



State Financial Assurance Requirements

A 2016 work product of the
Legal & Regulatory Affairs Committee
led by Committee Chair Matt Lepore,
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State Financial Assurance Requirements

Introduction

This report summarizes the current financial assurance requirements of oil and gas regulatory agencies in 29 states. The information for each state was submitted by a representative of that state's oil and gas regulatory agency. The report is intended to be a "ready reference," rather than a comprehensive analysis of these states' financial assurance regulations.

The report includes the following information for each state:

- Types of financial assurance required
- A brief description of what oil and gas operations or activities are covered by the financial assurance
- The amount of financial assurance required for a specific operation or activity
- The types of financial assurance that may be used
- Citations to applicable rules or statutory provisions
- The date of the most recent rule updates

The IOGCC Legal and Regulatory Affairs Committee facilitated compilation of this report, but did not independently verify the information provided. Persons seeking additional information about a state's financial assurance requirements should contact the state's oil and gas regulatory agency.

About IOGCC

The Interstate Oil and Gas Compact Commission (IOGCC) is a multi-state quasi government agency that promotes the conservation and efficient recovery of our nation's oil and natural gas resources while protecting health, safety and the environment.

The IOGCC consists of the governors of 38 states (30 members and eight associate states) that produce almost all of the oil and natural gas in the United States. Chartered by Congress in 1935, the organization is the oldest and largest interstate compact in the nation. The IOGCC assists states in balancing interests through sound regulatory practices. These interests include: maximizing domestic oil and natural gas production, minimizing the waste of irreplaceable natural resources and protecting human and environmental health.

The IOGCC also provides an effective forum for government, industry, environmentalists and others to share information and viewpoints, allowing members to take a proactive approach to emerging technologies and environmental issues.

The Legal and Regulatory Affairs Committee is one of six of IOGCC's standing committees. The committee actively engages in legislative and regulatory processes at state and federal levels to ensure that tedious laws and regulations do not adversely affect oil and gas activities. The committee tackles its many tasks by fostering communication with the regulatory community so timely responses can be made to meet the rapidly changing needs of the oil and gas industry and its customers.

For more information, visit iogcc.ok.gov or call (405) 525-3556.

Alabama

Type of Bond	Description of Covered Operations	Bond Amount	Type of Financial Assurance Allowed	Rule or Statute	Last Rule Update
Single Well Bond	Plugging and Abandonment and Restoration and Clean-up of Site	\$5,000 - \$30,000 depending on depth	Surety bond or Letter of Credit with specific approval of the Board	ALA § 9-17-6 (c) (5) (1975) Rule 400-1-2-.03 (onshore) Rule 400-2-2-.03 (offshore) Rule 400-3-2-.03 (Coalbed)	2000
Blanket Bond	Plugging and Abandonment and Restoration and Clean-up of all wells operated by an operator in the state	\$100,000 onshore \$1,000,000 offshore	Surety bond or Letter of Credit with specific approval of the Board		2000

Alaska

Type of Bond	Description of Covered Operations	Bond Amount	Type of Financial Assurance Allowed	Rule or Statute	Last Rule Update
Surety or Personal	Drilling, operation, maintenance, repair, and abandonment	Not less than \$100,000 to cover a single well or not less than \$200,000 for a blanket bond covering all the operator's wells in the state	Surety: authorized insurer whose certificate of authority is in good standing; or Personal: certificate of deposit or irrevocable letter of credit issued in the sole favor of AOGCC by a bank authorized to do business in Alaska, or in another form that AOGCC determines to be adequate to ensure payment	20 AAC 25.025	11/7/1999

Arizona

Type of Bond	Description of Covered Operations	Bond Amount	Type of Financial Assurance Allowed	Rule or Statute	Last Rule Update
Drilling a new well, re-entering an abandoned well, or assuming responsibility as the operator of an existing well	Ensure faithful performance by the operator of the duty to drill each well, plug each dry or abandoned well, repair each well causing waste or pollution, maintain and restore each well site	1. For individual wells, an operator shall provide a \$10,000 bond for each well drilled to a total depth of 10,000 feet or less or a \$20,000 bond for each well drilled deeper than 10,000 feet, 2. For multiple wells, an operator shall provide one of the following blanket bonds to cover all wells: a. \$25,000 for 10 or fewer wells; b. \$50,000 for more than 10 but fewer than 50 wells; or c. \$250,000 for 50 or more wells	Bond may be in the form of a surety bond, executed by the operator as principal and a corporate surety, authorized to do business in Arizona; a certified check; or a certificate of deposit at a federally insured bank, authorized to do business in Arizona	R12-7-103	9/10/2005

Arkansas

Type of Bond	Description of Covered Operations	Bond Amount	Type of Financial Assurance Allowed	Rule or Statute	Last Rule Update
Well Plugging and Surface Restoration	To guarantee the performance of well plugging and abandoning obligations, and reclamation of well site and associated facilities *(Bonding is required for new oil well operators for a period of two years and no outstanding violations. After two years (or when full compliance is obtained after two years if operator was not in compliance after two year period), operator is no longer required to maintain bonding and is subject to annual well fee program described below)	Individual well bond. \$3,000 to \$13,000. Blanket - Current Maximum is \$250,000. Minimums as follows: \$25,000 for 1-25 wells; or \$50,000 for 26-100 wells; or \$100,000 for 101 or more wells.	1) Cash (check, money order, cashiers check payable to AOGC); 2) Surety Bond; 3) CD payable or assigned to AOGC; or 4) Irrevocable Letter of Credit	General Rule B-2. Director given authority to require more than minimum	2009
UIC Class II Commercial Injection Wells	Guarantee performance of well plugging and abandoning obligations, and reclamation of well site and associated facilities	\$50,000 each facility/well	1) Cash (check, money order, cashiers check payable to AOGC); 2) Surety Bond; 3) CD payable or assigned to AOGC; or 4) Irrevocable Letter of Credit	General Rule B-2	2009
UIC Class II Non-Commercial Disposal Wells	Guarantee performance of well plugging and abandoning obligations, and reclamation of well site and associated facilities	\$25,000 each facility/well	1) Cash (check, money order, cashiers check payable to AOGC); 2) Surety Bond; 3) CD payable or assigned to AOGC; or 4) Irrevocable Letter of Credit	General Rule B-2	2009

Arkansas (continued)

UIC Class V Disposal Wells - Brine Disposal Wells	Gurantee performance of well plugging and abandoning obligations, and reclamation of well site and associated facilities	\$25,000 each facility/well. (Existing Operators grandfathered in with blanket bond)	1) Cash (check, money order, ca-shiers check payable to AOGC); 2) Surety Bond; 3) CD payable or assigned to AOGC; or 4) Irrevocable Letter of Credit	General Rule B-2	2009
Surface Owner Protection	To protect surface owners from damage caused by operator neglect	Authorizes surface owner to make claim on financial assurance required to be maintained for well plugging and abandonment. Surface owner claim is subordinate to rights of AOGC. Surface owner must file within one year of date of issuance of drilling permit.	See Plugging and Abandonment section above	§ 15-72-214	1985
Seismic	To ensure the proper plugging and abandonment of any shot holes and any surface reclamation. Also, authorizes surface owner to make a claim on financial assurance for any damages caused by operator. Surface owner claim is subordinate to AOGC.	Blanket \$50,000 to \$250,000		General Rule B-42	2008
Comments or Notes:	Arkansas has an abandoned well plugging fund separate from the bonding framework for operators of wells that produce liquid hydrocarbons, or disposal or injection wells associated with liquid hydrocarbons. Operators pay on a per well basis, based upon the following scale: 1–5 Permits or Wells = \$100/Well; 6–15 Permits or Wells = \$750/Operator; 16-50 Permits or Wells = \$1,250/Operator; 51-150 Permits or Wells = \$2,000/Operator; 151-300 Permits or Wells = \$3,000/Operator; 301 or more Permits or Wells = \$4,000/Operator. These annual payments and any bond forfeitures are deposited into this abandoned well plugging and reclamation fund.				

