
13	AN A	ACT TO PROTECT ARKANSANS BY R	EQUIRING
14	BOND	OS FOR GAS DRILLING OPERATION	S.
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17	BE IT ENACTED BY THE	GENERAL ASSEMBLY OF THE STATE	E OF ARKANSAS:
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19	SECTION 1. Ark	ansas Code § 15-72-201 is ame	ended to read as follows:
20	15-72-201. Defi	nitions.	
21	As used in this	act, unless the context othe	erwise requires:
22	(1) "Operator"	' means the person who has the	e right to enter upon the
23	lands of another for	the purpose of exploring, dra	illing, and developing for
24	the production of bri	ne, oil, gas, and all other p	petroleum hydrocarbons;
25	(2) "Person" m	eans any natural person, corp	poration, association,
26	partnership, trustee,	guardian, executor, administ	trator, fiduciary, or
27	representative of any		
28	<u>(3) "Plugging"</u>		
29		doning a producing or nonproc	
30		ping the flow of water, gas,	
31		e owner" means the owner or o	
32	surface of the proper	ty on which the drilling open	ration is to occur.
33			70 0 1 1 1 0 1 1 1
34 25		ansas Code Title 15, Chapter	/2, Subchapter 2 is amended
35 26		section to read as follows:	
36	1J-/2-220. NAT	ural Gas Wells Bonds.	



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As Engrossed: H3/3/11

1	(a) The General Assembly finds that in the event an operator of a	
2	natural gas well declares bankruptcy, dissolves, or otherwise fails to meet	
3	its obligations, the current financial assurance is not adequate to pay for:	
4	(1) The reclamation and closure of the gas well; and	
5	(2) Any damages the exploration and production at the well site	
6	may have caused to water quality or quantity.	
7	(b) The Oil and Gas Commission shall require financial assurance for	
8	natural gas wells as follows:	
9	(1) For one (1) to twenty-five (25) wells, a ten thousand dollar	
10	(\$10,000) bond per well; and	
11	(2) For twenty-six (26) or more wells, a two hundred fifty	
12	thousand dollar (\$250,000) bond.	
13	(c) The commission shall require a natural gas well that has not	
14	produced in paying quantities in one (l) year to be:	
15	(1) Returned to production;	
16	(2) Approved for temporarily abandoned status;	
17	(3) Plugged and reclaimed; or	
18	(4) Placed on a bond amount equal to the cost of plugging and	
19	reclaiming the well site as determined by the commission.	
20	(d) The commission shall have the authority to increase the bond rate	
21	in sections (b) and (c) of this section by rule or on a site-specific basis	
22	based on the cost of the reclamation.	
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24	/s/Webb	
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