

Oil & Gas: State by State Bonding Comparison

State	Cost of Bond	What is Being Bonded?	Type of Surety Allowed
Alaska	<p><i>Amount per well:</i> Not less than \$100,000 (Based on the cost of abandonment and location clearance. Bond may be less, if the operator can prove that the cost for abandonment would < \$100K)</p> <p><i>Blanket bond:</i> Not less than \$200,000.</p>	The bond ensures the proper construction, operation, maintenance, and abandonment. It also ensures that each location is cleared according to State rules.	Surety or a personal bond
Arizona	<p><i>Amount per well:</i> \$10,000 for well depth <10,000 ft; \$20,000 for well depth > 10,000 ft.</p> <p><i>Blanket bond:</i> \$25,000 for 10 or fewer wells; \$50,000 for between 10 and 50 wells; or \$250,000 for 50 or more wells.</p>	The bond ensures proper construction, abandonment, plugging, repairing, and restoration of well site.	Surety bond executed by the operator (principal) and a corporate surety, authorized to work in Az. Certified checks or CDs are acceptable.
Arkansas	<p><i>Blanket bond:</i> \$25,000 for 1 to 25 wells; \$50,000 for 60 to 100 wells; \$100,000 for more than 100 wells.</p>	Plugging, well repair, and well site restoration.	Surety bond, irrevocable letter or credit, CD, cash.
California	<p><i>Amount per well:</i> \$15,000 for each well <5,000 ft deep; \$20,000 for each well 5,000 to <10,000 ft; \$30,000 for each well 10,000 ft. or greater.</p> <p><i>Blanket bond:</i> (a) \$250,000 (not including the idle well fee); (b) \$100,000 for any operator with 50 or fewer wells in CA (not including the idle well fee); (c) \$1,000,000 which does include the idle well fee.</p> <p><i>Idle well fee or bond:</i> \$100 for each well that has been idle for <10 yrs; \$250 for each well idle for 10 to <15 yrs; \$500 for each well idle for 15 yrs or more. May also be drawn off an established escrow account established by depositing \$5,000 for each idle well.</p>	<p>Well construction, repair, re-drilling, plugging, and site restoration</p> <p>Also, a “life of production” or “life of well” facility bond may be required of operators with a history of violations. A facility bond will cover plugging and abandonment; decommissioning of facilities; financing of spill/incident response and remediation.</p>	Cash or indemnity bond.
Florida	<p><i>Amount per well:</i> \$50,000 for 0 to 9,000 ft; \$100,000 if 9,000 ft or greater. Amounts are doubled if well is successful.</p> <p><i>Blanket bond:</i> \$1,000,000 (10 well limit).</p>	Plugging and/or site clean-up if the operator goes bankrupt	Bond, letter or credit, cash or asset deposit, and participation in Minerals Trust Fund.

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Georgia	<i>Amount per well:</i> Flexible, up to \$50,000 <i>Blanket bond:</i> \$50,000 and adequate documentation of financial resources to plug wells.	Well plugging according to specifications.	Not specified
Idaho	<i>Amount per well:</i> \$10,000 plus \$1.00 per ft. <i>Blanket bond:</i> \$50,000 (up to 10 wells); \$100,000 (11 to 30 wells); \$150,000 (more than 30 wells).	Well plugging, surface reclamation, protection of surface estate if separate from mineral estate.	Cash or surety bond.
Illinois	<i>Amount per well:</i> \$1,500 (less than 2,000 ft); \$3,000 (over 2,000 ft). <i>Blanket bond:</i> \$25,000 (0 to 25 wells); \$50,000 (26 to 50 wells); \$100,000 (51 or more wells)	Penalty, plugging and restoration.	Surety letter, letter or credit, and certificate of deposit.
Indiana	<i>Amount per well:</i> \$2,500 <i>Blanket bond:</i> \$45,000	Plugging and abandonment of wells, restoration.	Surety bond, certificate of deposit, cash.
Kansas	<i>Amount per well:</i> \$0.75 times the aggregate depth for all wells drilled or operated. <i>Blanket bond:</i> Ranges from \$7,500 to \$45,000 depending on the number of wells and depth.	Plugging, restoration, and requirement by statute for an operator to receive a license.	Performance bond, letter of credit, fee, state lien on tangible personal property, other.
Kentucky	<i>Amount per well:</i> \$500 (0 to 500 ft); \$1,000 (501 to 1,000 ft); \$1,500 (1,001 to 1,500 ft); \$2,000 (1,501 to 2,000 ft); \$2,500 (2,001 to 2,500 ft); \$3000 (2,501 to 3,000 ft); \$3,500 (3,001 to 3,500 ft); \$4,000 (3,501 to 4,000 ft); \$5,000 or other amount set by the Oil and Gas Commission (over 4,000 ft). <i>Blanket bond (for "qualified" operators):</i> \$10,000 (1 to 25 wells); \$25,000 (25-100 wells); \$50,000 (100 to 500 wells); \$100,000 (over 500 wells). <i>Blanket bond (for "unqualified" operators):</i> \$50,000 (1 to 100 wells); \$100,000 (over 100 wells).	Compliance purposes – plugging.	Cash, letter of credit, surety, and certificates of deposit