California

Type of Bond	Description of Covered Operations	Bond Amount	Type of Financial Assurance Allowed	Rule or Statute	Last Rule Update
Individual Indemnity or Cash (or a combination) Bonds	An individual well bond covers a single well that an operator may drill or rework (Which includes redrilling, deepening, or altering the casing of a well)	\$25,000 less than 10,000 ft, and \$40,000 for over 10,000 feet deep.	Surety, cash (cashier's check, certificate of deposit, savings account)	PRC 3202(e), 3204, 3207	9/20/2013
* Individual Five-Year Idle Well Indemnity Bonds	An individual five-year idle well bond covers an idle well owned by the same operator for five or more years	\$5,000	Surety, cash (cashier's check, certificate of deposit, savings account)	PRC 3008, 3206(a)(3), and 3208	9/20/2013
Onshore Blanket Indemnity or Cash (or a combination) Bonds	A blanket well bond covers all of an Operator's wells except Commercial Class II waste water disposal wells	\$200,000 for 20 to 49 wells , \$400,000 for 50 or more wells, and \$2,000,000 for onshore well operations (satisfies additional idle well bond/fee requirements under Pub. Res. Code, §3206)	Surety, cash (cashier's check, certificate of deposit, savings account)	PRC 3202(e), 3204, 3207	9/20/2013
Offshore Blanket Indemnity or Cash (or a combination) Bonds	A blanket well bond covers all of an Operator's Offshore wells	\$1,000,000	Surety, cash (cashier's check, certificate of deposit, savings account)	PRC 3202(e), 3204, 3208	9/20/2013

California (continued)

Individual Class II Commercial Waste Water Disposal Well Cash Bond	Class II Commercial Waste Water Disposal.	\$100,000	Surety, cash (cashier's check, certificate of deposit, savings account)	PRC 3205.2, 3207	9/20/2013
Comments or Notes:	* Idle well aquired in a transfer needs to be covered by an individual \$25,000 bond for 5 years.				

Colorado

Type of Bond	Description of Covered Operations	Bond Amount	Type of Financial Assurance Allowed	Rule or Statute § 34-60-106.(13)	Last Rule Update
Surface Owner Protection	To protect surface owners who are not parties to a lease or SUA from unreasonable crop loss or land damage	Individual (irrigated land \$5,000 & non-irrigated \$2,000) Blanket \$25,000 unlimited well		Rule 703	2009
E&P Waste Facility	Estimated Cost of reclamation, closure and abandonment	Operator must provide cost estimate; COGCC must provide third party estimate		Rule 704	2009
Seismic	To ensure the proper plugging and abandonment of any shot holes and any surface reclamation	Blanket \$25,000		Rule 705	2009
Plugging & Abandonment & Soil protection	To ensure the protection of the soil, the proper plugging and abandonment, and the well site reclamation and associated facilities	Individual wells < 3000 ft total measured depth = \$10,000 Individual wells ≥ 3000 ft total measured depth = \$20,000 Blanket \$60,000 < 100 wells \$100,000 ≥ 100 wells		Rule 706	2009

Colorado (continued)

Inactive Wells	To ensure the protection of the soil, the proper plugging and abandonment, and the well site reclamation and associated facilities	Inactive well count exceeds current financial assurance amount. For each excess well, under Rule 706 shall be increase by \$10,000 for wells < 3000 ft in total measured depth and \$20,000 ≥ 3000 ft in total measured depth		Rule 707	2009
Natural gas gathering, processing, and underground storage facilities	Shall apply to the surface facilities and environmental impacts	Small facilities processing < 5 mmscfd = \$5,000 or \$50,000 blanket		Rule 711	2009
UIC Class II Commercial Injection Wells	Shall apply to the surface facilities and structures	\$50,000 each facility/well		Rule 712	2009

Idaho

Type of Bond	Description of Covered Operations	Bond Amount	Type of Financial Assurance Allowed	Rule or Statute	Last Rule Update
Surface Use Bond	Safeguard surface owner's loss of agricultural income and improvement values	\$5,000.00	Cash payment to the Department of Lands	Rule 20.07.02 Section 110.04	3/1/2012
Geophysical Operations	Seismic operations: surface, vegetation and soil disturbances, fence replacement and debris removal, operations associated with seismic shot hole plugging	\$10,000.00		Rule 20.07.02 Section 100.03	3/1/2012
Geophysical Operations	Persons or other entities who engage in the plugging of seismic holes and are not a regular or full-time employee of the seismic company	\$5,000.00		Rule 20.07.02 Section 100.03	3/1/2012
Well drilling, plugging, and abandonment	Drilling, maintaining, operating and plugging for each well and the reclamation of surface disturbances associated with drilling activities	\$10,000 plus \$1.00 per foot of planned well length		Rule 20.07.02 Section 220.01	4/1/2015
Well drilling, plugging, and abandonment	Drilling, maintaining, operating and plugging for each well and the reclamation of surface disturbances associated with drilling activities	Blanket bond: up to 10 wells \$50,000; 11 to 30 wells \$100,000; more than 30 wells \$150,000		Rule 20.07.02 Section 220.02	4/1/2015
Well drilling, plugging, and abandonment - Inactive Wells	Drilling, maintaining, operating and plugging for each well and the reclamation of surface disturbances associated with drilling activities	\$10,000 plus \$8.00 per foot of planned well length.	Made by corporate surety authorized to do business in the state of Idaho or in cash	Rule 20.07.02 Section 220	4/1/2015

Illinois

Type of Bond	Description of Covered Operations	Bond Amount	Type of Financial Assurance Allowed	Rule or Statute	Last Rule Update
Individual Oil Well (shallow) (0-2000 ft.)	Performance/Penalty- used to offset the cost of plugging the well. Must only be maintained for at least 2 years. If the Operator has a violation open at time of release, the bond will be held until violations are resolved. The bond can be revoked if permittee fails to meet permit conditions or fails to abate a violation of the Oil and Gas Act.	\$1,500	Surety, Certificate of Deposit, Letter of Credit	225 ILCS 725/6 62 ILAC 240.1500 (a) (2 (A	7/26/2011
Individual Oil Well (deep) (>2000 ft.)	Performance/Penalty- used to offset the cost of plugging the well. Must only be maintained for a minimum 2 years. If the Operator has a violation open at time of release, the bond will be held until violations are resolved. The bond can be revoked if permittee fails to meet permit conditions or fails to abate a violation of the Oil and Gas Act.	\$3,000	Surety, Certificate of Deposit, Letter of Credit	225 ILCS 725/6 62 ILAC 240.1500 (a) (2 (B	7/26/2011
Blanket for up to 25 Wells	Performance/Penalty- used to offset the cost of plugging the well. Must only be maintained for a minimum 2 years. If the Operator has a violation open at time of release, the bond will be held until violations are resolved. The bond can be revoked if permittee fails to meet permit conditions or fails to abate a violation of the Oil and Gas Act.	\$25,000	Surety, Certificate of Deposit, Letter of Credit	225 ILCS 725/6 62 ILAC 240.1500 (a) (2 (C	7/26/2011

Illinois (continued)

