

# REQUEST FOR LEGISLATIVE ACTION



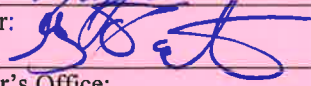
Completed by County Counselor's Office:

Res/~~Ord~~ No.: 19647

Sponsor(s): Tony Miller

Date: November 13, 2017

SUBJECT	Action Requested <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance  Project/Title: <u>Authorize Surety Bond required by MO Dept. of Natural Resources for dormant gas well</u>											
BUDGET INFORMATION <i>To be completed By Requesting Department and Finance</i>	<table border="1"><tr><td>Amount authorized by this legislation this fiscal year:</td><td>\$100.00</td></tr><tr><td>Amount previously authorized this fiscal year:</td><td>\$</td></tr><tr><td>Total amount authorized after this legislative action:</td><td>\$100.00</td></tr><tr><td>Amount budgeted for this item * (including transfers):</td><td>\$100.00</td></tr><tr><td>Source of funding (name of fund) and account code number; FROM 003-1602-56770 Park Fund – Park Operations – Administration Service Fees</td><td>FROM ACCT \$100</td></tr></table> <p>* If account includes additional funds for other expenses, total budgeted in the account is: \$</p> <p>OTHER FINANCIAL INFORMATION:</p> <p><input type="checkbox"/> No budget impact (no fiscal note required) <input type="checkbox"/> Term and Supply Contract (funds approved in the annual budget); estimated value and use of contract: Department: Estimated Use: \$</p> <p>Prior Year Budget (if applicable): Prior Year Actual Amount Spent (if applicable):</p>		Amount authorized by this legislation this fiscal year:	\$100.00	Amount previously authorized this fiscal year:	\$	Total amount authorized after this legislative action:	\$100.00	Amount budgeted for this item * (including transfers):	\$100.00	Source of funding (name of fund) and account code number; FROM 003-1602-56770 Park Fund – Park Operations – Administration Service Fees	FROM ACCT \$100
Amount authorized by this legislation this fiscal year:	\$100.00											
Amount previously authorized this fiscal year:	\$											
Total amount authorized after this legislative action:	\$100.00											
Amount budgeted for this item * (including transfers):	\$100.00											
Source of funding (name of fund) and account code number; FROM 003-1602-56770 Park Fund – Park Operations – Administration Service Fees	FROM ACCT \$100											
PRIOR LEGISLATION	Prior ordinances and (date):  Prior resolutions and (date):											
CONTACT INFORMATION	RLA drafted by (name, title, & phone): John Johnson, Superintendent Park Operations, 816-503-4823											
REQUEST SUMMARY	The Missouri Dept. of Natural Resources has implemented a new requirement for Oil and Gas Council Rules 10 CSR 50, effective March, 2016. Parks was informed in early 2017 regarding the need to submit an operator's license \$50 annual fee, and proof the county holds a bond for the well (see attached). Parks initially investigated the cost of capping the dormant natural gas well, term and supply vendor quoted \$22,800, which is cost prohibitive at this time. The well is located to the south of the Natural Resources complex (8100 E. Park Rd, BS, MO-see attached). The well went dormant in 2001 and was originally used to heat the NR greenhouse and related buildings. This park land was acquired by the county in the 1950's. The bond must be maintained until the gas well is capped, per MO DNR.											
CLEARANCE	<input type="checkbox"/> Tax Clearance Completed (Purchasing & Department) <input type="checkbox"/> Business License Verified (Purchasing & Department) <input type="checkbox"/> Chapter 6 Compliance - Affirmative Action/Prevailing Wage (County Auditor's Office)											
ATTACHMENTS	Lockton Bond Documents, map of well											

REVIEW	Department Director: 	Date: 11-6-17
	Finance (Budget Approval): <i>If applicable</i> 	Date: 11/2/17
	Division Manager: 	Date: 11/6/17
	County Counselor's Office:	Date:

Fiscal Information (to be verified by Budget Office in Finance Department)

- ☐ This expenditure was included in the annual budget.
- ☐ Funds for this were encumbered from the \_\_\_\_\_ Fund in \_\_\_\_.
- ☐ There is a balance otherwise unencumbered to the credit of the appropriation to which the expenditure is chargeable and there is a cash balance otherwise unencumbered in the treasury to the credit of the fund from which payment is to be made each sufficient to provide for the obligation herein authorized.
- ☐ Funds sufficient for this expenditure will be/were appropriated by Ordinance # \_\_\_\_\_
- X Funds sufficient for this appropriation are available from the source indicated below.

