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SENATE BILL NO. 911

Offered January 11, 2017

Prefiled December 27, 2016

A BILL to amend and reenact § 45.1-361.40 of the Code of Virginia, relating to Orphaned Well Fund.

Patron—Stuart

Referred to Committee on Agriculture, Conservation and Natural Resources

Be it enacted by the General Assembly of Virginia:**1. That § 45.1-361.40 of the Code of Virginia is amended and reenacted as follows:****§ 45.1-361.40. Orphaned Well Fund; orphaned wells.**

A. The Orphaned Well Fund, referred to in this section as "*the Fund*," is hereby established in the state treasury as a special non-lapsing revolving fund to be administered by the Department pursuant to the provisions of this section. The Orphaned Well Fund shall consist of such moneys as are appropriated to it by the General Assembly and such surcharges as are collected pursuant to subsection D. Interest earned on the Orphaned Well Fund shall remain in the Fund and be credited to the Orphaned Well Fund. The Orphaned Well Fund shall be established on the books of the Comptroller and any funds remaining in it the Fund, including interest thereon, at the end of the biennium each fiscal year shall not revert to the general fund but shall remain in the Orphaned Well Fund. In the event of a discontinuance of the Orphaned Well Fund, any amounts remaining in it shall be placed in the Gas and Oil Plugging Restoration Fund. Moneys from the Orphaned Well Fund shall be used only for purposes of restoration and plugging of orphaned wells. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Director or his designee.

B. The Director shall conduct a survey to determine the condition and location of orphaned wells in the Commonwealth. He shall establish priorities for the plugging and restoration of the identified orphaned wells. The plugging and restoration of orphan well sites which that pose an imminent danger to public safety shall have the highest priority.

C. In performing his duties under this section, the Director shall make every reasonable effort to identify and obtain the permission of a surface owner prior to entering onto the surface owner's land. In all cases, the Director shall as soon as practicable cause to be published in a newspaper of general circulation in the county or city wherein an orphaned well is located a notice of the proposed plugging and restoration work to be conducted on the property.

D. Each operator who applies for a new permit for any activity other than geophysical operations shall pay a fifty dollar \$200 surcharge per permit into the Orphaned Well Fund. Such surcharge shall continue until the Director determines all orphaned wells in the Commonwealth are properly plugged and their sites are properly stabilized.

INTRODUCED

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