Blanket for up to 50 Wells	Performance/Penalty- used to offset the cost of plugging the well. Must only be maintained for a minimum 2 years. If the Operator has a violation open at time of release, the bond will be held until violations are resolved. The bond can be revoked if permittee fails to meet permit conditions or fails to abate a violation of the Oil and Gas Act.	\$50,000	Surety, Certificate of Deposit, Letter of Credit	225 ILCS 725/6 62 ILAC 240.1500 (2 (D	7/26/2011
Blanket for an unlimited number of wells	Performance/Penalty- used to offset the cost of plugging the well. Must only be maintained for a minimum 2 years. If the Operator has a violation open at time of release, the bond will be held until violations are resolved. The bond can be revoked if permittee fails to meet permit conditions or fails to abate a violation of the Oil and Gas Act.	\$100,000	Surety, Certificate of Deposit, Letter of Credit	225 ILCS 725/6 62 ILAC 240.1500 (2 (E	7/26/2011
Liquid Waste Hauler System Bond	Penalty- Must be maintained for the life of the Waste Hauling System Permit. Can be revoked if permittee, fails to meet permit conditions or fails to abate a violation of the Oil and Gas Act.	\$10,000	Surety, Certificate of Deposit, Letter of Credit	225 ILCS 725/6 62 ILAC 240.1500 (b	7/26/2011
Structure Test, Mineral Test Hole or Monitoring Well (individual)	Security - Permit is issued by "Section", permittee may drill as many wells as needed within the Section. Bond must be maintained until all holes in the Section are plugged and restored. No system for revocation, but will not release if plugging obligation is not met or if the permittee is in violation of the Act.	\$2,500	Surety, Certificate of Deposit, Letter of Credit	225 ILCS 725/2 62 ILAC 240.1500 (c	7/26/2011

Illinois (continued)

Structure Test, Mineral Test Hole or Monitoring Well (Blanket)	Security – Unlimited number of Permits. Bond must be maintained until all holes permitted are either plugged and restored or verified to be “Not Drilled”. No system for revocation, but will not release if plugging obligation is not met or if the permittee is in violation of the Act.	\$25,000	Surety, Certificate of Deposit, Letter of Credit	225 ILCS 725/2 62 ILAC 240.1500 (c)	7/26/2014
Surety	The surety company must be a good and sufficient corporate surety, authorized to do business as a surety in Illinois. The bond shall not be canceled except after 90 days notice upon the Department. If the sureties license to transact business in Illinois is suspended or revoked, the permittee shall replace the bond within 30 days of the notice or cease operations until the substitution has been made.			62 ILAC 240.1520 (c)	12/14/1998
Letter Of Credit	The letter of credit (LOC) shall be issued by a bank organized or authorized to do business in the US with an office for collection in Illinois. If the bank does not have an office in Illinois, it must designate a confirming bank in Illinois authorized to accept, negotiate and pay the letter in Illinois. The LOC shall be irrevocable during its term. The LOC shall be forfeited and collected if not replaced prior to 30 days of the expiration date. The LOC shall be payable, in part or in full, upon the notice of forfeiture from the Department. The Department shall not accept a LOC in Excess of the Issuing bank's total capital as evidenced by the quarterly Call Report provided to the FDIC. The LOC shall be deemed to be made in Sangamon County, Illinois, for the purpose of enforcement in the Courts of Illinois, and shall be construed under Illinois law. ** Per Department Policy, the Department does not accept "Standby Letters of Credit".			62 ILAC 240.1520 (d) (1)	12/14/1998
Certificate of Deposit	The Certificate of Deposit (CD) shall be made payable to or assigned to the Department in writing and upon the records of the issuing bank. If assigned, the issuing bank shall waive all rights of setoff or liens against the CD. The Department shall not accept an individual CD in excess of the maximum insurable amount as determined by the FDIC. Interest accruing on a CD shall be for the benefit of the permittee unless the CD is forfeited, then the interest is first applied to any prepayment of a penalty. If the CD is a negotiable instrument, the original instrument shall be placed in the Department's possession. If the instrument is non-negotiable, a signed withdrawal receipt shall be placed in the Department's possession.			62 ILAC 240.1520 (d) (2)	12/14/1998

Indiana

Type of Bond	Description of Covered Operations	Bond Amount	Type of Financial Assurance Allowed	Rule or Statute	Last Rule Update
Well plugging & abandonment	All operations under any permit for a well for oil and gas purposes which includes oil, gas, coal bed methane, water supply, noncommercial gas, underground gas storage, underground petroleum storage, Class II, and geologic structure test wells.	\$2,500 per or a blanket bond of \$45,000 for any number of wells. However, this bond may be released if an operator has at least 2 years of acceptable history of operating wells in Indiana and does not have any outstanding violations.	Surety, cash, or certificate of deposit	IC 14-37-6 Bonding	2005
Annual Well Fee & Environmental Fund	Each operator is assessed an annual fee to fund the Environmental Fund which can be used by the state for well plugging and abandonment expenses in the event there is no bond or inadequate bond on a well. All wells, including orphan wells, are covered by this fund.	Each operator is assessed a fee annually as follows: (1) For 1 permit, \$150; (2) for 2 through 5 permits, \$300; (3) for 6 through 25 permits, \$750; (4) for 26 through 100 permits, \$1,500; and (5) for more than 100 permits, \$1,500 plus \$15 for each permit over 100.	Cash is deposited into a dedicated fund account. In addition to the annual well fee, civil penalties collected by the Division of Oil and Gas are also deposited into this fund.	IC 14-37-5	1995
Comments or Notes:	The Environmental Fund functions much like a “bond pool” in that it provides a means by which the Division of Oil and Gas can have adequate funding to complete the plugging and abandonment of any well in the state. At our current level of plugging and rate of permit revocation/bond forfeiture, the money in the fund is adequate to cover those costs. The legislature could increase the fees if it felt it necessary. One unforeseen benefit of this approach is that if an operator fails to submit the annual well fee, they are required to post a bond plus pay a civil penalty. If an operator fails to post a bond, pay the civil penalty, or fails to pay the annual well fee, that is immediate cause to revoke the permit or permits for that operator. In those instances, this process is much more efficient and time saving rather than pursuing separate enforcement action against each well.				

Kansas

Type of Bond	Description of Covered Operations	Bond Amount	Type of Financial Assurance Allowed	Rule or Statute	Last Rule Update
Plugging Performance Bond	To ensure well plugging and abandonment	<p>One of the following:</p> <p>1) \$.75 times aggregate depth of all wells;</p> <p>2) wells less than 2,000 feet in depth:</p> <ul style="list-style-type: none"> a. 1-5 wells \$7,500 b. 6-25 wells \$15,000 c. over 25 wells \$30,000 <p>3) wells greater than 2,000 feet in depth:</p> <ul style="list-style-type: none"> a. 1-5 wells \$15,000 b. 6-25 wells \$30,000 c. over 25 wells \$45,000 <p>Bonding (financial assurance) must be maintained for the first three years an operator is licensed and if a good compliance record is not maintained. After three years and with good compliance, the operator pays \$100 a year into a state plugging fund.</p>	<p>1) performance bond</p> <p>2) irrevocable letter of credit</p> <p>3) nonrefundable cash fee equal to 6% of required bond amount</p> <p>4) first lien on tangible personal property associated with oil & gas production having a salvage value equal to the required bond amount</p> <p>5) other financial assurance approved by the Commission.</p>	<p>K.S.A. 55-155</p> <p>K.A.R. 82-3-120</p>	<p>7/1/2011</p> <p>11/5/2010</p>
Comments or Notes:	<p>The requirements listed above pertain to wells drilled after July 1, 1996 pursuant to K.S.A. 55-166. Kansas also has K.S.A. 55-192 which establishes the funding sources for plugging wells drilled prior to July 1, 1996. The funding sources were amended in the 2015 legislative session. To date, Kansas has plugged more than 9,000 wells using this fund.</p>				

