

1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 HOUSE BILL 3469

By: Boles

6 AS INTRODUCED

7 An Act relating to oil and gas; amending 52 O.S.  
8 2021, Section 318.1, as amended by Section 1, Chapter  
9 24, O.S.L. 2025 (52 O.S. Supp. 2025, Section 318.1),  
10 which relates to agreement as to compliance with  
11 drilling and plugging regulations; authorizing  
12 certain operators to make voluntary election;  
13 requiring certain notice; authorizing retention of  
14 certain right; requiring certain permanence beyond  
15 expiration; requiring operators to post surety by  
16 certain date; and declaring an emergency.

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

18 SECTION 1. AMENDATORY 52 O.S. 2021, Section 318.1, as  
19 amended by Section 1, Chapter 24, O.S.L. 2025 (52 O.S. Supp. 2025,  
20 Section 318.1), is amended to read as follows:

21 Section 318.1. A. Any person who drills or operates any well  
22 for the exploration, development or production of oil or gas, or as  
23 an injection or disposal well, within this state, shall furnish in  
24 writing, on forms approved by the Oklahoma Corporation Commission,  
his or her agreement to drill, operate and plug wells in compliance  
with the rules of the Commission and the laws of this state,  
together with evidence of financial ability to comply with the

1 requirements for plugging, closure of surface impoundments, removal  
2 of trash and equipment as established by the rules of the Commission  
3 and by law. To establish evidence of financial ability, the  
4 Commission shall require:

5 1. Category A surety, which shall include a financial statement  
6 listing assets and liabilities, and including a general release that  
7 the information may be verified with banks and other financial  
8 institutions. The statement shall prove a net worth of not less  
9 than Fifty Thousand Dollars (\$50,000.00). Category A surety will no  
10 longer be accepted as valid form of surety for new operators to  
11 select beginning November 1, 2025. All current operators who have  
12 valid Category A surety and are in good standing with the Commission  
13 will be able to retain their Category A surety for the time they are  
14 a valid operator in the State of Oklahoma. Any operator eligible to  
15 maintain Category A surety may voluntarily elect to convert to  
16 Category B surety upon written notice to the Commission. An  
17 operator making such election shall retain the right to revert to  
18 Category A surety without penalty or additional qualification  
19 requirements, provided the operator submits written notice of  
20 reversion within three (3) years of the effective date of the  
21 election and remains in good standing with the Commission. Upon  
22 expiration of the three-year period, the operator shall be  
23 permanently subject to Category B surety requirements; or  
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1       2. Category B surety, which shall include an irrevocable  
2       commercial letter of credit, cash, a cashier's check, a Certificate  
3       of Deposit, other negotiable instrument, or a blanket surety bond.  
4       Except as provided in paragraph 1 of subsection B or subsection C of  
5       this section, amount of such letter of credit, cash, cashier's  
6       check, certificate, bond, receipt or other negotiable instrument  
7       shall be based on the number of wells that the person operates and  
8       shall have the option of using the phase-in schedule as follows:

- 9       a. for one to ten wells, Twenty-five Thousand Dollars  
10       (\$25,000.00),
- 11       b. for eleven to fifty wells, operators shall post  
12       Category B surety in the amount of Thirty-three  
13       Thousand Three Hundred Dollars (\$33,300.00) no later  
14       than the due date of the operator's Form 1006B  
15       occurring during the calendar year 2026; on the due  
16       date of the operator's Form 1006B for the year 2027,  
17       operators shall post Category B surety in the amount  
18       of Forty-one Thousand Six Hundred Dollars  
19       (\$41,600.00); on the due date of the operator's Form  
20       1006B for the year 2028, operators shall post Category  
21       B surety in the full amount of Fifty Thousand Dollars  
22       (\$50,000.00),
- 23       c. for fifty-one to one hundred wells, operators shall  
24       post Category B surety in the amount of Fifty Thousand

Dollars (\$50,000.00) no later than the due date of the operator's Form 1006B occurring during the calendar year 2026; on the due date of the operator's Form 1006B for the year 2027, operators shall post Category B surety in the amount of Seventy-five Thousand Dollars (\$75,000.00); on the due date of the operator's Form 1006B for the year 2028, operators shall post Category B surety in the full amount of One Hundred Thousand Dollars (\$100,000.00), and for more than one hundred wells, operators shall post Category B surety in the amount of Sixty-six Thousand Five Hundred Dollars (\$66,500.00) no later than the due date of the operator's Form 1006B occurring during the calendar year 2026; on the due date of the operator's Form 1006B for the year 2027, operators shall post Category B surety in the amount of One Hundred Eight Thousand Dollars (\$108,000.00); on the due date of the operator's Form 1006B for the year 2028, operators shall post Category B surety in the full amount of One Hundred Fifty Thousand Dollars (\$150,000.00).

By the end of the year in 2028, all Category B operators shall be required to post surety in the full amounts specified in paragraph 2 of this subsection, based upon the number of wells operated. The

1 Commission is authorized to determine a higher amount of Category B  
2 surety based upon the past performance of the operator and its  
3 insiders and affiliates regarding compliance with the laws of this  
4 state, and any rules promulgated thereto including, but not limited  
5 to, the drilling, operation and plugging of wells, closure of  
6 surface impoundments or removal of trash and equipment, provided  
7 that such higher amount shall not exceed One Hundred Fifty Thousand  
8 Dollars (\$150,000.00). Any instrument shall constitute an  
9 unconditional promise to pay and be in a form negotiable by the  
10 Commission.

