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__ . B. _____

(By _____)

(Introduced _____; referred to the
Committee on _____.)

**Draft bill requiring money from forfeited bonds
to fix the problem that lead to the forfeiture.**

A BILL to [xxxrepeal] to amend and reenact . . .

Be it enacted by the Legislature of West Virginia:

That . . . all to read as follows:

§22-10-6. Establishment of priorities for plugging expenditures.

(a) Within one year of the effective date of this article, the director shall promulgate legislative rules establishing a priority system by which available funds from the oil and gas reclamation fund, established pursuant to section twenty-nine, article six of this chapter, will be expended to plug abandoned wells. The rules shall, at a minimum, establish three primary classifications to be as follows:

(1) Wells which are an immediate threat to the environment or which may hinder or impede the development of mineral resources of this state so as to require immediate plugging;

(2) Wells which are not an immediate threat to the environment or which do not hinder or impede the development of mineral resources of this state but which should be plugged consistent with available resources; and

(3) Wells which are not a threat to the environment and which do not hinder or impede the development of mineral resources of this state and for which plugging may be deferred for an

24 indefinite period.

25 (b) Such classifications shall, among other things, take into consideration the following
26 factors, as appropriate:

27 (1) The age of the well;

28 (2) The length of time the well has been abandoned;

29 (3) The casing remaining in the well;

30 (4) The presence of any leaks either at the surface or underground;

31 (5) The possibility or existence of groundwater contamination;

32 (6) Whether the well is located in an area to be developed for enhanced recovery;

33 (7) Whether the well hinders or impedes mineral development; and

34 (8) Whether the well is located in close proximity to population.

35

36 © Notwithstanding the other provisions of this section, if a bond is forfeited as a result of
37 failure to plug an abandoned well or failure to repair or plug a well that is causing
38 problems, or if the operator was cited for and then failed to correct other problems with a well or a
39 well site, or if the operator failed to reclaim surface disturbance, then the bond money shall first be
40 used to plug the well or correct or mitigate the problem on the land where the well or other cause
41 of the problem is located.

Note: The purpose of this bill is to require money that results from the forfeiture of an oil and gas operator's bond as a result of the operator's failure to plug a well or otherwise comply with State statutes and rules to go to correct or mitigate the problem that caused the forfeiture of the bond.

Underline and strikethrough shows changes from current code.