Kentucky

Type of Bond	Description of Covered Operations	Bond Amount	Type of Financial Assurance Allowed	Rule or Statute	Last Rule Update																
Blanket Well Bond (Shallow Well)	To ensure well plugging and abandonment	<p><u>Qualified Blanket-Bond Tier Schedule</u></p> <table> <thead> <tr> <th>No. of Wells</th> <th>Bond Amount</th> </tr> </thead> <tbody> <tr> <td>1-25 Wells</td> <td>\$10,000</td> </tr> <tr> <td>26-100 Wells</td> <td>\$25,000</td> </tr> <tr> <td>101-500 Wells</td> <td>\$50,000</td> </tr> <tr> <td>501+ Wells</td> <td>\$100,000</td> </tr> </tbody> </table> <p><u>Non-Qualified Blanket-Bond Tier Schedule</u></p> <table> <thead> <tr> <th>No. of Wells</th> <th>Bond Amount</th> </tr> </thead> <tbody> <tr> <td>1-100 Wells</td> <td>\$50,000</td> </tr> <tr> <td>101 + Wells</td> <td>\$100,000</td> </tr> </tbody> </table>	No. of Wells	Bond Amount	1-25 Wells	\$10,000	26-100 Wells	\$25,000	101-500 Wells	\$50,000	501+ Wells	\$100,000	No. of Wells	Bond Amount	1-100 Wells	\$50,000	101 + Wells	\$100,000	Cash (certified check or money order), Letter of Credit, Certificate of Deposit, Surety	Kentucky Revised Statutes 353.590	6/24/2015
No. of Wells	Bond Amount																				
1-25 Wells	\$10,000																				
26-100 Wells	\$25,000																				
101-500 Wells	\$50,000																				
501+ Wells	\$100,000																				
No. of Wells	Bond Amount																				
1-100 Wells	\$50,000																				
101 + Wells	\$100,000																				
Individual Well Bond (Deep Well)	To ensure well plugging and abandonment AND reclamation	<p>Vertical deep wells – \$25,000</p> <p>Horizontal deep well – \$40,000</p> <p>Oil & Gas Conservation Commission may establish a higher amount</p>	Cash (certified check or money order), Letter of Credit, Certificate of Deposit, Surety	Kentucky Revised Statutes 353.590	6/24/2015																
Blanket Well Bond (DeepWell)	To ensure well plugging and abandonment AND reclamation	<p>1 to 10 vertical deep wells - \$200,000</p> <p>1 to 10 horizontal deep wells - \$320,000</p>	Cash (certified check or money order), Letter of Credit, Certificate of Deposit, Surety	Kentucky Revised Statutes 353.590	6/24/2015																

Kentucky (continued)

Comments or Notes:	<p>Non-Qualified</p> <ul style="list-style-type: none">• Operator has more than ten (10) violations of KRS chapter 353 within the thirty-six (36) period• Operator has outstanding, unabated violations which have not been appealed• Operator has had a forfeiture of an individual bond or partial forfeiture of a blanket bond and has no agreement with DOG for plugging of the well(s)• Operator has a permit or permits upon which a portion or the entire bond has been forfeited and the proceeds have been spent by DOG to plug the well(s) <p>Qualified</p> <ul style="list-style-type: none">• Operator must have a blanket bond on file prior to July 15, 2006 and have no outstanding, unabated violations• Operator must have a record of compliance with all DOG statutes and regulations for a period of thirty-six (36) months• Provide proof of financial ability to plug and abandon wells covered by the blanket bond
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Maryland

Type of Bond	Description of Covered Operations	Bond Amount	Type of Financial Assurance Allowed	Rule or Statute	Last Rule Update
Performance Bond	Reclamation and closure	Min \$50K	Surety bond, Letter of Credit, Cash or CD Self bonding	Rule 26.21.01.03	
Blanket Bond	Multiple Wells	\$500K	Same types but for multiple wells	Statute 14-111 Environment Article	
Comments or Notes:	Proposed Regulation change would eliminate blanket bonds and self bonding. We currently have no self bonds. Proposed regulations would also require environmental pollution insurance of \$10M per well.				

Michigan

Type of Bond	Description of Covered Operations	Bond Amount	Type of Financial Assurance Allowed	Rule or Statute	Last Rule Update
Conformance bond (1)	Oil and gas production wells, brine disposal wells, injection wells for EOR, gas storage wells: Compliance with the statute, rules, permit conditions, instructions, or orders of the Supervisor of Wells	Varies by depth (2). Single well: \$10,000 - \$30,000. Blanket: \$100,000 - \$250,000	Surety bond, cash, certificates of deposit, letters of credit, or other approved securities; or statement of financial responsibility	Sec. 61506, 61519, & 61525, PA 451 of 1994 (3) Rules R 324.102, 201, 206, and 210 – 216	3/11/15; However, rules on bonds have not been substantially revised since 1996.
Comments or Notes:	<p>(1) Full description in rules is: "Conformance bond to ensure compliance with the act, these rules, permit conditions, instructions, orders of the supervisor, or an order of the Department of Environmental Quality."</p> <p>(2) Single well bonds: 0 – 2000 feet: \$10,000; 2001 – 4000 feet: \$20,000; 4001 – 7500 feet: \$25,000; >7500 feet: \$30,000 Blanket bonds: 0 – 2000 feet: \$100,000 (up to 100 wells); 2001 – 4000 feet: \$200,000 (up to 100 wells); > 4100 feet: \$250,000 Maximum aggregate bond amount = \$250,000 Additional bond may be required under a compliance order.</p> <p>(3) Full citation is: Sections 61506, 61519, and 61525 of Part 615, Supervisor of Wells, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Mich. Compiled Laws 324.61506, 324.61519, and 324.61525).</p>				

Mississippi

Type of Bond	Description of Covered Operations	Bond Amount	Type of Financial Assurance Allowed	Rule or Statute	Last Rule Update
Plugging and Abandonment	Statewide Rule 28 (“ <u>Plugging and Abandonment</u> ”) prescribes a schedule for the timely plugging and abandonment of both dry holes and otherwise inactive wells. In addition, Statewide Rule 28 requires location clean-up and site restoration as a part of the well plugging process (including within ninety (90) days the removal of all materials, debris, equipment, machinery, concrete slabs, etc.). Financial assurance instruments (bonds, letters of credit, etc.) required by the Board are intended to insure that adequate funds are available to cover the estimated plugging and abandonment costs of both producing as well as Class II wells in the event of operator default.	Amount by Depth in Feet: Zero - 10,000 ft is \$20,000 10,001 - 16,000 is \$30,000 16,0001 or more is \$60,000 Statewide Rule 4(c) provides that the Board, in its discretion for good cause shown, may require financial assurance in an amount different from that set forth above because of environmentally sensitive conditions or for other justifiable reasons.	Financial assurance instruments may take the form of an Irrevocable Standby Letter of Credit issued by a bank or other financial institution, an Irrevocable Surety Performance Bond issued by a bonding or insurance company, or other type financial assurance in such form as may be acceptable to the State Oil and Gas Supervisor.	Miss. Code Anno. Section 53-1-17(3)(c) Statewide Rule 4(c)	Statewide Rule 4(c) (“ <u>Financial Responsibility</u> ”) 3/18/98 Statewide Rule 28 (“Plugging and Abandonment”) 10/5/12
Comments or Notes:	All financial assurance instruments (bonds, letters of credit, 5% annual non-refundable fees, etc.) required by the Mississippi State Oil & Gas Board are payable directly to the agency’s “Emergency Plugging Fund” and may only be utilized to plug so-called “orphaned” or abandoned wells which are deemed to represent an imminent threat to the public health and safety or the environment. In addition to the traditional bonding requirements, Statewide Rule 4(b) also imposes upon oil and gas operators an annual \$100.00 fee for each unplugged wellbore payable to the Mississippi State Oil & Gas Board’s “Emergency Plugging Fund.” This annual \$100.00 fee applies to all unplugged wellbores in the state regardless of type (both producing and Class II wells) and regardless of status (active or inactive). These fees are utilized exclusively to cover the estimated plugging costs of so-called “orphaned” or abandoned wells.				

