

WYOMING OFFICE OF STATE LANDS AND INVESTMENTS

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POLICY

Effective Date
March 1, 2014

Requirement of Surface Impact Payments **After the Cessation of Any Development or Activity and During Reclamation**

The Office of State Lands and Investments' (OSLI) mission is "Effectively managing natural resources and funds for current and future generations." In carrying out this mission OSLI has the responsibility to protect and manage the surface in such a manner as will maintain the integrity of the State Trust Lands concurrently with properly managing its subsurface.

In this effort, OSLI finds State Trust Lands must be successfully reclaimed upon completion of operations on said lands in such a manner as to restore the land, as near as practicable, to its original condition by maintaining the natural contours, restoring vegetation to weed free, native plant species and monitoring growth of the vegetation to determine if the seeding of the intended plant community not only germinates and outcompetes weeds, but is resilient enough for long term establishment.

OSLI maintains that it takes a minimum of two (2) years of plant growth for establishment. Using this parameter, OSLI has established the expectation that all parties ceasing operations on State Trust Lands are to continue to make surface impact payments under their agreements, permits, and leases until such time as reclamation has been deemed complete. After an inspection has been made by OSLI and/or in consultation with the surface lessee, and reclamation is deemed successful and complete, all surface impact payments for reclaimed well-sites, reclaimed reservoirs and payments for any other activity which required reclamation shall cease.

On July 1, 2013, OSLI established policy for the "Transfer of Ownership of Plugged and Abandoned Wells, Water Impoundment Structures and any Other Oil and Gas Related Infrastructure to State Surface Lessees." Under this policy, companies may transfer ownership of plugged and abandoned wells, water impoundment structures and any other oil and gas related infrastructure to state surface lessees, assuming certain requirements are met. One of the requirements within that policy is for the oil and gas company to retain ownership of the improvement being transferred until all requirements are met. The company will further be required to continue surface impact payments as agreed upon until all requirements of this policy are met.

Authority/Justification

W.S. 36-2-107 and W.S. 36-6-101(b)
Wyoming Board of Land Commissioners' Rules and Regulations
Chapter 4, Section 14
Chapter 18, Section 12

<u>Effective Date:</u> March 1, 2014	<u>Revision/Review Date:</u> March 1, 2019
<u>Summary of Revision/Review:</u> To Be Completed In 2019	<u>Supersedes Existing Policy:</u> Any policy and/or documentation prior to March 1, 2014