

SENATE FILE NO. SF0036

Oil and gas drilling units-calculation of owner shares.

Sponsored by: Senator(s) Von Flatern and Representative(s)
Barlow and Clausen

A BILL

for

1 AN ACT relating to oil and gas; amending the calculation of
2 owners' shares for drilling units as specified; specifying
3 applicability; and providing for an effective date.

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

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7 **Section 1.** W.S. 30-5-109(g)(ii) is amended to read:

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9 **30-5-109. Rules and regulations governing drilling**
10 **units.**

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12 (g) Each pooling order shall provide for the drilling
13 and operation of a well on the drilling unit, and for the
14 payment of the cost thereof, as provided in this subsection.
15 The commission is specifically authorized to provide that the

1 owner or owners drilling or paying for the drilling or for
2 the operation of a well for the benefit of all owners shall
3 be entitled to all production from the well which would be
4 received by the owner or owners, for whose benefit the well
5 was drilled or operated, after payment of royalty as provided
6 in the lease, if any, applicable to each tract or interest,
7 and obligations payable out of production, until the owner or
8 owners drilling or operating the well or both have been paid
9 the amount due under the terms of the pooling order or order
10 settling the dispute. In the event of any disputed cost, the
11 commission shall determine the proper cost. The order shall
12 determine the interest of each owner in the unit, and may
13 provide that each owner who agrees with the person or persons
14 drilling and operating the well for the payment by the owner
15 of his share of the costs, unless he has agreed otherwise,
16 shall be entitled to receive, subject to royalty or similar
17 obligations, the share of the production of the well
18 applicable to the tract of the nonconsenting owner. Each owner
19 who does not agree, shall be entitled to receive from the
20 person or persons drilling and operating the well on the unit
21 his share of the production applicable to his interest after
22 the person or persons drilling and operating the well have
23 recovered the following:

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(ii) Up to ~~three hundred percent (300%)~~ one hundred twenty-five percent (125%) of that portion of the costs and expenses of drilling, reworking, deepening or plugging back, testing and completing, after deducting any cash contributions received and up to ~~two hundred percent (200%)~~ one hundred ten percent (110%) of that portion of the cost of newly acquired equipment in the well, to and including the wellhead connections, which would have been chargeable to the nonconsenting owner if he had participated therein.

Section 2. This act shall apply to pooling orders entered on or after the effective date of this act.

Section 3. This act is effective July 1, 2019.

(END)