



2020 South Dakota Legislature

House Bill 1025

Introduced by: The Committee on Agriculture and Natural Resources at the request of the Department of Environment and Natural Resources

1 **An Act to revise certain provisions regarding plugging and performance bonds for**
 2 **oil and gas wells.**

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 **Section 1.** That § 45-9-15 be AMENDED:

5 **45-9-15. Plugging and performance bond for wells--Amount--Conditions.**

6 Without limiting its general authority, the ~~Board of Minerals and Environment~~ board
 7 may require, or may delegate to the secretary of environment and natural resources,
 8 specific authority to require the furnishing of a plugging and performance bond in the
 9 amount ~~as follows:~~

10 (1) ~~For wells at or less than fifty-five hundred feet in depth, an individual bond of ten~~
 11 ~~thousand dollars per well drilled or a thirty thousand dollar blanket; or~~

12 (2) ~~For wells more than fifty-five hundred feet in depth, an individual bond of fifty~~
 13 ~~thousand dollars per well drilled, or one hundred thousand dollars blanket, of fifty~~
 14 thousand dollars or an amount sufficient to guarantee the costs of well site reclamation,
 15 or one hundred thousand dollars blanket, with good and sufficient surety, conditioned for
 16 the performance of the duty to plug each dry or abandoned well, to restore the premises,
 17 insofar as possible, to the condition that existed before the filing of the application to drill;
 18 and conditioned on the proper performance of all of the requirements of §§ 45-9-5 to 45-
 19 9-18, inclusive. The condition of the bond ~~insofar as it relates~~ relating to restoration of the
 20 surface is ~~deemed to have been complied with~~ met if the landowner or lessee and the
 21 producer or driller adopt a different plan ~~as~~ approved by the board. The board may require
 22 additional bond if the circumstances require.

23 **Section 2.** That a NEW SECTION be added:

1 **45-9-15.3. Supplemental plugging and performance bond--Idle wells--**
2 **Amount.**

3 Without limiting its general authority, the board may require, or may delegate to
4 the secretary of environment and natural resources, specific authority to require the
5 furnishing of a supplemental plugging and performance bond in the amount of twenty
6 thousand dollars or an amount sufficient to guarantee the costs of well site reclamation
7 for any oil and gas well that does not produce or otherwise remains unused for more than
8 six months.