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Louisiana	<p><i>Amount per well</i> (land-based): \$1.00 per ft (less than 3,000 ft depth); \$2.00 per ft (3,001 to 10,000 ft); \$3.00 per ft (over 10,001 ft). <i>Amount per well</i> (inland water): \$8.00 per ft. <i>Amount per well</i> (water): \$12.00 per ft.</p> <p><i>Blanket bond</i> (land): \$25,000 (0 to 10 wells); \$125,000 (11 to 99 wells); \$250,000 (over 100 wells). <i>Blanket bond</i> (inland water): \$125,000 (0 to 10 wells); \$625,000 (11 to 99 wells); \$1,250,000 (over 100 wells). <i>Blanket bond</i> (water): \$250,000 (0 to 10 wells); \$1,250,000 (11 to 99 wells); \$2,500,000 (over 100 wells).</p>	Plugging and restoration.	Certificate of deposit, performance bond, letter of credit.
Maryland	<p><i>Amount per well</i>: no minimum, \$100,000 maximum.</p> <p><i>Blanket bond</i>: no minimum, \$500,000 maximum.</p>	Plugging and site restoration.	Surety bonds, cash, letters of credit, certificates of deposit.
Michigan	<p><i>Amount per well</i>: dependent on well depth, ranges from \$10,000 to \$30,000.</p> <p><i>Blanket bond</i>: dependent on well depth, ranges from \$100,000 to \$250,000.</p>	Well plugging and site restoration.	Conformance bond, letter of credit, cash, certificate of deposit.
Missouri	<p><i>Amount per well</i>: \$1,000 (0 to 500 ft); \$2,000 (501 to 1,000 ft); \$3,000 (1,001 to 2,000 ft); \$4,000 (2,001 to 5,000 ft); \$4,000 + \$1.00 per ft (5,001 ft and deeper).</p> <p><i>Blanket bond</i>: \$20,000 (0 to 800 ft) for 50 wells; \$30,000 (801 to 1,200 ft) for 15 wells.</p>	Plugging, abandonment, and site restoration.	Surety bond, personal bond, letter of credit.
Nebraska	<p><i>Amount per well</i>: Currently \$5,000 but will increase to \$10,000</p> <p><i>Blanket bond</i>: Currently \$25,000 but will increase to \$100,000.</p>	Plugging, abandonment, and site restoration.	Insurance or certificate of deposit.

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Nevada	<i>Amount per well:</i> \$10,000. <i>Blanket bond:</i> \$50,000.	Plugging and abandonment	Corporate surety licensed to do business in Nevada.
New Mexico	<i>Amount per well:</i> \$5,000 + \$1.00 per ft in major producing counties; \$10,000 + \$1.00 per ft for wells located elsewhere. <i>Blanket bond:</i> \$50,000, but single well bond may be required in addition to the blanket bond for wells inactive for more than 2 years.	Plugging, abandonment, restoration, and remediation.	Surety shall be a reputable corporate surety authorized to do business in New Mexico.
North Dakota	<i>Amount per well:</i> \$50,000 except that wells drilled to 2,000 ft or less may be bonded in a lesser amount. Commercial disposal wells are bonded at \$50,000 each. <i>Blanket bond:</i> \$100,000 (more than 1 well). Limited to cover no more than 6 unplugged dry holes, plugged wells with site not reclaimed, and/or abandoned wells. This bond does not cover commercial disposal wells.	Drilling, plugging, and restoration.	Collateral bond, self-bond, cash, or any alternative form of security approved by the commission.
Oklahoma	<i>Amount per well:</i> Based on cost of plugging and abandonment of each well. If statewide plugging liability is less than \$25,000, surety can be in the form of Category B. Blanket bond: \$25,000 (Category B); \$50,000 (Category A).	Drilling, operation, plugging, and restoration.	<i>Category A:</i> Financial statement showing net worth of \$50,000 or greater. <i>Category B:</i> Corporate surety bond, irrevocable commercial letter of credit, bank joint custody receipt, certificate of deposit, cashier's check, cash, or other negotiable instrument.
Oregon	<i>Amount per well:</i> \$10,000 (less than 2,000 ft); \$15,000 (2,000 ft to 5,000 ft); \$25,000 (deeper than 5,000 ft). <i>Blanket bond:</i> \$100,000 minimum and must equal the individual well bond amounts. <i>Seismic bond:</i> \$50,000, but may be waived if a blanket bond is in place.	Compliance with rules and regulations of the State of Oregon.	Not specified

