

Wyoming Oil and Gas Conservation New Rules

Mark Watson, WOGCC Supervisor



**Energy and Natural Resources Law
July 19, 2016**



New WOGCC Rules

- **Chapter 3, Section 46** – Groundwater Baseline Sampling, Analysis & Monitoring
(March 2014)
- **Chapter 3, Section 47** – Setback Rule
(April 2015)
- **Chapter 3, Section 4** – Bonding
(February 2016)
- **Chapter 3, Section 8** – APD fees and approval period
(February 2016)
- **Chapter 3, Section 39** – Authorization for flaring and venting of gas
(April 2016)



Water Testing

- Samples from four (4) water sources within $\frac{1}{2}$ mile.
- Sample and test within twelve (12) months of spuding well.
- Post drilling sample and test schedule:
(1) twelve (12) to twenty four (24) months.
(2) thirty six (36) to forty eight (48) months.



Surface Setbacks

- Wellhead located no closer than five hundred (500) feet to occupied structure.
- Wellhead located 500' to 1,000 ft to occupied structure(s) requires:
 - (1) Notification to offset owner(s) of Occupied structure(s).
 - (2) Mitigation Plan ie. light control, noise minimization, etc.



Bonding

- Increase blanket bond to \$100,000.
- Individual bond set at \$10/ft per well.
- Split estate bonds set at \$10,000 per well site.
- Transfer of well(s) requires:
 - (1) Thirty (30) days notice to WOGCC prior to transfer date.
 - (2) Supervisor has discretion to hold prior operator bond for six (6) months.



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APD Fee's



- \$500 (includes administrative approval fee for horizontal wells).
- Application for permit to drill (apd) valid for two (2) years.
- Average APD's received per month

2014	450
2015	567
2016	540



Flaring & Venting



- Requires accurate measurement of all gas vented or flared.
- Gas analysis to be submitted every five (5) years.
- Allows up to sixty (60) mcf/day for flaring and twenty (20) mcf/day for venting.
- Flaring allowed for 180 days at a maximum rate of 250 mcf/day (monthly average) not to exceed 45 mmcf with prior approval and gas capture plan.



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Federal Rules



BLM

- Fracking rule on hold, pending Federal Court actions.
- Proposed Rulemaking for Waste Prevention Production Subject to Royalties & Resource Conservation.






EPA

- Rules for new & modified sources, May '16
- Information request to study current sources



New Rules


Business Government Visitor Contact Us

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Disclaimer

New Users Click Here	Admin. Approvals	First Produced	Operators	Trade Secret Settlement Updated-02/18/2015
Pavillion Working Group Updated 6/4/2015	Area of Review	Formations	Orders	Notices, Memo's and Presentations Updated-04/25/2016
Sage Grouse Core Protection Policy Updated 9/21/2015	Agencies	Forms	Production	Rule Changes Updated-04/25/2016
Quick Look Production Graphs	Permits	Gas/Water Analysis	Pressures/Dst	Water Well Transfers Revised 02/24/2014
News Releases Updated 6/23/2016	Basins	Gas Plants	Rules/Statutes	2016 Industry Meeting Presentations Updated 6/16/2016
Web Site Help: robert.meyer@wyo.gov	CoalBed	Geological Reports	Sales	
	Completions	Hearings	Spacing	
	Cores	Horizontal Wells	Spuds	
	County	Idle / Orphan	Statistics	
	Down Load	Injection	Sundries	
	Electronic Filing	Lease Menu	Units	
	Environmental	Logs	Weekly Report	
	Field	Map Server		

 The Wyoming Oil and Gas Conservation Commission in a manner that ensures responsible resources and provides appropriate

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Currently Approved Rule Changes

-  Flaring Rules, Ch.3 Sec.39, Effective 4/1/16
-  Bonding Rules, Ch 3, Sec. 4, APD Fee Increase, Ch 3, Sec. 8, Effective 2/1/16
-  Setback Rule- Ch. 1 & 3 Effective April 14, 2015
-  Baseline Water Rule Chapter 3 Section 46 Effective 03/01/2014
-  Appendix K Sampling and Analysis Procedures
-  Spacing Rule Chapter 3 Section 2 Effective 07/24/2014



Orders

Business Government Visitor Contact Us

Wyoming

TEXT MAP

Wyoming Oil and Gas
Conservation Commission

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Pavillion
Working Group
Updated 6/4/2015

