

**353.040 When offset wells to be drilled.**

When oil or gas is discovered in paying quantities on property adjoining a leasehold and the oil or gas from the adjoining property is being taken out of the ground and marketed from one or more wells located on such adjoining property within two hundred (200) feet of the boundary line of the leasehold, and the lessor gives the lessee written notice that oil or gas from such well or wells is being marketed, the lessee shall, within three (3) months after receipt of the notice, begin to drill an offset well to each such well, except that the offset wells need not be less than five hundred (500) feet from each other. If the lessee fails to commence and complete the offset wells with diligence, the lease shall automatically expire and be void. This section does not apply to a lease that is being operated or on which a well is being drilled.

**Effective:** October 1, 1942

**History:** Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 3766b-4c.