

State Oil and Gas Board



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LISA IVSHIN
Executive Director

HOWARD O. LEACH
Board Attorney

November 18, 2015

POLICY STATEMENT

To All Oil and Gas Operators and Attorneys Who Practice Before the Mississippi State Oil & Gas Board

This is to advise you that at its regular November 18, 2015, meeting the Mississippi State Oil & Gas Board (the "Board") approved the following policy regarding the types of Proof of Financial Responsibility instruments which must be filed with the agency before a person assumes the operatorship of an "orphaned" well.

Effective immediately, the Mississippi State Oil and Gas Board will no longer accept the payment of the 5% non-refundable annual fee as a means of fulfilling the Proof of Financial Responsibility requirements for an "orphaned" well.

Prospective operators wishing to assume the operatorship of any well which has been declared by the Mississippi State Oil and Gas Board to be an "orphaned" well pursuant to the authority of Miss. Code Anno. Section 53-1-77 (1972), shall be required to file with the Board either an Irrevocable Standby Letter of Credit or an Irrevocable Surety Performance Bond in accordance with the depth formula set forth in Statewide Rule 4(c) prior to being authorized to assume the operatorship of such well.

Should you have any questions regarding this matter, please contact either Lisa A. Ivshin, the State Oil and Gas Supervisor, at 1-601-576-4920, or Howard O. Leach, the

Board Attorney, at 1-601-576-4921.

MISSISSIPPI STATE OIL & GAS BOARD

By: *Lisa A. Ivshin*

Lisa A. Ivshin
State Oil and Gas Supervisor