Sage Grouse Core
Protection Policy
Updated 9/21/2015

Quick Look
Production Graphs

News Releases
Updated 6/23/2016

Web Site Help:
robert.meyer@wyo.gov

Enhanced Oil
Recovery Institut

Admin. Approvals

Area of Review

Agencies

Permits

Basins

CoalBed

Completions

Cores

County

Down Load

Electronic Filing

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Field

First Produced

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Spuds

Statistics

Trade Secret Settlement
Updated-02/18/2015

Notices, Memo's
and Presentations
Updated-04/25/2016

Rule Changes
Updated-04/25/2016

Water Well
Transfers
Revised 02/24/2014

Commission Orders

By Key Words

By Field

By Year

Key Word And Year

No Warranty is made by the Wyoming Oil and Gas Conservation Commission for the use of this data. Any use of this information to any specific application should be based on independent examination and verification. Those making use of, or relying on, this information assume all risks and liability arising from such use or reliance



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Hearing Dockets and Information

Business Government Visitor Contact Us

Wyoming

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Pavillion Working Group
Updated 6/4/2015

Sage Grouse Core Protection Policy
Updated 9/21/2015

Quick Look Production Graphs

News Releases
Updated 6/23/2016

Web Site Help:
robert.meyer@wyo.gov

Admin. Approvals

Area of Review

Agencies

Permits

Basins

CoalBed

Completions

Cores

County

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Electronic Filing

Environmental

Field

The Wyoming Oil and Gas Conservation Commission Building

First Produced

Formations

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Horizontal Wells

Idle / Orphan

Injection

Lease Mgmt

Operators

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Sales

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Sundries

Trade Secret Settlement
Updated-02/18/2015

Notices, Memo's and Presentations
Updated-04/25/2016

Rule Changes
Updated-04/25/2016

Water Well Transfers
Revised 02/24/2014

2016 Industry Meeting Presentations

Wyoming Oil and Gas Conservation Commission Hearings

All Deadlines are Close of Business Day

Hearing Date	Deadline for Applications	Aquifer Deadlines
Tuesday Sep 08 2015	Tuesday Jun 30 2015	Tuesday Jun 23 2015
Tuesday Oct 13 2015	Tuesday Aug 04 2015	Tuesday Jul 28 2015
Tuesday Nov 10 2015	Tuesday Sep 01 2015	Tuesday Aug 25 2015
Tuesday Dec 08 2015	Tuesday Sep 29 2015	Tuesday Sep 22 2015
Tuesday Jan 12 2016	Tuesday Nov 03 2015	Tuesday Oct 27 2015
Tuesday Feb 09 2016	Tuesday Dec 01 2015	Tuesday Nov 24 2015
Tuesday Mar 08 2016	Tuesday Dec 29 2015	Tuesday Dec 22 2015
Tuesday Apr 12 2016	Tuesday Feb 02 2016	Tuesday Jan 26 2016
Tuesday May 10 2016	Tuesday Mar 01 2016	Tuesday Feb 23 2016
Tuesday Jun 14 2016	Tuesday Apr 05 2016	Tuesday Mar 29 2016
Tuesday Jul 12 2016	Tuesday May 03 2016	Tuesday Apr 26 2016
Tuesday Aug 09 2016	Tuesday May 31 2016	Tuesday May 24 2016
Tuesday Sep 13 2016	Tuesday Jul 05 2016	Tuesday Jun 28 2016
Tuesday Oct 11 2016	Tuesday Aug 02 2016	Tuesday Jul 26 2016
Tuesday Nov 15 2016	Tuesday Aug 30 2016	Tuesday Aug 23 2016
Tuesday Dec 13 2016	Tuesday Oct 04 2016	Tuesday Sep 27 2016

Go Find Previous/Future Hearings July Year 2016 OOPS

To View Application Click on (Applicant Name)

To View Order Click on (Docket No)

Hearings For 2016

App	Disposition	Docket	Applicant	Matter	Heard By	Hearing Date
189-2016		SAMSON EXPL	1264 87-A DDU; YACATE 648130; 1819-15-45	E	07-12-2016	
140-2016		SAMSON EXPL	ADDL WELL 5 9C 6N; TOTAL 4C 7N; 1819-15-45	E	07-12-2016	
141-2016		SAMSON EXPL	1275 69-A DDU; 1819-15-45	E	07-12-2016	
142-2016		SAMSON EXPL	ADDL WELL 5 9C 6N; TOTAL 4C 7N; 1819-15-45	E	07-12-2016	
418-2016		WYOM	1788-A DDU; 17-A 177 420-15-14-16-70	E	07-12-2016	



