

WEST VIRGINIA LEGISLATURE

2019 REGULAR SESSION

Introduced

Senate Bill 541

BY SENATORS ROMANO, AZINGER, BALDWIN, BEACH,
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[Introduced February 6, 2019; Referred
to the Committee on Energy, Industry, and Mining; and
then to the Committee on the Judiciary]

1 A BILL to amend and reenact §22-10-6 of the Code of West Virginia, 1931, as amended, relating
 2 to the establishment of priorities for expenditures for plugging abandoned gas or oil wells;
 3 and to require money that results from the forfeiture of an oil and gas operator’s bond as
 4 a result of the operator’s failure to plug a well or otherwise comply with state statutes and
 5 rules to first be applied to correct or mitigate an immediate threat to the environment or
 6 hindrance or impediment to the development of mineral resources of this state that caused
 7 the forfeiture of the bond.

Be it enacted by the Legislature of West Virginia:

ARTICLE 10. ABANDONED WELL ACT.

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

1 (a) Within one year of the effective date of this article, the director shall promulgate
 2 legislative rules establishing a priority system by which available funds from the Oil and Gas
 3 Reclamation Fund, established pursuant to §22-6-29 of this code, will be expended to plug
 4 abandoned wells. The rules shall, at a minimum, establish three primary classifications to be as
 5 follows:

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

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

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

14 (b) ~~Such~~ The classifications shall, among other things, take into consideration the following
 15 factors, as appropriate:

16 (1) The age of the well;

- 17 (2) The length of time the well has been abandoned;
 - 18 (3) The casing remaining in the well;
 - 19 (4) The presence of any leaks either at the surface or underground;
 - 20 (5) The possibility or existence of groundwater contamination;
 - 21 (6) Whether the well is located in an area to be developed for enhanced recovery;
 - 22 (7) Whether the well hinders or impedes mineral development; and
 - 23 (8) Whether the well is located in close proximity to population.
- 24 (c) Notwithstanding the other provisions of this section, the bond posted for a specific well
25 shall first be used to plug the well or correct or mitigate problems or issues on the land where the
26 well is located if:
- 27 (1) The bond is forfeited as a result of failure to plug an abandoned well or repair a well
28 that is causing immediate threat to the environment or which hinders or impedes the development
29 of mineral resources of this state;
 - 30 (2) The operator was cited for and then failed to correct an immediate threat to the
31 environment or hinderance or impediment to the development of mineral resources of this state
32 with the well or the well site; or
 - 33 (3) The operator failed to reclaim surface disturbance causing immediate threat to the
34 environment or which hinders or impedes the development of mineral resources of this state.

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 first be applied to correct or mitigate an immediate threat to the environment or hindrance or impediment to the development of mineral resources of this state that caused the forfeiture of the bond.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.