

**RULES
OF
TENNESSEE STATE MINERAL TEST HOLE REGULATORY BOARD**

**CHAPTER 0950-1-2
BOND**

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0950-1-2-.01 AMOUNT OF BOND. A bond is required to be in force for a well from the time a drilling permit is granted until the well is abandoned in accordance with the rules and regulations of the Board. The bond shall be for the sum of one thousand (\$1,000) in favor of the Board. An individual well bond shall be released upon the proper plugging of the well and the filing with the Supervisor of a Plug and Abandon Report.

Authority: T.C.A. Section 58-1904. Administrative History. Original Rule filed May 18, 1976, effective June 17, 1976.

0950-1-2-.02 BLANKET BOND. In lieu of an individual bond, any well operator may file with the Supervisor a blanket bond in the sum of ten thousand dollars (\$10,000) covering all wells drilled or to be drilled by the principal in the bond with the acceptance and approval by the Supervisor of such blanket bond being predicated on its full compliance with the requirements of an individual well bond. A blanket bond shall be released upon the proper plugging of all wells of the operator (principal) covered by the bond, and the filing with the Supervisor of Plug and Abandon Reports. A blanket bond may be canceled by the surety, notifying the Supervisor in writing, delivered personally or by registered mail, that the operator is no longer authorized by the surety to obtain permits under said bond. If or when all wells permitted under said bond have been abandoned according to the rules and regulations of the Board, or existing permits have been canceled, the Supervisor shall release the bond.

Authority: T.C.A. Section 58-1904. Administrative History. Original Rule filed May 18, 1976, effective June 17, 1976.

0950-1-2-.03 RELIEF OF RESPONSIBILITY. A permittee's bond and other responsibilities to a well or wells shall be relieved upon approval by the Supervisor of a successor's application for a bond and the tendering of authorization by the permittee requesting the Supervisor to approve the successor's application.

Authority: T.C.A. Section 58-1904. Administrative History. Original Rule filed May 18, 1976, effective June 17, 1976.

0950-1-2-.04 EXECUTION OF BOND-EXCEPTION. The bond or bonds referred to shall be executed by the well operator as principal or by a corporate surety authorized to do business in Tennessee. A deposit in cash or certified check shall serve in lieu of either of the above bonds.

Authority: T.C.A. Section 56-1904. Administrative History. Original Rule filed May 18, 1976, effective June 17, 1976.

0950-1-2-.05 NOTICE OF NONCOMPLIANCE. If the requirements with respect to proper plugging upon abandonment and submission of all required records and data on a well or wells have not been complied with within the time limit set by the Board, the Supervisor shall cause a Notice of Noncompliance to be served upon the operator or owner and to the surety, if any, executing the bond filed by said operator or owner. Said Notice shall be mailed by certified mail to the owner or operator's address as set out in the application for a permit, to the agent for the surety, if any, at his address, if known, and to the surety company, if any, at the Address provided to the Tennessee Department of Commerce and Insurance for receipt of notices. The Notice shall specify in what respects the

(Rule 0950-1-2-.05, continued)

operator or owner has failed to comply with this Chapter or the regulations or orders of the Board and shall order said operator or owner to comply in accordance therewith within sixty (60) days after service of said Notice. The surety, if any, shall be afforded the opportunity to act on behalf of the operator or owner within the time set forth in the Notice with regard to the proper plugging of the well or wells and submission of required well records.

Authority: T.C.A. Section 58-1904. Administrative History. Original Rule filed May 18, 1976, effective June 17, 1976.

0950-1-2-.06 FORFEITURE. Should the operator or owner, or surety, fail to comply fully with the order of the Notice of Noncompliance within the sixty (60) day requirement, then said bond shall be forfeited to the Board. Where possible, the Board, at its election, may use the monies so forfeited to plug properly the affected well or wells.

Authority: T.C.A. Section 58-1904. Administrative History. Original Rule filed May 18, 1976, effective June 17, 1976.