Wyoming Oil and Gas
Conservation Commission

Mark Watson
State Oil & Gas Supervisor

Thank You

Comments, Questions

Procedural Issues Related to Oil and Gas Conservation Commission

Eric A. Easton, Sr. Assistant Attorney General



Wyoming Oil and Gas Conservation Commission



Table of Contents

- Statutory Provisions
- Practice Issues





Statutory Provision

- Duties of the Wyoming Oil and Gas Conservation Commission - Wyo. Stat. 30-5-101 through 128
 - Role of Commission Wyo. Stat. 30-5-104
 - Role of Examiners Wyo. Stat. 30-5-105
 - Orders issued
 - Rules of practice Wyo. Stat. 30-5-111
 - Show cause hearings Wyo. Stat. 30-5-111 (d)
 - Funding by Conservation tax Wyo. Stat. 30-5-116(b)



Practice Issues

- General APA rules apply
- Differences
 - Pre hearing disclosure
 - Administrative hearings limited to interested parties
 - Authority to participate limitations
 - Drilling and spacing units
 - Water floods operations
 - Unit operations and force pooling
 - APD's
 - Exception locations
 - Additional wells
 - Underground Injections/aquifer exemptions.



Practice Issues

➤ Differences (cont.)

- Experts qualifications
- Overlapping units
- Pro Se protests- special issues
- Enforcement actions

- Bonding, idle well bonding
- Plug and abandon
- Disposal of abandoned equipment
- Failure to pay conservation taxes, report productions
- Failure to give notice of intent to spud, BOP violations
- Flaring without authority
- Spills, failure to report or clean up spills





Wyoming Oil and Gas
Conservation Commission

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Photo Courtesy of www.wyomingbusinessreport.com

Hearing/Administrative Review Processes

Sabrina Hamner, WOGCC Engineer/Examiner



Wyoming Oil and Gas Conservation Commission



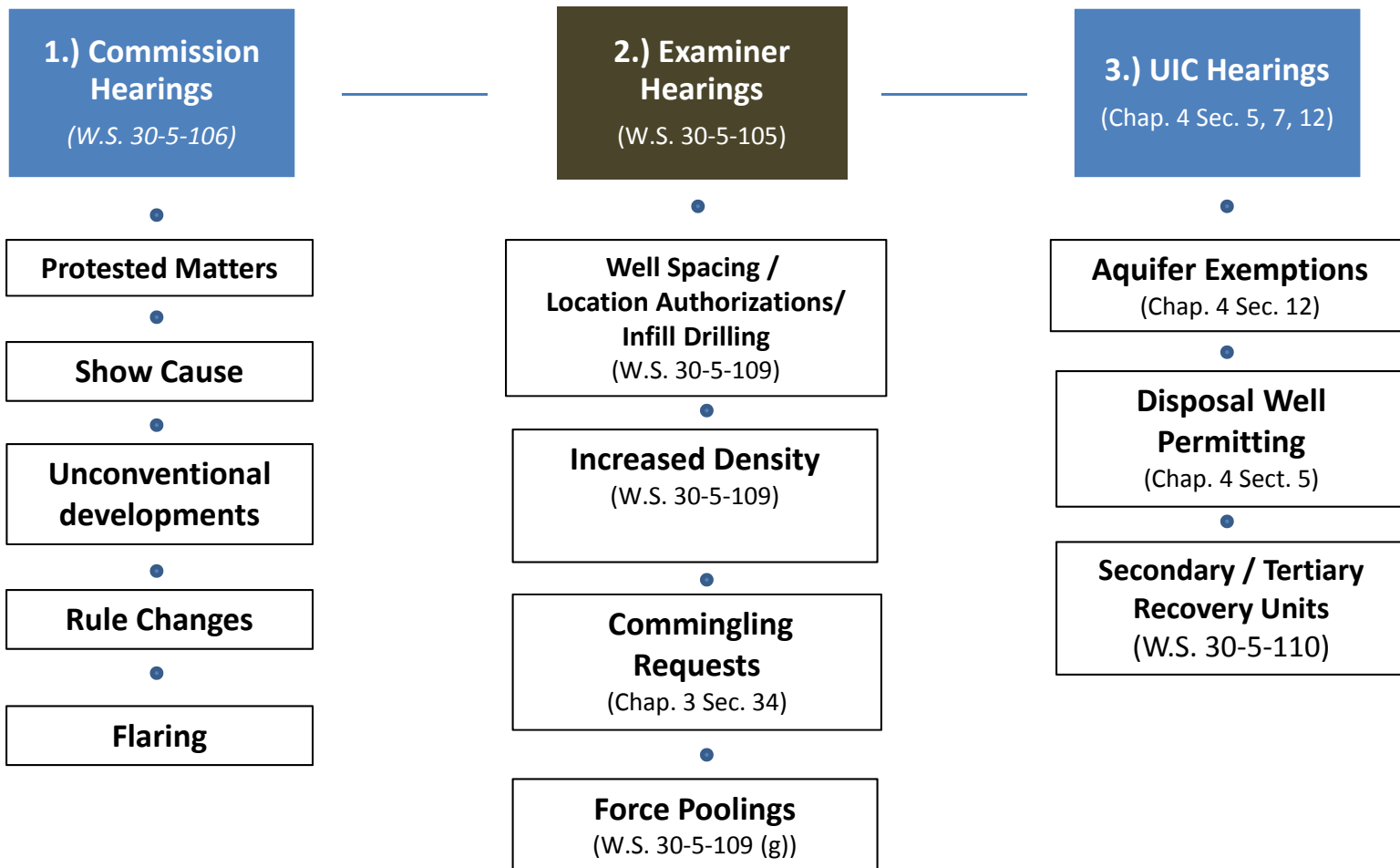
Table of Contents:

