

1 STATE OF OKLAHOMA

2 1st Session of the 54th Legislature (2013)

3 HOUSE BILL 1585

By: Scott

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6 AS INTRODUCED

7 An Act relating to oil and gas; amending 52 O.S.  
8 2011, Section 318.4, which relates to the deposit of  
9 bonds and other undertakings for damages; updating  
10 statutory language; and providing an effective date.

11 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

12 SECTION 1. AMENDATORY 52 O.S. 2011, Section 318.4, is  
13 amended to read as follows:

14 Section 318.4 A. Every operator doing business in this state  
15 shall file a corporate surety bond, letter of credit from a banking  
16 institution, cash, or a certificate of deposit with the Secretary of  
17 State in the sum of Twenty-five Thousand Dollars (\$25,000.00)  
18 conditioned upon compliance with Sections 318.2 through 318.9 of  
19 this title for payment of any location damages due which the  
20 operator cannot otherwise pay. The Secretary of State shall hold  
21 ~~such~~ the corporate surety bond, letter of credit from a banking  
22 institution, cash or certificate of deposit for the benefit of the  
23 surface owners of this state and shall ensure that ~~such~~ the security  
24 is in a form readily payable to a surface owner awarded damages in

1 an action brought pursuant to this act. Each corporate surety bond,  
2 letter of credit, cash, or certificate of deposit filed with the  
3 Secretary of State shall be accompanied by a filing fee of Ten  
4 Dollars (\$10.00).

5 B. The bonding company or banking institution shall file, for  
6 ~~such~~ a fee as is provided for by law, a certificate that ~~said~~ the  
7 bond or letter of credit is in effect or has been canceled, or that  
8 a claim has been made against it in the office of the court clerk in  
9 each county in which the operator is drilling or planning to drill.  
10 ~~Said~~ The bond or letter of credit must remain in full force and  
11 effect as long as the operator continues drilling operations in this  
12 state. Each ~~such~~ filing shall be accompanied by a filing fee of Ten  
13 Dollars (\$10.00).

14 C. Upon deposit of the bond, letter of credit, cash, or  
15 certificate of deposit, the operator shall be permitted entry upon  
16 the property and shall be permitted to commence drilling of a well  
17 in accordance with the terms and conditions of any lease or other  
18 existing contractual or lawful right.

19 D. If the damages agreed to by the parties or awarded by the  
20 court are greater than the bond, letter of credit, cash, or  
21 certificate of deposit posted, the operator shall pay the damages  
22 immediately or post an additional bond, letter of credit, cash, or  
23 certificate of deposit sufficient to cover the damages. ~~Said~~ The  
24

1 increase in bond, letter of credit, cash, or certificate of deposit  
2 shall comply with the requirements of this section.

3 SECTION 2. This act shall become effective November 1, 2013.

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