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Pennsylvania	<p><i>Amount per well (conventional wells):</i> \$2,500 per well.</p> <p><i>Blanket bond (conventional wells):</i> \$25,000 for all wells.</p> <p><i>Unconventional wells bond (wells with total bore length less than 6,000 ft):</i> Operating up to 50 wells, \$4,000 per well, but no bond may exceed \$35,000; Operating 51 to 150 wells, \$35,000 plus \$4,000 per well for each well in excess of 50 wells, but no bond may exceed \$60,000; Operating 151 to 250 wells, \$60,000 plus \$4,000 per well for each well in excess of 150 wells, but no bond may exceed \$100,000; Operating more than 250 wells, \$100,000 plus \$4,000 per well for each well in excess of 250 wells, but no bond may exceed \$250,000;</p> <p><i>Unconventional wells bond (wells with total well bore length of 6,000 ft or greater):</i> Operating up to 25 wells, \$10,000 per well, but no bond may exceed \$140,000; Operating 26 to 50 wells, \$140,000 plus \$10,000 per well for each well in excess of 25 wells, but no bond may exceed \$290,000; Operating 51 to 150 wells, \$290,000 plus \$10,000 per well for each well in excess of 50 wells, but no bond may exceed \$430,000; Operating more than 150 wells, \$430,000 plus \$10,000 per well for each well in excess of 150 wells, but no bond may exceed \$600,000.</p>	Plugging, abandonment, and restoration.	Any method is allowed, as long as the surety complies with the respective bonding statute (58 P.A.C.S. 3225).
South Dakota	<p><i>Amount per well:</i> \$5,000 for plugging and performance; \$2,000 for surface restoration.</p> <p><i>Blanket bond:</i> \$20,000 for plugging and performance; \$10,000 for surface restoration.</p>	Proper plugging and surface restoration.	Corporate surety bond, certificate of deposit, letter of credit.

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Tennessee	<p><i>Amount per well:</i> \$2,000 for 0 to 2,500 ft; \$3,000 for 2,501 ft to 5,000 ft; \$1.00 per foot for any well drilled deeper than 5,000 ft.</p> <p><i>Blanket bond:</i> \$20,000 for 10 wells drilled form 0 to 5,000 ft; \$30,000 for 10 wells from 5,001 ft to 10,000 ft; No blanket bonds for wells deeper than 10,000 ft.</p>	Proper plugging of wells, closure of pits, and cleanup of leases and other facilities.	Individual performance bond; blanket performance bond; letter or credit; cash deposit; or individual well plugging insurance policy.
Texas	<p><i>Amount per well:</i> \$2.00 per foot for each well, excluding wells covered by plugging insurance.</p> <p><i>Blanket bond:</i> At least the base amount or \$25,000, whichever is greater. Base amounts determined as: 10 or fewer wells is \$25,000; 10 to 99 wells is \$50,000; 100 or more wells is \$250,000.</p> <p><i>Additional bond (Operators of bay/near shore wells):</i> \$60,000, in addition to the other required bonds (above).</p> <p><i>Additional bond (offshore wells or combination of bay and offshore wells):</i> \$100,000, in addition to the other required bonds (above).</p> <p><i>Note:</i> Reductions of “additional bonds” may be allowed by the State, if the operator can prove other means of financial assurance.</p>	Proper plugging of wells, closure of pits, and cleanup of leases and other facilities.	Individual performance bond; blanket performance bond; letter or credit; cash deposit; or individual well plugging insurance policy.
Virginia	<p><i>Amount per well:</i> An amount sufficient for plugging and site restoration not less than \$10,000 per well plus \$2,000 per acre of disturbed land.</p> <p><i>Blanket bond:</i> \$25,000 (1 to 15 wells); \$50,000 (16 to 30 wells); \$75,000 (31 to 50 wells); \$100,000 (51 or more wells).</p>	Plugging and restoration	Certificate of deposit, cash, other surety bonds acceptable by the State.

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Washington	<i>Amount per well:</i> Not less than \$50,000 <i>Blanket bond:</i> Not less than \$250,000	Proper well abandonment and site reclamation.	Not specified
West Virginia	<i>Amount per well:</i> \$5,000 per vertical well; \$50,000 per horizontal well. <i>Blanket bond:</i> \$50,00 for multiple vertical wells; \$250,000 for multiple horizontal wells.	Plugging and site reclamation	Not specified
Wyoming	<i>Amount per well:</i> \$10,000 for each well less than to equal to 2,000 ft; \$20,000 for each well deeper than 2,000 ft. <i>Blanket bond:</i> \$75,000 <i>Idle well bond:</i> \$10.00 per ft.	Plugging and restoration, also includes seismic operations, well operation, well abandonment, idle wells, and pits.	Not specified