

NOTICE OF RULE ADOPTION – FINAL RULE

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Reference to Rules repealed, amended or suspended by the Proposed Rule: Rule 4 of the Statewide Rules and Regulations of the Mississippi State Oil and Gas Board

Date Rule Proposed: March 11, 2008

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**).

The Agency Rule Making Record for this rule including any written comments received during the comment period and the record of any oral proceeding is available for public inspection by contacting the Agency at the above address.

An oral proceeding was held on this rule:

Date: May 21, 2008
Time: 9:30 a.m.
Place: Suite E, 500 Greymont Avenue, Jackson, MS

An oral proceeding was not held on this rule.

The Agency has considered the written comments and the presentations made in any oral proceedings, and

This rule as adopted is without variance from the proposed rule.

This rule as adopted differs from the proposed rule as there are minor editorial changes which affect the form rather than the substance of the rule.

The rule as adopted differs from the proposed rule. The differences however are: Within the scope of the matters in the Notice of Proposed Rule Adoption, the logical outgrowth of the contents of the Notice of Proposed Rule Adoption and the comments submitted in response

thereto, and The Notice of Proposed Rule Adoption provided fair warning that the outcome of the proposed rule adoption could be the rule in question.

The entire text of the Proposed Rule including the text of any rule being amended or changed is attached.

Effective Date of Rule: May 21, 2008



Walker L. Watters
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