

Bill No.: SF0020 **Effective:** 7/1/2025

LSO No.: 25LSO-0092

Enrolled Act No.: SEA No. 0003

Chapter No.: 30

Prime Sponsor: Joint Minerals, Business & Economic Development Interim Committee

Catch Title: Oil and gas bonding-options and bonding pools.

Has Report: Yes

Subject: Creating a bonding program for Wyoming oil-and-gas operators.

Summary/Major Elements:

- This act requires the Wyoming Oil and Gas Conservation Commission to promulgate rules to establish a bonding pool program for oil and gas operators in Wyoming.
- In addition to traditional bonding options that are required, operators may voluntarily participate in the bonding pool created in this act. The bonding pool would serve as a financial assurance for the plugging of dry or abandoned wells, any reclamation requirements, the forfeiture of any applicable bond (including federal bonds), and any other associated bonding requirements.
- The Commission is required to contract with a third party to establish and operate the bonding pool. If doing so is impracticable, then the Commission can establish and run the bonding pool.
- The bonding pool is funded by an assessment on production for participating operators beginning in 2030, and the assessment cannot exceed five-tenths of one (1) mill (\$0.0005).
- The act also authorizes the use of any unexpended, unobligated funds in the Commission's conservation fund (one that all operators pay into for producing oil and gas) for the bonding pool.
- The Commission may enter into agreements with relevant federal agencies to plug wells in lieu of an operator forfeiting a bond.
- The act also requires the Commission to establish a subsequent financial assurance to be available if the bonding pool is insufficient to satisfy bonding and reclamation requirements.

The above summary is not an official publication of the Wyoming Legislature and is not an official statement of legislative intent. While the Legislative Service Office endeavored to provide accurate information in this summary, it should not be relied upon as a comprehensive abstract of the bill.

Comments:

- This act requires multiple reports. First, the Oil and Gas Conservation Commission is required to report annually to the Joint Minerals, Business and Economic Development Interim Committee and the Joint Appropriations Committee on the bonding pool program. Second, the Commission is required to report to the Joint Minerals, Business and Economic Development Interim Committee and the Joint Appropriations Committee within ten (10) days of expending funds from the subsequent financial assurance that the Commission creates and operates.
- This act has a split effective date. Provisions requiring the Oil and Gas Conservation Commission to promulgate rules to establish the bonding program are effective immediately. The remainder of the act is effective on July 1, 2025.

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