Account Number:	Account Title:	Amount Not to Exceed:
003-1602-56770	Administrative Services	\$100.00

- ☐ This award is made on a need basis and does not obligate Jackson County to pay any specific amount. The availability of funds for specific purchases will, of necessity, be determined as each using agency places its order.
- ☐ This legislative action does not impact the County financially and does not require Finance/Budget approval.

This expenditure was included in the Annual Budget.

RES # 19647

Budget Office

## Abandoned Gas Well

Write a description for your map.

### Legend

Feature 1

Lake Jacomo Green house facility

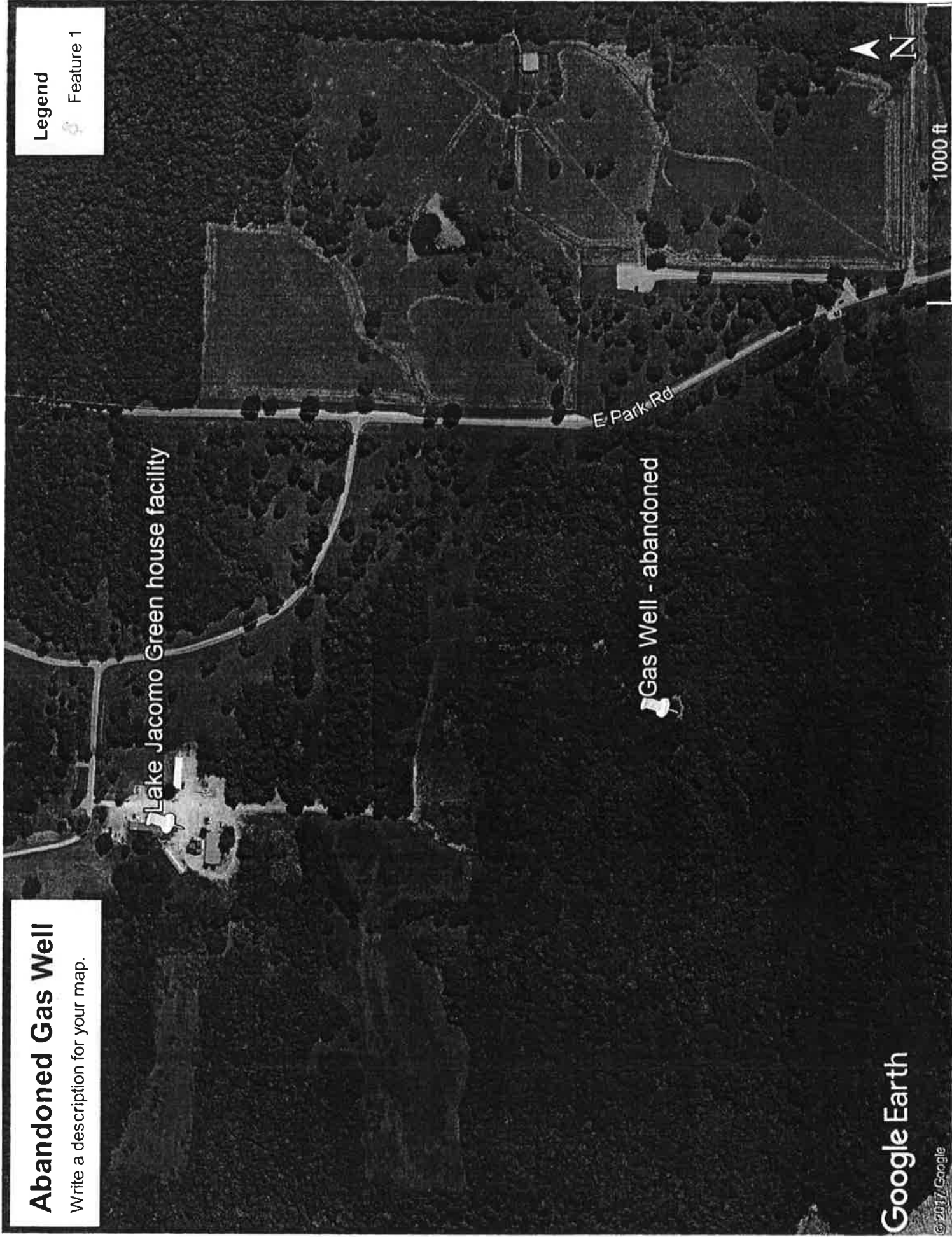
Gas Well - abandoned

E Park Rd

Google Earth

© 2017 Google

1000 ft





MISSOURI DEPARTMENT OF NATURAL RESOURCES  
GEOLOGICAL SURVEY PROGRAM  
OIL AND GAS WELL BOND

## FOR OFFICE USE ONLY

BOND NUMBER

DATE RECEIVED

## OBLIGOR (WELL OWNER/OPERATOR) INFORMATION

NAME OF COMPANY, ORGANIZATION OR INDIVIDUAL

OPERATOR LICENSE NUMBER

Jackson County Parks + Rec

817

MAILING ADDRESS

CITY

STATE

ZIP CODE

22807 Sw Woods Chapel Rd

Blue Springs

MO

64015

PRIMARY CONTACT NAME

TITLE

PRIMARY PHONE NUMBER WITH AREA CODE

EMAIL ADDRESS

John Johnson

Superintendent

8165034823

jjjohnson@jacksongov.org

## BOND INFORMATION

INDIVIDUAL WELL BOND SCHEDULE (REQUIRED BOND AMOUNT FOR ONE OPEN INDIVIDUAL WELL)

Well depth	Bond amount
0'-500'	\$1,100
501'-1,000'	\$2,200
1,001'-2,000'	\$3,300
2,001'-5,000'	\$4,400
>5,000'	\$5,500 plus \$2 per foot beyond 5,001 feet

BLANKET WELL BOND SCHEDULE (WITHIN THE SPECIFIC DEPTH RANGE AS INDICATED, THE REQUIRED BOND AMOUNT AND MAXIMUM NUMBER OF SIMILARLY CONSTRUCTED OPEN WELLS ALLOWED AS WELLS ARE PLUGGED IN ACCORDANCE WITH STATE REGULATIONS. OTHER WELL(S) WITHIN A SIMILAR DEPTH RANGE MAY BE SECURED BY THIS BOND)