Nebraska

Type of Bond	Description of Covered Operations	Bond Amount	Type of Financial Assurance Allowed	Rule or Statute	Last Rule Update
Surety	Well plugging and abandonment	\$10,000 / Well or \$100,000 Blanket Bond	Certificate of Deposit on Nebraska Bank or Insurance Bond	Rule 3-004	6/15/2015

Nevada

Type of Bond	Description of Covered Operations	Bond Amount	Type of Financial Assurance Allowed	Rule or Statute	Last Rule Update
Plugging & abandonment bond for OG wells on non-Federal land (bonds on Federal lands are held by the BLM)	To ensure plugging and abandonment, also to ensure operation and repair to ensure well is operated and repaired in a manner not to cause waste.	\$10,000 minimum for first well, \$50,000 minimum for all wells operator has in the State Division has ability to raise bond amount and recently required \$35,000 for a first-time operator in the State for a single well.	1. bond in favor of the State 2. cash deposit to the Division of Minerals 3. savings or time certificate deposited with a bank in Nevada made payable to the State.	NAC 522.230 (same bonding requirements and amounts for geothermal commercial or industrial wells, NAC 534A.250)	1987 for OG, 1992 for geothermal
Surface disturbance reclamation bond	On non-Federal lands the Nevada Division of Environmental Protection determines bond amount for disturbance over 5 acres, no bond required for < 5 acres. On Federal lands bond amount determined by BLM.	Variable depending on amount of disturbance	1. bond amount on non-Federal lands determined by SRCE (standard reclamation bond estimator model) Surety or cash deposit with State of Nevada. 2. bond amount on Federal lands determined by BLM, operator provides financial assurance to BLM, surety or cash to BLM	NAC 519A	
Inactive geothermal wells	Inactive geothermal commercial or industrial wells, temperature-gradient wells, observation wells	\$100 fee per year for wells not in production, not plugged and abandoned	annual fee	NAC 534A.214	2015

New Mexico

Type of Bond	Description of Covered Operations	Bond Amount	Type of Financial Assurance Allowed	Rule or Statute	Last Rule Update
Plugging and Abandonment	To ensure the well(s) will be plugged and abandoned and the location(s) restored and remediated in compliance with division rules.	(1) A blanket financial assurance shall be in the amount of \$50,000 for all oil, gas and service wells drilled (2) A one-well financial assurance of \$5,000 plus \$1 per foot of projected depth in Chaves, Eddy, Lea, McKinley, Rio Arriba, Roosevelt, Sandoval and San Juan counties (3) A one-well financial assurance in all other counties in the state of \$10,000 plus \$1 per foot of projected depth	Cash Bond, Surety Bond or an Irrevocable Letter of Credit	19.15.8.9 NMAC	6/30/2015
Inactive Wells	To provide for additional financial assurance for plugging and abandonment operations, or additional remediation that may be required as a result of wells being shut-in for extended periods of time. This additional financial assurance is required for all wells that are inactive for a period of more than 2 years (Shut-in or temporarily abandoned)	(1) A one-well financial assurance of \$5,000 plus \$1 per foot of projected depth in Chaves, Eddy, Lea, McKinley, Rio Arriba, Roosevelt, Sandoval and San Juan counties (3) A one-well financial assurance in all other counties in the state of \$10,000 plus \$1 per foot (2) A blanket financial assurance in the amount of \$150,000 for the first five wells, \$300,000 for six-ten wells, \$500,000 for 11-25 wells, and \$1,000,000 for more than 25 wells	Cash Bond, Surety Bond or an Irrevocable Letter of Credit	19.15.8.9 NMAC	6/30/2015

New Mexico (continued)

Recycling Containment	Produced Water Containment operators without existing financial assurance pursuant to 19.15.8.9 NMAC (above) shall furnish financial assurance acceptable to the division in the amount of the recycling containment's closure cost.	In the amount of the recycling containments closure or \$25,000, whichever is greater	Cash Bond, Surety Bond or an Irrevocable Letter of Credit	19.15.34.15 NMAC	3/31/2015
Surface Waste Management Facilities	(1) Centralized Facilities (operator permitted landfill or landfarm for their own waste); or (2) Commercial facility	(1) \$25,000 per facility or \$50,000 blanket financial assurance for all their centralized facilities in the state; (2) \$25,000 or estimated closure cost, whichever is greater. (Note: Small landfarms < 2 acres and < 2,000 yds. of material are not required to have any financial assurance)	Cash Bond, Surety Bond or an Irrevocable Letter of Credit	19.15.36.11 NMAC	2/14/2007

New York

Type of Bond	Description of Covered Operations	Bond Amount	Type of Financial Assurance Allowed	Rule or Statute	Last Rule Update
Well Plugging and Surface Restoration	To guarantee the performance of well plugging and abandoning obligations for wells up to 2,500 feet in depth; includes all oil and gas, underground storage, solution mining, geothermal, stratigraphic, and brine disposal wells	Shallow Wells under 2,500 feet in depth: (i) for 1 to 25 wells, \$2,500 per well, not exceeding \$25,000; (ii) for 26 to 50 wells, \$25,000, plus \$2,500 per well in excess of 25 wells, not exceeding \$40,000; (iii) for 51 to 100 wells, \$40,000, plus \$2,500 per well in excess of 50 wells, not exceeding \$70,000; or (iv) for over 100 wells, \$70,000, plus \$2,500 per well in excess of 100 wells, not exceeding \$100,000	1) Surety Bond 2) Certificate of Deposit 3) Irrevocable Letter of Credit 4) Cash in Lieu of Bond	Environmental Conservation Law 23-0305(8)(k)(1)(i) & 6 NYCRR 551.5(a)	1985
Well Plugging and Surface Restoration	To guarantee the performance of well plugging and abandoning obligations for wells 2,500 to 6,000 feet in depth; includes all oil and gas, underground storage, solution mining, geothermal, stratigraphic, and brine disposal wells	Wells between 2,500 feet and 6,000 feet in depth: (i) for 1 to 25 wells, \$5,000 per well, not exceeding \$40,000; (ii) for 26 to 50 wells, \$40,000, plus \$5,000 per well in excess of 25 wells, not exceeding \$60,000; (iii) for 51 to 100 wells, \$60,000, plus \$5,000 per well in excess of 50 wells, not exceeding \$100,000; or (iv) for over 100 wells, \$100,000, plus \$5,000 per well in excess of 100 wells, not exceeding \$150,000	1) Surety Bond 2) Certificate of Deposit 3) Irrevocable Letter of Credit 4) Cash in Lieu of Bond	Environmental Conservation Law 23-0305(8)(k)(1)(ii) & 6 NYCRR 551.5(a)	1985

