

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

HOUSE BILL 3804

By: Sneed

AS INTRODUCED

An Act relating to insurance; providing definitions; requiring property insurance policies to include coverage for structural loss resulting from an abandoned oil or gas well; prohibiting exclusion, limitation, or denial of coverage on certain basis; clarifying that an exclusion, limitation, or endorsement inconsistent with section is void; providing minimum coverage; granting right of subrogation to insurer from certain sources; clarifying insured is not limited from pursuing damages independently; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1020 of Title 36, unless there is created a duplication in numbering, reads as follows:

A. As used in this act:

1. "Abandoned well" means any oil or gas well that has been drilled within the State of Oklahoma and is classified by the Oklahoma Corporation Commission as abandoned, orphaned, plugged, or of unknown operator status;

1 2. "Covered residential structure" means any single-family or
2 multi-family residential dwelling designed principally for human
3 habitation; and

4 3. "Structural loss" means physical damage to a covered
5 residential structure, including foundation movement, subsidence,
6 methane intrusion, soil collapse, sinkhole formation, or fire or
7 explosion, that is directly or indirectly caused by the presence,
8 failure, or degradation of an abandoned well;

9 B. Every property insurance policy issued, renewed, or
10 delivered in this state that insures a covered residential structure
11 shall include coverage for structural loss resulting from an
12 abandoned well located beneath, adjacent to, or within the
13 boundaries of the insured property.

14 C. Coverage required by this section shall not be excluded,
15 limited, or denied on the basis that the loss is:

16 1. A subsidence, earth movement, settling, cracking, shifting,
17 collapse, sinkhole, or underground void;

18 2. Caused by gas migration, methane intrusion, or wellbore
19 failure; or

20 3. Related to a pre-existing abandoned well, whether known or
21 unknown at the time the policy was issued.

22 D. Any exclusion, limitation, or endorsement inconsistent with
23 this section is void and unenforceable.

24 E. Coverage required under this section shall include:

1. Structural repair and stabilization;
2. Soil remediation and compaction;
3. Plugging, re-plugging, or sealing of the abandoned well as required by the Oklahoma Corporation Commission;
4. Temporary relocation expenses;
5. Loss of use of the dwelling; and
6. Reasonable engineering and environmental testing.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1020.1 of Title 36, unless there is created a duplication in numbering, reads as follows:

A. An insurer paying a claim under this act is subrogated to all rights of the insured to recover from:

1. Any prior operator;
2. Any surface owner responsible for concealment or misrepresentation;
3. The Oklahoma Orphan Well Fund; or
4. Any other responsible party.

B. This section does not limit an insured's right to pursue damages independently.

SECTION 3. This act shall become effective November 1, 2026.

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