Well depth	Bond amount	Maximum number of unplugged wells
0'-800'	\$22,000	40
801'-1,500'	\$25,000	10

BOND TYPE (CHOOSE EITHER INDIVIDUAL OR BLANKET WELL BOND AND COMPLETE INFORMATION TO RIGHT OF SELECTION)

☒ Individual well bondLease Name JacomoWell Number 095-26508Proposed Depth 411'

or

☐ Blanket well bond ☐ Less than 800' depth or ☐ 801' to 1500' depth

REQUIRED BOND AMOUNT (PER BONDING SCHEDULE LISTED ABOVE)

\$1,100

## FINANCIAL ASSURANCE INSTRUMENT (FAI) INFORMATION

Financial assurance instrument previously submitted securing this bond ☐ Yes ☒ No (If no, submit FAI and FAI form with this form)Financial assurance instrument type ☐ Certificate of Deposit ☒ Irrevocable Surety Bond ☐ Irrevocable Letter of Credit

FINANCIAL ASSURANCE INSTRUMENT NUMBER

FINANCIAL ASSURANCE INSTRUMENT VALUE

\$

## CERTIFICATION

I, the undersigned, certify that:

- I am authorized to act on behalf of the obligor in submitting this bond.
- I confirm the information on this form has been reviewed by me and is true, correct and complete to the best of my knowledge and belief.
- I understand this bond is not transferrable.
- I understand that if information on this form changes it must be resubmitted.
- I acknowledge this is a performance bond and the required bond amount is payable to the state of Missouri.
- I understand this bond shall remain in full force and effect until a letter of release is issued by the state geologist or it is forfeited due to non-compliance with the provisions of Chapter 259, RSMo, and the Missouri Code of State Regulations Oil and Gas Council Rules 10 CSR 50.

