

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 HOUSE BILL 1707

By: Worthen

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5  
6 AS INTRODUCED

7 An Act relating to oil and gas; amending 52 O.S.  
8 2021, Section 318.4, which relates to surety bonds  
9 for location damages; providing that an operator  
10 shall include operators of active wells; requiring  
11 liability coverage or surety bond; increasing surety  
12 bond amount; and providing an effective date.

13 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

14 SECTION 1. AMENDATORY 52 O.S. 2021, Section 318.4, is  
15 amended to read as follows:

16 Section 318.4. A. Every operator, which shall, for the  
17 purposes of this section, include the meaning of operator as defined  
18 in Section 318.2 of this title and all operators of active wells  
19 doing business in this state shall carry a liability policy with a  
20 minimum coverage amount of Five Hundred Thousand Dollars  
21 (\$500,000.00), or shall file a corporate surety bond, letter of  
22 credit from a banking institution, cash, or a certificate of deposit  
23 with the Secretary of State in the sum of ~~Twenty-five Thousand~~  
24 ~~Dollars (\$25,000.00) Five Hundred Thousand Dollars (\$500,000.00)~~  
conditioned upon compliance with Sections 318.2 through 318.9 of

1 this title for payment of any location damages due which the  
2 operator cannot otherwise pay. The Secretary of State shall hold  
3 such corporate surety bond, letter of credit from a banking  
4 institution, cash or certificate of deposit for the benefit of the  
5 surface owners of this state and shall ensure that such security is  
6 in a form readily payable to a surface owner awarded damages in an  
7 action brought pursuant to this act. Each corporate surety bond,  
8 letter of credit, cash, or certificate of deposit filed with the  
9 Secretary of State shall be accompanied by a filing fee of Ten  
10 Dollars (\$10.00).

11 B. The bonding company or banking institution shall file, for  
12 such fee as is provided for by law, a certificate that said bond or  
13 letter of credit is in effect or has been canceled, or that a claim  
14 has been made against it in the office of the court clerk in each  
15 county in which the operator is drilling or planning to drill. Said  
16 bond or letter of credit must remain in full force and effect as  
17 long as the operator continues drilling operations in this state.  
18 Each such filing shall be accompanied by a filing fee of Ten Dollars  
19 (\$10.00).

20 C. Upon deposit of the bond, letter of credit, cash, or  
21 certificate of deposit, the operator shall be permitted entry upon  
22 the property and shall be permitted to commence drilling of a well  
23 in accordance with the terms and conditions of any lease or other  
24 existing contractual or lawful right.

1 D. If the damages agreed to by the parties or awarded by the  
2 court are greater than the bond, letter of credit, cash, or  
3 certificate of deposit posted, the operator shall pay the damages  
4 immediately or post an additional bond, letter of credit, cash, or  
5 certificate of deposit sufficient to cover the damages. Said  
6 increase in bond, letter of credit, cash, or certificate of deposit  
7 shall comply with the requirements of this section.

8 SECTION 2. This act shall become effective November 1, 2025.

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