

HOUSE BILL NO. HB0208

Split estates-good faith negotiations-2.

Sponsored by: Representative(s) Clausen and Barlow and
 Senator(s) Boner and Wasserburger

A BILL

for

1 AN ACT relating to oil and gas operations; authorizing surface
 2 owner objections for a failure to comply with good faith
 3 negotiations; specifying procedures; and providing for an
 4 effective date.

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6 *Be It Enacted by the Legislature of the State of Wyoming:*

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8 **Section 1.** W.S. 30-5-404(c) and by creating a new
 9 subsection (h) is amended to read:

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11 **30-5-404. Surety bond or guaranty; approval;**
 12 **objections; release of surety bond or guaranty.**

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14 (c) Within seven (7) days following receipt of a surety
 15 bond or other guaranty or the establishment of a blanket bond

1 or other guaranty specified or referenced in this section,
2 the commission shall notify the surface owner of receipt of
3 the surety bond or other guaranty or the establishment of a
4 blanket bond or other guaranty based on the oil and gas
5 operator's request and the written notice required under W.S.
6 30-5-402(e). The commission's notice shall also include a
7 description of the amount and the type of the bond or guaranty
8 received or established and provide to the surface owner a
9 copy of the statement required under W.S. 30-5-403(a). If, at
10 the expiration of thirty (30) days after receipt of the
11 commission's notice by the surface owner, he makes no
12 objection based on the oil and gas operator's failure to
13 negotiate in good faith under W.S. 30-5-402(c) or (f) or to
14 the amount or the type of the surety bond or guaranty, the
15 commission shall approve the surety bond or guaranty. If the
16 surface owner objects in writing based on the oil and gas
17 operator's failure to negotiate in good faith under W.S.
18 30-5-402(c) and (f), the commission shall comply with
19 subsection (h) of this section. If the surface owner objects
20 in writing to the amount or the type of the surety bond or
21 guaranty, the commission shall give immediate consideration
22 to the surety bond or guaranty objected to and the
23 accompanying papers filed by the oil and gas operator in

1 support of the surety bond or guaranty amount and the type of
2 surety bond or guaranty submitted or established, and the
3 surface owner's objections, and the commission shall render
4 a final decision as to the acceptability of the amount and
5 type of the surety bond or guaranty and shall notify the
6 parties of the decision. Proof of any additional surety bond
7 or guaranty required by the commission shall be filed with
8 the commission within thirty (30) days of the commission's
9 final decision. Any aggrieved party may appeal the final
10 decision of the commission to the district court in accordance
11 with the Wyoming Administrative Procedure Act.

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13 (h) If the surface owner objects in writing based on
14 the oil and gas operator's failure to negotiate in good faith
15 under W.S. 30-5-402(c) and (f), the commission shall conduct
16 a contested case hearing in accordance with the Wyoming
17 Administrative Procedure Act. The commission shall render a
18 final decision as to whether the oil and gas operator
19 negotiated in good faith as required in W.S. 30-5-402(c) and
20 (f). The commission may order the oil and gas operator to
21 resume and attempt to complete negotiations to comply with
22 W.S. 30-5-402(c) and (f). Any aggrieved party may appeal the
23 final decision of the commission to the district court in

1 accordance with the Wyoming Administrative Procedure Act. The
2 oil and gas operator shall not enter the land and otherwise
3 access the property and shall not conduct nonsurface
4 disturbing activities or operations until final resolution of
5 the objection and any appeals.

6

7 **Section 2.** This act is effective July 1, 2019.

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(END)