

SENATE BILL NO. 350

INTRODUCED BY TVEIT, THOMAS, GRAHAM,
E. SMITH, R. MANNING, LANE,
ABRAMS, DEVLIN, SWITZER,
ZABROCKI, BARDANOUVE

BY REQUEST OF THE BOARD OF OIL AND GAS CONSERVATION

IN THE SENATE

February 3, 1983	Introduced and referred to Committee on Natural Resources.
February 14, 1983	Committee recommend bill do pass. Report adopted. Statement of Intent attached.
February 15, 1983	Bill printed and placed on members' desks.
February 16, 1983	Second reading, do pass.
February 17, 1983	Correctly engrossed.
February 18, 1983	Third reading, passed. Ayes, 47; Noes, 1. Transmitted to House.

IN THE HOUSE

March 1, 1983	Introduced and referred to Committee on Natural Resources.
March 7, 1983	Committee recommend bill be concurred in. Report adopted.
March 8, 1983	Second reading, concurred in.
March 9, 1983	Third reading, concurred in.

IN THE SENATE

March 10, 1983

Returned to Senate.

Sent to enrolling.

Reported correctly enrolled.

Senate BILL NO. 350

INTRODUCED BY

BY REQUEST OF THE BOARD OF OIL AND GAS CONSERVATION

A BILL FOR AN ACT ENTITLED: "AN ACT ALTERING THE REQUIREMENTS FOR PLUGGING SEISMIC SHOT HOLES; REQUIRING THE BOARD OF OIL AND GAS CONSERVATION TO ADOPT RULES GOVERNING GEOPHYSICAL EXPLORATION; AMENDING SECTIONS 82-1-101 AND 82-1-104, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 82-1-101, MCA, is amended to read:

"82-1-101. Persons required to comply. (1) A person, firm, or corporation operating individually or through agents within the state of Montana for the purpose of geophysical exploration in which exploration the seismograph is utilized along with explosives for the determination of geophysical data for any purpose whatsoever, and which person, firm, or corporation either through its own employees or by hiring the services of others operates "seismograph crews", as the term is generally known, shall comply with the following provisions of this part; provided, however, that compliance with the provisions of this part by a seismograph crew or its employer shall constitute compliance herewith by that person, firm, or corporation who

has engaged the services of such crew or its employer as an independent contractor insofar as the geophysical operations of such crew are concerned.

(2) The board of oil and gas conservation shall adopt rules requiring adequate identification of geophysical exploration crews operating in this state and designating areas where geophysical exploration and activities may not be allowed."

Section 2. Section 82-1-104, MCA, is amended to read:

"82-1-104. Surety bond -- restoration of surface. (1)

A person, firm, or corporation desiring to engage in such geophysical exploration shall also file with the secretary of state a good and sufficient surety bond in the amount of \$10,000 for a single such geophysical crew or a blanket surety bond in the amount of \$25,000 for all such geophysical crews operating within the state for such person, firm, or corporation, which bond shall indemnify the owners of property within this state against such physical damages to such property as may arise as the result of such geophysical exploration.

(2) Unless otherwise agreed as between the owner of the surface and such person, firm, or corporation, it shall be the obligation of such person, firm, or corporation upon completion of exploration to plug all "shot holes" in such a manner as shall be specified by the board of oil and gas

1 conservation to contain any water within its native strata
2 by ~~replacing all drill cuttings and~~ filling the hole with
3 bentonite mud or cement as required to contain the water and
4 capping the same ~~with an impervious material at least 1 foot~~
5 ~~in depth in a manner and with a material specified by the~~
6 ~~board,~~ the top of which ~~cap~~ shall be ~~4 feet below the~~
7 ~~surface of the land of sufficient depth below the surface of~~
8 ~~the land to allow cultivation.~~ The portion of the hole
9 above the cap shall be filled with native material. The
10 person, firm, or corporation shall also restore the surface
11 around the same as near as practicable to its original
12 condition.

13 (3) The bond shall remain on file with the secretary
14 of state so long as the exploration is carried on or engaged
15 in, plus an additional 5 years thereafter; provided,
16 however, that the aggregate liability of the surety shall in
17 no event exceed the amount of said bond. Upon the filing of
18 such bond, said secretary of state shall issue to the
19 person, firm, or corporation a certificate showing that such
20 bond has been filed and showing the name of the designated
21 resident agent within the state for service of process for
22 such person, firm, or corporation."

23 NEW SECTION. Section 3. Effective date. This act is
24 effective on passage and approval.

-End-

1 STATEMENT OF INTENT

2 SENATE BILL 350

3

4 A statement of intent is required for this bill because
5 it delegates rulemaking authority to the Board of Oil and
6 Gas Conservation in section 1.

7 The intent is to provide the Board with the authority
8 to adopt rules to identify geophysical exploration crews
9 operating in this state and to designate areas where
10 geophysical exploration may not be allowed. These powers are
11 desirable so that landowners can readily identify the
12 seismic crews operating on their land and to allow the Board
13 to prohibit seismic shots in sensitive areas such as near
14 wells and structures.

SECOND READING

SB350

Approved by Committee
on Natural Resources

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 17 of state so long as the exploration is carried on or engaged
 18 in, plus an additional 5 years thereafter; provided,
 19 however, that the aggregate liability of the surety shall in
 20 no event exceed the amount of said bond. Upon the filing of
 21 such bond, said secretary of state shall issue to the
 22 person, firm, or corporation a certificate showing that such
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 24 resident agent within the state for service of process for
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THIRD READING
SB 350

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