PRINT NAME

TITLE

COMPANY

SIGNATURE

DATE

## FOR OFFICE USE ONLY

APPROVED BY

DATE

APPROVAL OF RELEASE/FORFEITURE OF BOND

BOND NUMBER

BOND AMOUNT

PLEGGED FAI NUMBER

Financial Action ☐ Release ☐ Forfeiture

AUTHORITY TO RELEASE/FORFEIT THIS BOND IS HEREBY GRANTED, THIS

APPROVED BY

DAY OF

YEAR



MISSOURI DEPARTMENT OF NATURAL RESOURCES  
GEOLOGICAL SURVEY PROGRAM  
**OIL AND GAS NON-COMMERCIAL OPERATOR'S  
LICENSE APPLICATION**

**FOR OFFICE USE ONLY**

DATE RECEIVED	PROCESSED BY
CHECK NUMBER	CHECK AMOUNT
LICENSED CALENDAR YEAR	LICENSE NUMBER

**APPLICATION TYPE**

☒ New    ☐ Renewal    ☐ Information Update Only (Fee not required)

**WELL OWNER INFORMATION**

NAME OF INDIVIDUAL, COMPANY OR ORGANIZATION Jackson County Parks + Rec.		OPERATOR LICENSE NUMBER (IF RENEWAL OR UPDATE)	
MAILING ADDRESS 22807 SW Woods Chapel Road	CITY Blue Springs	STATE Mo	ZIP 64015
PHYSICAL ADDRESS (IF DIFFERENT THAN ABOVE) 8100 E. Park Road, Lee's Summit Mo. 64064		PRIMARY PHONE NUMBER WITH AREA CODE (816) 503-4823	
EMAIL ADDRESS jljohnson@jacksongov.org		IF WELL OWNERSHIP CHANGE OCCURRED, GIVE PREVIOUS NAME	

**ADDITIONAL CONTACT INFORMATION**

Name	Title	Primary Phone Number with Area Code	Email Address
PRIMARY John L. Johnson	Superintendent	816-503-4823 EXT	jljohnson@jacksongov.org
SECONDARY Jim Cox	Supervisor	816-365-2980 EXT	jlcx@jacksongov.org
OTHER			

**METHOD OF PAYMENT**

<input checked="" type="checkbox"/> Check or Money Order (Please enclose check, payable to Department of Natural Resources, with submitted form.)	AMOUNT DUE  \$50.00
<input type="checkbox"/> Credit Card (Transaction fee applies. Please attach contact information of person authorized to make transaction.)	
<input type="checkbox"/> Automated Clearing House (Please attach contact information of person authorized to make transaction.)	

**CERTIFICATION**

I, the undersigned, certify that:

- I am authorized to make this report.
- The facts stated herein are true, correct and complete to the best of my knowledge.
- I understand that after any change occurs as to facts stated in this report as submitted and filed, a supplementary report shall be filed with the state geologist with respect to such change within thirty (30) calendar days after the effective date of change.
- I have read and agree to comply with the statutes, rules and provisions pursuant to Chapter 259, RSMo, and the Missouri Code of State Regulations Oil and Gas Council Rules 10 CSR 50.

PRINT NAME	PRINT COMPANY/ORGANIZATION NAME
SIGNATURE	
DATE	

**FOR OFFICE USE ONLY**

APPROVED BY	DATE
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MISSOURI DEPARTMENT OF NATURAL RESOURCES  
GEOLOGICAL SURVEY PROGRAM

# OIL AND GAS WELL FINANCIAL ASSURANCE INSTRUMENT CERTIFICATION

## OBLIGOR (WELL OWNER/OPERATOR) INFORMATION

NAME OF COMPANY, ORGANIZATION OR INDIVIDUAL <b>Jackson County Parks + Rec</b>		OPERATOR LICENSE NUMBER <b>817</b>	
MAILING ADDRESS <b>22607 8w Woods Chapel Rd</b>		CITY <b>Blue Springs</b>	STATE <b>MO</b>
ZIP CODE <b>64015</b>			
PRIMARY CONTACT NAME <b>John Johnson</b>	TITLE <b>Superintendent</b>	PRIMARY PHONE NUMBER WITH AREA CODE <b>816503 4823</b>	EMAIL ADDRESS <b>jjohnson@jacksongov.org</b>