North Carolina

Type of Bond	Description of Covered Operations	Bond Amount	Type of Financial Assurance Allowed	Rule or Statute	Last Rule Update
Plugging and abandonment bond, which runs to the state	Plugging and abandonment of oil or gas wells	\$5,000 plus \$1 per linear foot	<ol style="list-style-type: none"> 1) Irrevocable Letter of Standby Credit 2) Surety Bond 3) Assignment of Savings Account 4) Cash Deposit 	<p>NCGS 113-378: Persons drilling for oil or gas to register and furnish bond.</p> <p>15A NCAC 05H .1403: Oil or gas well plugging and abandonment bond</p>	3/15/15
Disturbed land bond, which runs to the surface owner	Reclamation of disturbed land	Bond amount is determined by calculating the costs for corrective actions needed to return the land to the conditions set out in the approved reclamation plan.	<ol style="list-style-type: none"> 1) Irrevocable Letter of Standby Credit 2) Surety Bond 3) Assignment of Savings Account 4) Cash Deposit 	<p>NCGS 113-421(a3)(1): Reclamation of surface property required.</p> <p>NCGS 113-391(a)(13a): Commission shall set the amount of the bond in accordance with the criteria adopted by the Commission (reclamation cost table).</p> <p>15A NCAC 05H .1404: Disturbed land bond</p>	3/15/15

North Dakota

Type of Bond	Description of Covered Operations	Bond Amount	Type of Financial Assurance Allowed	Rule or Statute § 34-60-106.(13)	Last Rule Update
Underground Gathering Pipeline Blanket bond (P&A and Reclamation)	Blanket bond for multiple underground gathering pipeline systems	\$100,000	1) Cash Bond 2) Surety Bond 3) Alternative form of security may be approved by the commission after notice and hearing	NDCC Section 38-08-04 §1 d; NDAC Section 43-02-03-15 §8 a	Current - 2016 Promulgating Rules
Underground Gathering Pipeline bond (P&A and Reclamation)	Single underground gathering pipeline system bond	\$50,000	1) Cash Bond 2) Surety Bond 3) Alternative form of security may be approved by the commission after notice and hearing	NDCC Section 38-08-04 §1 d; NDAC Section 43-02-03-15 §8 a	Current - 2016 Promulgating Rules
Underground Gathering Pipeline bond (P&A and Reclamation)	Single underground gathering pipeline less than one mile in length	\$10/ft	1) Cash Bond 2) Surety Bond 3) Alternative form of security may be approved by the commission after notice and hearing	NDCC Section 38-08-04 §1 d; NDAC Section 43-02-03-15 §8 a	Current - 2016 Promulgating Rules
Abandoned Well Bond	Well in violation of AB rules	As determined	1) Surety bond 2) Cash bond as a CD set up according to an escrow agreement between the Industrial Commission and Bank of North Dakota 3) Other form of security approved by the Industrial Commission after notice and hearing, as provided by law	NDAC 43-02-03-55	2014
Treating Plant Bond	Prior to the commencement of operations, any person proposing to operate a treating plant must submit to the commission and obtain its approval of a surety bond or cash bond	Shall be specified in the Commission Order authorizing the treating plant, and shall be based upon the location, type, capacity of the plant, processing method and plan of operation for all plant waste approved in Commission Order	1) Surety bond 2) Cash bond as a CD set up according to an escrow agreement between the Industrial Commission and Bank of North Dakota 3) Other form of security approved by the Industrial Commission after notice and hearing, as provided by law	NDAC 43-02-03-15	2014

North Dakota (continued)

Seismic -Shot Hole Main Contractor	Covers the main contractor for all drilling, plugging & reclamation of the surface	\$50,000	Blanket bond. Surety, cash, or certificate of deposit bonds are allowed. Bond must be held for 6 years after the last date the contractor works in the state.	NDCC 38-08.1-03.1/ NDAC 43-02-12-03	12/1/1997
Seismic-Nonexplosive Methods	Covers all nonexplosive methods and reclamation of the surface	\$25,000	Blanket bond. Surety, cash, or certificate of deposit bonds are allowed. Bond must be held for 6 years after the last date the contractor works in the state.	NDCC 38-08.1-03.1/ NDAC 43-02-12-03	12/1/1997
Seismic -Shot Hole Sub-Contractor	Covers sub-contractors for all drilling, plugging & reclamation of the surface	\$10,000	Blanket bond. Surety, cash, or certificate of deposit bonds are allowed. Bond must be held for 2 years after the last date the contractor works in the state.	NDCC 38-08.1-03.1/ NDAC 43-02-12-03	12/1/1997
Coal Exploration	Performance and plugging	\$100/testhole Blanket bond - \$10,000	Surety or cash bond	NDAC 43-02-01-10	2004
Subsurface Mineral Exploration & Development	Compliance, plugging, surface restoration	Wells<2,000ft variable; formula based \$50,000/well>2,000ft	Surety or cash bond	NDAC 43-02-02-11	2013
In Situ Leach Uranium Mining	Compliance, plugging, surface restoration	Commensurate with the size and scope of the mining operation and cost of abandoning operation and reclamation	Surety or cash bond	NDAC 43-02-02.2-13	2009
Surface Mining (excluding coal and sand & gravel)	Compliance, plugging, surface restoration	\$5000/acre	Surety or cash bond	NDAC 43-02-02.3-05	2013

North Dakota (continued)

Solution Mining	Compliance, plugging, surface restoration	Commensurate with the number of wells, type of project, and the environmental risk \$50,000/well for commercial disposal operations	Surety or cash bond	NDAC 43-02-2.4-03	2013
Facility bond Geothermal energy extraction	Any shallow-well or horizontal-loop facility that, for any reason, constitutes a special threat to important ground water resources or the environment, or otherwise poses a significant public health hazard.	\$15,000	1) Surety bond 2) Cash bond as a CD set up according to an escrow agreement between the Industrial Commission and Bank of North Dakota 3) Other form of security approved by the Industrial Commission after notice and hearing, as provided by law	NDAC 43-02-07-08.1	5/1/04
Installation bond Geothermal energy extraction	All permits for shallow-well and horizontal-loop facilities issued in one year commencing on the date the first permit covered by the bond is issued.	Blanket \$10,000 or \$100 per well/loop	1) Surety bond 2) Cash bond as a CD set up according to an escrow agreement between the Industrial Commission and Bank of North Dakota 3) Other form of security approved by the Industrial Commission after notice and hearing, as provided by law	NDAC 43-02-07-08.1	5/1/04
Facility bond Geothermal energy extraction	All deep-well facilities	\$5,000 for a deep-well facility with one supply well, increasing in \$5,000 increments for each additional supply well and each injection well	1) Surety bond 2) Cash bond as a CD set up according to an escrow agreement between the Industrial Commission and Bank of North Dakota 3) Other form of security approved by the Industrial Commission after notice and hearing, as provided by law	NDAC 43-02-07-08.2	5/1/04

North Dakota (continued)

Unit Bonds	Prior to the commencing unit operations, the operator of any area under unitized management shall submit to the commission, and obtain its approval, a surety bond or cash bond.	The amount of the bond shall be specified by the commission in the order approving the plan of unitization, nearly all will be in the amount of \$100,000.	1) Surety bond 2) Cash bond as a CD set up according to an escrow agreement between the Industrial Commission and Bank of North Dakota 3) Other form of security approved by the Industrial Commission after notice and hearing, as provided by law	NDAC 43-02-03-15	2014
Single Well Bonds	Wells utilized for commercial disposal operations	50000	1) Surety bond 2) Cash bond as a CD set up according to an escrow agreement between the Industrial Commission and Bank of North Dakota 3) Other form of security approved by the Industrial Commission after notice and hearing, as provided by law	NDAC 43-02-03-15	2014
Single Well Bonds	2000' in depth, or less	\$50,000 or a lesser amount if approved by the director	1) Surety bond 2) Cash bond as a CD set up according to an escrow agreement between the Industrial Commission and Bank of North Dakota 3) Other form of security approved by the Industrial Commission after notice and hearing, as provided by law	NDAC 43-02-03-15	2014
Single Well Bonds	In Excess of 2000' Depth	\$50,000	1) Surety bond 2) Cash bond as a CD set up according to an escrow agreement between the Industrial Commission and Bank of North Dakota 3) Other form of security approved by the Industrial Commission after notice and hearing, as provided by law	NDAC 43-02-03-15	2014