11       B. 1. The Commission upon certification by any operator  
12 subject to Category B surety that its plugging liability statewide  
13 is less than the amount based on the number of wells operated as  
14 specified in this section may allow said operator to provide  
15 Category B type surety in an amount less than the amount required by  
16 this section, but at least sufficient to cover the estimated cost of  
17 all plugging, closure, and removal operations currently the  
18 responsibility of that operator. The liability certification  
19 referred to in this subsection shall take the form of an affidavit  
20 from a licensed well plunger estimating the costs of all plugging,  
21 closure, and removal operations of the operator requesting such  
22 relief. This alternative amount shall be modified upward upon the  
23 assumption of additional operations by such operator, the maximum  
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1 amount of Category B surety to be posted not to exceed One Hundred  
2 Fifty Thousand Dollars (\$150,000.00).

3 2. New operators, operators who have outstanding fines or  
4 contempt citations and operators whose insiders or affiliates have  
5 outstanding contempt citations or fines as of June 7, 1989, shall be  
6 required to post Category B surety.

7 3. Operators using Category A surety who are assessed a fine of  
8 Two Thousand Dollars (\$2,000.00) or more and who do not pay the fine  
9 within the specified time shall be required to post a Category B  
10 surety within thirty (30) days of notification by the Commission.

11 C. For good cause shown concerning pollution or improper  
12 plugging of wells by the operator posting either Category A or B  
13 surety or by an insider or affiliate of such operator, the  
14 Commission, upon application of the Director of the Oil and Gas  
15 Conservation Division, after notice and hearing, may require the  
16 filing of additional Category B surety in an amount greater than  
17 Twenty-five Thousand Dollars (\$25,000.00) but not to exceed One  
18 Hundred Fifty Thousand Dollars (\$150,000.00).

19 D. If the Commission determines that a blanket surety bond is  
20 required, the bond shall be conditioned on the fact that the  
21 operator shall cause the wells to be plugged and abandoned surface  
22 impoundments to be closed, and trash and equipment to be removed in  
23 accordance with the laws of this state and the rules of the  
24 Commission. Each bond shall be executed by a corporate surety

1 authorized to do business in this state and shall be renewed and  
2 continued in effect until the conditions have been met or release of  
3 the bond is authorized by the Commission.

4       E. The agreement provided for in subsection A of this section  
5 shall provide that if the Commission determines that the person  
6 furnishing the agreement has neglected, failed, or refused to plug  
7 and abandon, or cause to be plugged and abandoned, or replug any  
8 well or has neglected, failed or refused to close any surface  
9 impoundment or removed or cause to be removed trash and equipment in  
10 compliance with the rules of the Commission, then the person shall  
11 forfeit from his or her bond, letter of credit or negotiable  
12 instrument or shall pay to this state, through the Commission, for  
13 deposit in the State Treasury, a sum equal to the cost of plugging  
14 the well, closure of any surface impoundment or removal of trash and  
15 equipment. The Commission may cause the remedial work to be done,  
16 issuing a warrant in payment of the cost thereof drawn against the  
17 monies accruing in the State Treasury from the forfeiture or  
18 payment. Any monies accruing in the State Treasury by reason of a  
19 determination that there has been a noncompliance with the  
20 provisions of the agreement or the rules of the Commission, in  
21 excess of the cost of remedial action ordered by the Commission,  
22 shall be credited to the Oil and Gas Revolving Fund. The Commission  
23 shall also recover any costs arising from litigation to enforce this  
24 provision. Provided, before a person is required to forfeit or pay

1 any monies to the state pursuant to this section, the Commission  
2 shall notify the person at his or her ~~last known~~ last known address  
3 of the determination of neglect, failure or refusal to plug or  
4 replug any well, or close any surface impoundment or remove trash  
5 and equipment and said person shall have ten (10) days from the date  
6 of notification within which to commence remedial operations.

7 Failure to commence remedial operations shall result in forfeiture  
8 or payment as provided in this subsection.

9 F. It shall be unlawful for any person to drill or operate any  
10 oil or gas well subject to the provisions of this section, without  
11 the evidence of financial ability required by this section. The  
12 Commission shall shut in, without notice, hearing or order of the  
13 Commission, the wells of any such person violating the provisions of  
14 this subsection and such wells shall remain shut in for  
15 noncompliance until the required evidence of Category B surety is  
16 obtained and verified by the Commission.

17 G. If title to property or a well is transferred, the  
18 transferee shall furnish the evidence of financial ability to plug  
19 the well and close surface impoundments required by the provisions  
20 of this section, prior to the transfer.

21 H. As used in this section:

22 1. "Affiliate" means an entity that owns twenty percent (20%)  
23 or more of the operator, or an entity of which twenty percent (20%)  
24 or more is owned by the operator; and

1       2. "Insider" means officer, director, or person in control of  
2 the operator; general partners of or in the operator; general or  
3 limited partnership in which the operator is a general partner;  
4 spouse of an officer, director, or person in control of the  
5 operator; spouse of a general partner of or in the operator;  
6 corporation of which the operator is a director, officer, or person  
7 in control; affiliate, or insider of an affiliate as if such  
8 affiliate were the operator; or managing agent of the operator.

9           SECTION 2. It being immediately necessary for the preservation  
10 of the public peace, health or safety, an emergency is hereby  
11 declared to exist, by reason whereof this resolution shall take  
12 effect and be in full force from and after its passage and approval.

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14       60-2-15913       JBH       01/13/26

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