

OIL AND GAS RECLAMATION BONDING AMOUNTS

The following table lists the current oil and gas reclamation bonding requirements as specified in state and federal regulations and statutes. Reclamation bonds are intended to ensure that taxpayers are not left picking up the cost of reclamation, but bonding amounts for oil and gas reclamation are often too low to fully cover the damages caused by oil and gas drilling. This is especially true in the case of blanket bonds, which do not even attempt to account for the cost of reclamation. At present, states like Wyoming are facing a reclamation crisis that is a result of insufficient bonds coupled with bankrupt oil and gas companies. State and federal bonding amounts need to be increased to reflect current reclamation costs in order to protect our land and to make certain that taxpayers are not liable.

State	Bond Types Allowed	Bonding - Single Well	Bonding - Blanket
California	indemnity bond, certificate of deposit, savings account, investment certificate ⁽¹⁾⁽²⁾	\$25,000 (<10,000') \$40,000 (>10,000') ⁽³⁾	Statewide: \$200,000 (20-50 wells) \$400,000 (>50 wells) \$2,000,000 (includes idle well bond/fee) ⁽⁴⁾
Colorado	surety bond, guarantee of performance, general liability insurance, escrow account or sinking fund, letter of credit, certificate of deposit, lien ⁽⁵⁾⁽⁶⁾⁽⁷⁾	\$10,000 (<3,000') \$20,000 (>3,000') ⁽⁸⁾	Statewide: \$60,000 (<100 wells) \$100,000 (>100 wells) ⁽⁹⁾
Idaho	surety bond, cash bond ⁽¹⁰⁾	\$10,000 + \$1/ft ⁽¹¹⁾	Statewide: \$50,000 (up to 10 wells) \$100,000 (11 to 30 wells) \$150,000 (over 30 wells) ⁽¹²⁾
Montana	surety bond, letter of credit, certificate of deposit ⁽¹³⁾	\$1,500 (<2,001') \$5,000 (>2,000', <3501') \$10,000 (>3501') ⁽¹⁴⁾	Statewide: \$50,000 (if well is covered by a previous bond amount of \$10,000, must increase the bond to \$25,000) ⁽¹⁵⁾⁽¹⁶⁾
New Mexico	irrevocable letter of credit, plugging insurance policy, cash bond, surety bond ⁽¹⁷⁾	\$5,000 + \$1/ft (<i>Chaves, Eddy, Lea, McKinley, Rio Arriba, Roosevelt, Sandoval, San Juan</i>) \$10,000 + \$1/ft (<i>all other counties</i>) ⁽¹⁸⁾	Statewide: \$50,000 ⁽¹⁹⁾
North Dakota	surety bond, cash, collateral bond, self-bond, cash, any alternative form of security approved by the commission ⁽²⁰⁾	\$50,000, wells <2,000' may be less if approved ⁽²¹⁾	Statewide: \$100,000 (6 well limit) ⁽²²⁾
Oregon	surety bond, other form of financial security ⁽²³⁾	\$25,000 (<10,000') \$50,000 (>10,000') ⁽²⁴⁾	Statewide: \$150,000 (possibly more, depending on wells) ⁽²⁵⁾
South Dakota	surety bond, financial instrument approved by the department ⁽²⁶⁾⁽²⁷⁾	\$10,000 (<5,500') \$50,000 (>5,500') ⁽²⁸⁾⁽²⁹⁾	Statewide: \$30,000 (<5,500') \$100,000 (>5,500') ⁽³⁰⁾⁽³¹⁾
Texas	individual performance bond, blanket performance bond, letter of credit, cash deposit ⁽³²⁾	\$2/ft depth ⁽³³⁾	Statewide: base amount determined by total wells, or \$25,000, whichever is greater; base amounts: \$25,000 (10 or fewer), \$50,000 (11-99), \$250,000 (100 or more) ⁽³⁴⁾
Utah	surety bond, collateral bond supported by: cash account, negotiable bonds, negotiable certificates of deposit, irrevocable letter of credit ⁽³⁵⁾	\$1,500 (<1,000') \$15,000 (1,000'-3,000') \$30,000 (3,000'-10,000') \$60,000 (>10,000') ⁽³⁶⁾	Statewide: \$15,000 (<1,000') \$120,000 (>1,000') ⁽³⁷⁾
Wyoming	surety bond, cashier's check, certificate of deposit, letter of credit ⁽³⁸⁾	\$10/ft* ⁽³⁹⁾	Statewide: \$100,000 ⁽⁴⁰⁾
National	surety bond, personal bond backed by certificate of deposit, cashiers check, certified check, negotiable Treasury securities, letter of credit ⁽⁴¹⁾	\$10,000** ⁽⁴²⁾	Statewide: \$25,000 ⁽⁴³⁾ Nationwide: \$150,000 ⁽⁴⁴⁾