North Dakota (continued)

Blanket Bonds	Covers two or more wells, provided the bond shall be limited to no more than six of the following in aggregate: 1) A well that is a dry hole and is not properly plugged. 2) A well that is plugged and the site is not properly reclaimed. 3) A well that is Abandoned pursuant to section 43-02-03-55 and is not properly plugged and the site is not properly reclaimed	\$100,000	1) Surety bond 2) Cash bond as a CD set up according to an escrow agreement between the Industrial Commission and Bank of North Dakota 3) Other form of security approved by the Industrial Commission after notice and hearing, as provided by law	NDAC 43-02-03-15	2014
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Ohio

Type of Bond	Description of Covered Operations	Bond Amount	Type of Financial Assurance Allowed	Rule or Statute	Last Rule Update
Single Well	To ensure compliance with final nonappealable Chief's Orders, compliance agreements, restoration requirements, plugging requirements, plugging permits, and rules or orders relating to restoration, plugging, or plugging permits	\$5,000	1) Surety bond 2) Cash 3) CD issued by any bank organized or transacting business in Ohio 4) Irrevocable letters of credit issued by any bank organized or transacting business in Ohio or 5) Chief may accept a sworn financial statement.	R.C. 1509.07 and 1509.071; O.A.C. 1501:9-1-03	2012
Blanket for more than one well	To ensure compliance with final nonappealable Chief's Orders, compliance agreements, restoration requirements, plugging requirements, plugging permits, and rules or orders relating to restoration, plugging, or plugging permits	\$15,000	1) Surety bond 2) Cash 3) CD issued by any bank organized or transacting business in Ohio 4) Irrevocable letters of credit issued by any bank organized or transacting business in Ohio or 5) Chief may accept a sworn financial statement.	R.C. 1509.07 and 1509.071; O.A.C. 1501:9-1-03	2012
Brine Transporters	To provide compensation for damage and injury resulting from a transporter's ground or water contamination and for a transporter's violations of statutes, rules, and terms and conditions of the registration certificate issued to a transporter	\$15,000	1) Surety bond by surety company authorized to do business in Ohio 2) Cash or 3) CD issued by any building and loan association or by any bank organized or transacting business in Ohio	R.C. 1509.225	2011

Oklahoma

Type of Bond	Description of Covered Operations	Bond Amount	Type of Financial Assurance Allowed	Rule or Statute	Last Rule Update
Plugging Bond	To ensure well plugging and abandonment	One of the following: 1. \$2.00 per foot per well up to but not to exceed \$25,000; or 2. Blanket coverage which is \$25,000; or 3. Unless the operator is using a Financial Statement then blank coverage is \$50,000 in Oklahoma Assets.	1. Plugging Bond; or 2. Letter of Credit; or 3. Joint Ownership Certificate of Deposit; or 4. Cashier's Check; 5. For Operator's that have been in good standing for 3 years or longer, they can use a Financial Statement that shows a net worth that is greater than \$50,000 in Oklahoma Assets only.	O.S. 52-318.1 OAC 165: 10-1-10 thru 10-1-16	7/11/2011

Pennsylvania

Type of Bond	Description of Covered Operations	Bond Amount	Type of Financial Assurance Allowed	Rule or Statute	Last Rule Update
Plugging and abandonment	Faithful performance of all drilling, water supply replacement, restoration and plugging requirements - conventional wells only	\$2,500 individual bond; \$25,000 Blanket Bond	Corporate surety, cash, certificates of deposit, US negotiable bonds, US Treasury zero coupon bonds	2012 Fiscal Code	2012
Plugging and abandonment	Faithful performance of all drilling, water supply replacement, restoration and plugging requirements - Unconventional wells only	For wells with a total well bore length less than 6,000 feet: (A) For operating up to 50 wells, \$4,000 per well, but no bond may be required under this clause in excess of \$35,000. (B) For operating 51 to 150 wells, \$35,000 plus \$4,000 per well for each well in excess of 50 wells, but no bond may be required under this clause in excess of \$60,000. (C) For operating 151 to 250 wells, \$60,000 plus \$4,000 per well for each well in excess of 150 wells, but no bond may be required under this clause in excess of \$100,000. (D) For operating more than 250 wells, \$100,000 plus \$4,000 per well for each well in excess of 250 wells, but no bond may be required under this clause in excess of \$250,000. (ii) For wells with a total well bore length of at least \$6,000 feet: (A) For operating up to 25 wells, \$10,000 per well, but no bond may be required under this clause in excess of \$140,000. (B) For operating 26 to 50 wells, \$140,000 plus \$10,000 per well for each well in excess of 25 wells, but no bond may be required under this clause in excess of \$290,000. (C) For operating 51 to 150 wells, \$290,000 plus \$10,000 per well for each well in excess of 50 wells, but no bond may be required under this clause in excess of \$430,000. (D) For operating more than 150 wells, \$430,000 plus \$10,000 per well for each well in excess of 150 wells, but no bond may be required under this clause in excess of \$600,000.	Corporate surety, cash, certificates of deposit, US negotiable bonds, US Treasury zero coupon bonds	58 Pa.C.S. §3225	2012

South Dakota

Type of Bond	Description of Covered Operations	Bond Amount	Type of Financial Assurance Allowed	Rule or Statute	Last Rule Update
Plugging and performance bond	The performance of the duty to plug each dry or abandoned well, to restore the premises, insofar as possible, to the condition that existed before the filing of the application to drill; and conditioned on the proper performance of all of the requirements of South Dakota Codified laws §§ 45-9-5 to 45-9-18, inclusive.	(1) For wells at or less than fifty-five hundred feet in depth, an individual bond of ten thousand dollars per well drilled or a thirty thousand dollar blanket; or (2) For wells more than fifty-five hundred feet in depth, an individual bond of fifty thousand dollars per well drilled, or one hundred thousand dollars blanket The South Dakota Board of Minerals and Environment may require additional bond if the circumstances require.	Performance Bond, or Certificate of Deposit	South Dakota Codified Laws (SDCL) 45-9-15	7/1/2013

Texas

Type of Bond	Description of Covered Operations	Bond Amount	Type of Financial Assurance Allowed	Rule or Statute	Last Rule Update
P-5 Financial Security	All regulated operations	<p>For well operators (with or without other activities): Either: \$2.50 per foot of well depth for all wells operated, if well operations are the only activity or; Amount based on tier: up to 10 wells, \$25K 11-99 wells, \$50K 100 or more, \$250K</p> <p>If the operator has wells in the bay or offshore, an additional \$60K per nonproducing bay well and an additional \$100K per nonproducing offshore well. (Operators must post at least 1 well's worth of additional bonding.)</p> <p>For operators with activities other than wells, \$25K</p>	Bonds (on RRC approved form), Letters of Credit (on RRC approved form) and Cash Deposits (cashier's check)	Texas Natural Resources Code §§ 91.104, 91.1041, 91.1042, 91.109(b), Oil & Gas Statewide Rule 78	Acceptable types amended in statute effective 9/1/2004;
Commercial Facility Closure Bonds	Commercial facilities	Estimated closure cost for the facility	Bonds (on RRC approved form), Letter of Credit (on RRC approved form)	Texas Natural Resources Code §91.109(a), Oil & Gas Statewide Rule 78(l)	Unknown
Additional Financial Security for inactive wells	Well operations. (Note: this is OPTIONAL; the operator must elect one of eight choices to secure a plugging extension, of which additional financial security represents two of the eight options.)	"Cost Calculation" - plugging cost estimate based on depth of well and the average per-foot costs experienced by RRC in state-funded plugging operations during the previous fiscal year	Bonds (on RRC approved form), Letters of Credit (on RRC approved form) and Cash Deposits (cashier's check)	Texas Natural Resources Code §§ 89.023(a)(3)(E), 89.023(a)(3)(F), 89.002(a)(9); Oil & Gas Statewide Rule 15	Adopted by legislature 9/1/2009

