

WEST VIRGINIA LEGISLATURE

2020 REGULAR SESSION

Committee Substitute

for

Senate Bill 120

SENATORS ROMANO, FACEMIRE, JEFFRIES, AND RUCKER

original sponsors

[Originating in the Committee on the Judiciary;

reported on February 24, 2020]

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 requiring money that results from the forfeiture of an oil and gas operator's bond as a
4 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 on
6 the land where the well is located or hindrance or impediment to the development of
7 mineral resources of this state that caused 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~~ 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 the well shall
- 25 first be used to plug the well and mitigate environmental issues related to oil and gas development
- 26 on the land where the well is located if:
- 27 (1) The bond is forfeited as a result of failure to plug the abandoned well, repair the well
- 28 that is causing immediate threat to the environment, or which hinders or impedes the development
- 29 of mineral resources of this state; or
- 30 (2) The well 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 or
- 33 (3) The operator failed to reclaim the 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.