- California:**
1. California Public Resources Code Division 3, Chapter 1, Article 4.4 § 3270.4 (f)
 2. California Code of Civil Procedure, Title 14, Chapter 2, Article 7, § 995.710
 3. California Public Resources Code Division 3, Chapter 1, Article 4 § 3204. (a)
 4. California Public Resources Code Division 3, Chapter 1, Article 4, § 3205
- Colorado:**
5. Colorado Oil and Gas Conservation Act § 34-60-106 (13)
 6. Colorado Oil and Gas Conservation Commission, Rules and Regulations, March 16 2016, Rule 100, Financial Assurance
 7. Colorado Oil and Gas Conservation Commission, Rules and Regulations, March 16 2016, Rule 702
 8. Colorado Oil and Gas Conservation Commission, Rules and Regulations, March 16 2016, Rule 706.a
 9. Colorado Oil and Gas Conservation Commission, Rules and Regulations, March 16 2016, Rule 706.b
- Idaho:**
10. Idaho Administrative Procedures Act 20.07.02, Subchapter C, 220.05.
 11. Idaho Administrative Procedures Act 20.07.02, Subchapter C, 220.01.
 12. Idaho Administrative Procedures Act 20.07.02, Subchapter C, 220.02.
- Montana:**
13. Administrative Rules of Montana 36.22.1308 (6)
 14. Administrative Rules of Montana 36.22.1308 (1)(a)
 15. Administrative Rules of Montana 36.22.1308 (1)(b)
 16. Administrative Rules of Montana 36.22.1308 (1)(c)
- New Mexico:**
17. New Mexico Administrative Code 19.15.8.9.A
 18. New Mexico Administrative Code 19.15.8.9.D.(2)
 19. New Mexico Administrative Code 19.15.8.9.D.(1)
- North Dakota:**
20. North Dakota Century Code 38-08-04.1.d
 21. North Dakota Administrative Code 43-02-03-15.2
 22. North Dakota Administrative Code 43-02-03-15.2
- Oregon:**
23. Oregon Administrative Rules 632-010-0205 (1)
 24. Oregon Administrative Rules 632-010-0205 (1)(a)
 25. Oregon Administrative Rules 632-010-0205 (1)(a)
- South Dakota:**
26. South Dakota Legislature, Codified Laws, Title 45, Chapter 9-15
 27. South Dakota Oil and Gas Conservation Administrative Rules 74:12:02:01.(5)
 28. South Dakota Legislature, Codified Laws, Title 45, Chapter 9-15.(1)
 29. South Dakota Legislature, Codified Laws, Title 45, Chapter 9-15.(2)
 30. South Dakota Legislature, Codified Laws, Title 45, Chapter 9-15.(1)
 31. South Dakota Legislature, Codified Laws, Title 45, Chapter 9-15.(2)
- Texas:**
32. Texas Administrative Code, Title 16, Part 1, Chapter 3 §3.78(d)
 33. Texas Administrative Code, Title 16, Part 1, Chapter 3 §3.78(g)(1)(A)
 34. Texas Administrative Code, Title 16, Part 1, Chapter 3 §3.78(g)(1)(B)
- Utah:**
35. Utah Administrative Code R649-3-1.10
 36. Utah Administrative Code R649-3-1.5
 37. Utah Administrative Code R649-3-1.6
- Wyoming:**
38. Wyoming Oil and Gas Conservation Commission, Operational Rules, Drilling Rules, Chapter 3, Section 4, Subsection c
 39. Wyoming Oil and Gas Conservation Commission, Operational Rules, Drilling Rules, Chapter 3, Section 4, Subsection b (i) (A) *Also applies to idle wells. Require pre-notification on sale or transfer of wells to review idle wells and require full bonding for all idle wells prior to transfer. - Wyoming Oil and Gas Conservation Commission, Operational Rules, Drilling Rules, Chapter 3, Section 4, Subsection b (ii)
 40. Wyoming Oil and Gas Conservation Commission, Operational Rules, Drilling Rules, Chapter 3, Section 4, Subsection b (i) (B)
- National:**
41. 43 Code of Federal Regulations § 3104.1
 42. 43 Code of Federal Regulations § 3104.2 **Individual Lease, BLM
 43. 43 Code of Federal Regulations § 3104.3 (a)
 44. 43 Code of Federal Regulations § 3104.3 (b)



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