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MISSISSIPPI
SECRETARY OF STATE

NOTICE OF PROPOSED RULE ADOPTION

STATE OF MISSISSIPPI MISSISSIPPI OIL AND GAS BOARD

Mississippi Oil & Gas Board
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Specific Legal Authority authorizing the promulgation of Rule 4 of the Statewide Rules and Regulations of the State Oil and Gas Board: Section 53-1-17 of the Mississippi Code of 1972

Reference to Rules repealed, amended or suspended by the Proposed Rule: Rule 4 of the Statewide Rules and Regulations of the Mississippi State Oil and Gas Board

Explanation of the Purpose of the Proposed Rule and the reason(s) for proposing the rule:

There are two changes to Rule 4. The first change changes the term of the permit from 6 months to 12 months and the permit fee from \$300.00 to \$600.00. This change is to have Rule 4 conform to Senate Bill 2887, which amended Sections 53-3-13 and 53-3-25 of the Mississippi Code of 1972, which extended the term of the drilling permit from 6 months to 12 months and raised the permit fee from \$300.00 to \$600.00, effective July 1, 2007.

The second change amended Rule 4(c)(1) to increase the amount of the financial responsibility instrument used to secure the obligation of an operator to plug his well since he has the obligation to plug the wells whatever the cost. The costs have increased since Rule 4 was originally promulgated. This amendment just raises the amount of this financial responsibility instrument to reflect the increased cost of plugging a well. There is no substantial increased cost to the operator since he has the obligation to plug the well regardless of whether the financial responsibility instrument reflects a realistic amount. This change does not increase the obligation of the operator.

A copy of the proposed amended Statewide Rule 4 is attached hereto (**changes noted by bold print**):

This rule is proposed as a Final Rule, and/or a Temporary Rule (Check one or both boxes as applicable.)

Persons may present their views on the proposed rule by addressing written comments to the agency at the above address. Persons making comments should include their name and address, as well as other contact information, and if you are an agent or attorney, the name, address and telephone number of the party or parties you represent.

Oral Proceeding:

Check one box below:

An oral proceeding is scheduled on this rule on Date: {Insert Date} Time: {Insert Time}
Place: {Insert Place}

If you wish to be heard and present evidence at the oral proceeding you must make a written request to the agency at the above address at least ____ day(s) prior to the proceeding to be placed on the agenda. The request should include your name, address, telephone number as well as other contact information; and if you are an agent or attorney, the name, address and telephone number of the party or parties you represent.