## FINANCIAL INSTITUTION INFORMATION (TO BE COMPLETED BY THE INSTITUTION ISSUING THE FINANCIAL ASSURANCE INSTRUMENT (FAI))

FINANCIAL INSTITUTION NAME		FINANCIAL INSTITUTION MAILING ADDRESS		CITY	STATE	ZIP CODE
CONTACT NAME		TITLE		PRIMARY PHONE NUMBER WITH AREA CODE	EMAIL ADDRESS	

## FAI INFORMATION (TO BE COMPLETED BY THE ISSUING INSTITUTION. CONDITIONS AND REQUIREMENTS FOR FAIS ARE LOCATED ON THE BACK OF THIS FORM.)

<input checked="" type="checkbox"/> Original FAI Submission <input type="checkbox"/> Amendment to existing FAI					
<input type="checkbox"/> Certificate of Deposit (CD)	ISSUED TO	NUMBER	ISSUE DATE	VALUE	AUTOMATICALLY RENEWABLE <input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Irrevocable Surety Bond (SB)	IRREVOCABLE <input type="checkbox"/> Yes <input type="checkbox"/> No	NUMBER	ISSUE DATE	MAXIMUM VALUE	
<input type="checkbox"/> Irrevocable Letter of Credit (LOC)	ESCROW ACCOUNT ESTABLISHED TO SECURE THIS LOC <input type="checkbox"/> Yes <input type="checkbox"/> No		STATE OF MISSOURI BENEFICIARY OF LOC		AUTOMATICALLY RENEWABLE
IF YES, AMOUNT IN ESCROW ACCOUNT \$		<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No	
NUMBER	ISSUE DATE	EXPIRATION DATE	VALUE		

## FAI OBLIGOR PLEDGE CERTIFICATION

I, the undersigned, certify I am authorized to act as an agent for the submission of this FAI. I confirm the information on this form has been reviewed by me and is true, correct and complete to the best of my knowledge. I agree to ensure this FAI remains in full force and effect until a letter of release is issued by the state geologist. I understand this FAI may be forfeited, without my consent, due to noncompliance with the provisions of Chapter 259, RSMo, and the Missouri Code of State Regulations Oil and Gas Council Rules 10 CSR 50. I have read and agree to the conditions and requirements on the back of this form. I hereby irrevocably pledge the above described FAI to secure the obligor's performance bond(s).

OBLIGOR SIGNATURE (AUTHORIZED AGENT)	OBLIGOR NAME (PRINT)	TITLE
NOTARY PUBLIC EMBOSSEER OR RUBBER STAMP SEAL		
SUBSCRIBED AND SWORN BEFORE ME, ON THIS		
DAY OF		
IN THE YEAR		
STATE	COUNTY	MY COMMISSION EXPIRES
NOTARY PUBLIC SIGNATURE		
NOTARY PUBLIC NAME (Print)		

## FAI FINANCIAL INSTITUTION PLEDGE CERTIFICATION

I, the undersigned, certify I am authorized to act as an agent for the financial institution issuing this FAI. I certify the FAI and financial institution information on this form is accurate. I agree to ensure this FAI remains in full force and effect until a letter of release is issued by the state geologist. I have read and agree to the conditions and requirements on the back of this form.

AUTHORIZED AGENT SIGNATURE	AUTHORIZED AGENT NAME (PRINT)	TITLE
NOTARY PUBLIC EMBOSSEER OR RUBBER STAMP SEAL		
SUBSCRIBED AND SWORN BEFORE ME, ON THIS		
DAY OF		
IN THE YEAR		
STATE	COUNTY	MY COMMISSION EXPIRES
NOTARY PUBLIC SIGNATURE		
NOTARY PUBLIC NAME (PRINT)		

## FOR OFFICE USE ONLY

APPROVED BY	DATE
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MO 760 1779 (03-17)

SEND ORIGINAL COMPLETED FORM AND ORIGINAL BONDING INSTRUMENT TO: MISSOURI DEPARTMENT OF NATURAL RESOURCES,  
MISSOURI GEOLOGICAL SURVEY, GEOLOGICAL SURVEY PROGRAM, PO BOX 250, ROLLA, MO 65402  
PHONE: 573-368-2143 FAX: 573-368-2111 EMAIL: [oilandgas@dnr.mo.gov](mailto:oilandgas@dnr.mo.gov)

**FOR OFFICE USE ONLY (APPROVAL FOR RELEASE OF FAI - RELEASE MUST BE ACCOMPANIED BY A LETTER FROM THE STATE OF MISSOURI)**

The obligor of this FAI has met the requirements of Chapter 259 RSMo. and the Missouri Code of State Regulations Oil and Gas Council Rules 10 CSR 50, thereby, the FAI and the amount identified on the front of this form is released per their request.

