

IC 14-37-6

Chapter 6. Bonding

IC 14-37-6-1

Bonds required for oil and gas well applicants

Sec. 1. (a) Except as otherwise provided in this chapter, this section applies to the following:

- (1) An applicant for a permit under this article who has never been granted a permit for a well for oil and gas purposes under this article.
- (2) A person who has demonstrated a pattern of violation under this article within the previous two (2) years.
- (3) A person who has failed to pay a civil penalty imposed under IC 14-37-13.
- (4) A person who has failed to pay an annual fee required under IC 14-37-5.

(b) In addition to the annual fee required under IC 14-37-5, an applicant or a person described in subsection (a) shall execute and file with the department:

- (1) a bond of two thousand five hundred dollars (\$2,500) for each well;
- (2) a bond in any amount if the number of wells does not exceed the number determined by dividing the principal amount of the bond by two thousand five hundred dollars (\$2,500); or
- (3) a blanket bond of forty-five thousand dollars (\$45,000) for any number of wells.

As added by P.L.1-1995, SEC.30. Amended by P.L.48-2002, SEC.4.

IC 14-37-6-2

Cash or certificate of deposit instead of bond

Sec. 2. Instead of the bond required by sections 1 and 6 of this chapter, the department may accept cash or a certificate of deposit.

As added by P.L.1-1995, SEC.30.

IC 14-37-6-3

Duration of bond

Sec. 3. Each blanket bond for wells created, modified, or acquired during the duration of a bond that was accepted by the commission before March 11, 1971, must be replaced by a new blanket bond in the amount of thirty thousand dollars (\$30,000) before January 2, 2002. The new replacement bond remains in effect until:

- (1) the:
 - (A) owner or operator plugs and abandons each well covered under the blanket bond in accordance with:
 - (i) this article; and
 - (ii) rules adopted under this article; and
 - (B) bond is released by the department; or
- (2) a substitute bond is accepted by the department for each well secured by the blanket bond.

As added by P.L.1-1995, SEC.30. Amended by P.L.236-2001, SEC.1.

IC 14-37-6-4**Proof of financial ability to abandon noncommercial natural gas well**

Sec. 4. Instead of a bond required by section 1 of this chapter, the commission may require a well owner or operator to provide proof of financial ability to abandon a noncommercial natural gas well. The proof must be established by a financial statement and personal guaranty.

As added by P.L.1-1995, SEC.30.

IC 14-37-6-5**Forfeiture of bond or alternative security**

Sec. 5. The director shall order forfeiture of a bond or alternative security provided under this chapter when a permit is revoked under IC 14-37-13.

As added by P.L.1-1995, SEC.30.

IC 14-37-6-6**Repealed**

(Repealed by P.L.80-2005, SEC.8.)