Utah

Type of Bond	Description of Covered Operations	Bond Amount	Type of Financial Assurance Allowed	Rule or Statute	Last Rule Update
Individual Plugging Bond	Covers plugging and minimum surface reclamation cost for a single well located on State or Private mineral leases	By depth \$1,500 -Less than 1,000 ft \$15,000-1,000-3,000 ft \$30,000-3,000-10,000 ft \$60,000-10,000 plus ft	Surety Collateral -Cash -Certificate of Deposit -Letter of Credit	R649-3-1.5	2003
Statewide Blanket Plugging Bond	Covers plugging and minimum surface reclamation cost for all wells located on State or Private mineral leases for a single operator	\$15,000-All well 1,000 ft or less \$120,000-All wells	Surety *Collateral ¹ -Cash -Certificate of Deposit -Letter of Credit	R649-3-1.6	2003
Surface Owner Protection Act	Temporarily holds place of a surface reclamation contract for wells located on a Private/Private split estate	\$6,000	Collateral -Cash -Certificate of Deposit	R649-3-38.6	2003
Waste Facility Bond	Adequate security for site reclamation and post closure cost	Varies by facility: -Facilities permitted pre 2013 rule change, per volume or per acre; \$14,000.00 per acre of pit. \$1.00 per BBL of produced waterfor one-quarter of the total storage capacity of the facility. \$30.000 per cubic yard of solid or semi-solid waster material. Or a \$10,000.00 minimum bond. * Facilities permitted post 2013 rule change full site reclmation and post closure cost, as determinde by a third party contractor. ²	Surety Collateral -Cash -Certificate of Deposit -Letter of Credit	R649-9-8	7/1/13

Utah (continued)

Comments or Notes:	<ol style="list-style-type: none">1. Statewide Blanket Plugging Bond-Per R649-3-1.6.4.2-4, Operators must meet financial qualification by submitting the last two year audited financials as well as the last quarter unaudited. Financials ratios must meet a current assets to current liabilities of 1.20 or greater and total liabilities to stockholder equity of 2.50 or less.2. Waste Facility Bond- Per R649-9-8.2 all faciilites will be required to bring bonding to site reclamation and post closure cost, as determined by third party contractor by July 1, 2018.
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Virginia

Type of Bond	Description of Covered Operations	Bond Amount	Type of Financial Assurance Allowed	Rule or Statute	Last Rule Update
Performance Bond	The amount of the bond required shall be sufficient to cover the costs of properly plugging the well and restoring the site.	In no case shall the amount of the bond be less than \$10,000 per well plus \$2,000 per acre of disturbed land, calculated to the nearest tenth of an acre	1) Surety Bond 2) Certificate of Deposit 3) Irrevocable Letter of Credit 4) Cash in Lieu of Bond	§ 45.1-361.31 Chapter 22.1 – The Virginia Gas and Oil Act	1990
Performance Bond	Upon receipt of an application for permits for gas or oil operations and at the request of the permit applicant, the Director may, in lieu of requiring a separate bond for each permit, require a blanket bond.	1. For one to fifteen wells, \$25,000 2. For sixteen to thirty wells, \$50,000 3. For thirty-one to fifty wells, \$75,000 4. For fifty-one or more wells, \$100,000	1) Surety Bond 2) Certificate of Deposit 3) Irrevocable Letter of Credit 4) Cash in Lieu of Bond	§ 45.1-361.31 Chapter 22.1 – The Virginia Gas and Oil Act	1990
Gas and Oil Plugging and Restoration Fund	The Gas and Oil Plugging and Restoration Fund is hereby established as a non-lapsing revolving fund to be administered by the Department pursuant to the provisions of this section. The Fund shall consist of all payments made into the Fund by gas or oil operators.	A. Pursuant to § 45.1-361.31, each gas or oil operator who has posted a blanket bond shall pay into the Fund a fee of fifty dollars per permit held, by July 31, 1990. Each permittee operating under a blanket bond shall annually pay to the Fund an amount equal to fifty dollars multiplied by the number of permits he then holds, such payment to be submitted with the annual report required under § 45.1-361.38, until the payments and interest accruing to the Fund totals \$100,000.	Cash Once the initial balance of the Fund exceeds \$100,000, and thereafter whenever the Director determines that the Fund's balance has fallen below \$25,000 due to uncollectible debts, the Director shall assess a fee of fifty dollars per permit per year on all permittees with blanket bonds until the Fund's balance once again reaches \$100,000.	§ 45.1-361.32 Chapter 22.1 – The Virginia Gas and Oil Act	1990
Comments or Notes:	Virginia has an abandoned well plugging fund separate from the bonding framework. Operators pay \$50 per permit application into this fund for all well permits.				

West Virginia

Type of Bond	Description of Covered Operations	Bond Amount	Type of Financial Assurance Allowed	Rule or Statute	Last Rule Update
Performance Bond	All activities under the purview of the Office of Oil and Gas but not authorized under the Horizontal Well Act	\$5000--single well bond; \$50,000--blanket bond	Surety, collateral, letters of credit	WV Code Chapter 22, Article 6, Section 26	
Performance Bond	All activities under the purview of the Office of Oil and Gas authorized under the Horizontal Well Act	\$50,000--single well bond; \$250,000 blanket bond	Surety, collateral, letters of credit	WV Code Chapter 22, Article 6A, Section 15	12/14/11
Performance Bond	Activities associated with underground injection control (UIC)	\$5000 per well	Surety, collateral, letters of credit	WV Code Chapter 22, Article 6, Section 26	
Comments or Notes:	West Virginia has an abandoned well plugging fund separate from the bonding framework. Operators pay \$150 per permit application into this fund for all well work permits, except for plugging permits. Bond forfeitures are also deposited into this abandoned well plugging and reclamation fund.				

Wyoming

Type of Bond	Description of Covered Operations	Bond Amount	Type of Financial Assurance Allowed	Rule or Statute	Last Rule Update
P&A, Reclamation Blanket bond	Blanket bond for all wells located on private minerals	\$100,000	1) Cashiers Check payable to WOGCC 2) Surety Bond 3) CD payable to WOGCC or 4) Letter of Credit	Chapter 3, Section 4	2/1/2016
P&A, Reclamation Individual Bond	Individual well bond located on private minerals	\$10/ft		Chapter 3, Section 4	2/1/2016
P&A, Reclamation Idle Well Bond	Idle well bond for non-producing wells or wells producing in uneconomic quantities	\$10/ft		Chapter 3, Section 4	2/1/2016
P&A, Reclamation Split Estate Bond	Performance bond and reclamation for a well located on split estate	\$10,000 minimum		Chapter 3, Section 4	2/1/2016
Reclamation Split Estate Sesimic	Performance bond and reclamation for all seismic activity on split estate minerals	\$5000 for first 1,000 acres and \$1000 for each additional 1,000 acres		Chapter 3, Section 4	2/1/2016
Reclamation for Seismic Activity by Project	Reclamation of all seismic activity	\$50,000 for each project		Chapter 4, Section 6	10/1/2008
Project bond for Contract hole plugger for seismic reclamation	Reclamation and hole plugging	\$10,000 for each project		Chapter 4, Section 6	10/1/2008