AUTHORITY TO RELEASE THIS FAI IS HEREBY GRANTED, THIS

APPROVED BY

DAY OF

YEAR

**CERTIFICATE OF DEPOSIT PLEDGE CONDITIONS AND REQUIREMENTS**

- A paper CD, receipt or certificate, time deposit, etc., must accompany this form.
- The pledged amount of the CD shall secure obligor's personal performance bond according to Chapter 259 RSMo, and the Missouri Code of State Regulations Oil and Gas Rule 10 CSR 50-2.020.
- The CD must be automatically renewable.
- The pledged amount of the CD shall not be released or negotiated until the obligor has met full compliance with the Missouri Code of State Regulations Oil and Gas Council Rule 10 CSR 50-2.020, has plugged the well(s) in accordance with 10 CSR 50-2.060 and the CD is released by the state of Missouri.
- The financial institution shall place a hold on the CD until a release from this pledge is received in writing by the state of Missouri. Under no circumstances shall the pledged amount of the CD be released to the owner without a letter of release from the state of Missouri and a copy of this bond with the foregoing "release" portion signed.
- The financial institution must be protected by the Federal Deposit Insurance Corporation (FDIC).
- The financial institution acknowledges the assignment and pledge of the aforesaid CD to the state of Missouri and agrees to record the assignment on the back of the CD and/or on its books. Further, the financial institution acknowledges and agrees that it shall hold the monies represented by the CD as a custodian and agent for the state of Missouri.
- The financial institution must provide information on the aforesaid CD to the state of Missouri upon written request.
- The financial institution must honor upon receipt all demands for payment by and make payment to the state of Missouri within thirty (30) days of receipt of the demand.
- The interest derived from the CD shall remain the obligor's and may be paid out as the obligor and financial institution agree. The state of Missouri may only redeem the pledged amount of the CD.

**IRREVOCABLE SURETY BOND CONDITIONS AND REQUIREMENTS**

- Original surety bond must accompany this form.
- The pledged amount of the irrevocable surety bond shall secure obligor's personal performance bond according to Chapter 259 RSMo, and the Missouri Code of State Regulations Oil and Gas Council Rule 10 CSR 50-2.020.
- Only irrevocable surety bonds are acceptable.
- The cancellation of this irrevocable surety bond must be in accordance with the Missouri Code of State Regulations Oil and Gas Council Rule 10 CSR 50-2.020. Cancellation will not be effective without the approval of the state geologist.

**IRREVOCABLE LETTER OF CREDIT CONDITIONS AND REQUIREMENTS**

- Original irrevocable letter of credit (LOC) must accompany this form.
- The pledged amount of the Irrevocable letter of credit shall secure obligor's personal performance bond according to Chapter 259 RSMo, and the Missouri Code of State Regulations Oil and Gas Council Rule 10 CSR 50-2.020.
- A complete explanation and all information or documents needed to draw upon this letter of credit must accompany this form. The LOC must provide for draws to be made on the LOC by U.S. Postal Service certified mail.
- The beneficiary of the irrevocable letter of credit shall be the state of Missouri.
- The LOC shall be governed by Missouri law. The Uniform Customs and Practice for Documentary Credits, fixed by the International Chamber of Commerce, shall not apply.
- This irrevocable letter of credit shall be forfeited and shall be collected by the state geologist if not replaced by other suitable bond or irrevocable letter of credit at least 30 days before its expiration date.
- If not a Missouri bank, the Oil and Gas Confirmation of Out of State Irrevocable Letter of Credit form (780-1136) must be submitted.

For questions or additional information, contact the Missouri Geological Survey at 573-368-2143.