- **WOGCC Engineering Tasks Include:**
 - **Hearing Examiner** (W.S. 30-5-105)
 - **Processing of Administrative Approvals** (Chap. 5 Sec. 15)
 - **Drilling Permit Review**
 - **Sundry Approvals / UIC Reviews**

-
- Links to WOGCC Rules: <http://soswy.state.wy.us/Rules/default.aspx>
 - Link to Wyoming State Statute: Title 30 Mines and Minerals, Chapter 5 Oil and Gas
<http://legisweb.state.wy.us/NXT/gateway.dll?f=templates&fn=default.htm>



Examiner Hearings



Examiner Hearings (Process)



1.) Hearing Application
Submission (\$75)

2.) Assignment of Docket
Number / Month of Hearing

3.) Creation of Docket Card and
File

4.) 15 day Notice – Potential to
entertain protests → Dictates if
Commission or Examiner hears

5.) Commission Staff will publish

6.) Preliminary Matters – Address
continuances

7.) Matter is heard → Examiner releases
dispositions based on results of
hearings

8.) Await draft order from
representative attorneys

9.) Enter Order containing
a.) Report of the Examiner
b.) Findings of Fact
c.) Conclusions of Law
d.) Final Order



Examiner Hearings

- *Hearing dates: Second Tuesdays of each month (Casper, WY)*
- Quantity ranges from 10 – 200 examiner hearings per month PER EXAMINER
- Engineers act in role of hearing examiner
- Three required testimonies depending on matter
 - Land Testimony
 - Geology Testimony
 - Engineering Testimony





Examiner Hearings – Testimony

- **Three required testimonies depending on matter:**
 - **(1). Land Testimony**
 - Surface / Mineral Ownership
 - Working Interest Ownership – Leasehold
 - Prior Dockets within Application Lands / Existing Wells
 - **(2). Geology Testimony**
 - Establishes presence and continuance of reservoir / pool over Application Lands
 - **(3.) Engineering Testimony**
 - Calculated drainage area, justify requested down-hole setbacks
 - Well AFE / Risk Assessment (Force Pooling)
 - Evaluation of established production in the area



Well Spacing (Commission Spacing Orders)

ALL WELLS, except tribal, can be spaced by Commission Orders. Commission orders “trump” Commission Rules and Spacing Exemptions.

- Commission Spacing Orders:
 - Identified by Docket Numbers (e.g. 1411-2014)
 - Area and reservoir (pool) specific, not time specific
 - Some orders are well specific → apply only if reservoir and location match the well permit
 - Spacing orders remain indefinitely unless vacated by another order



Why are Hearings Necessary?

Photo Courtesy of www.theatlantic.com



Photo Courtesy of www.wyohistory.org

- **Statutory delegation of authority to the WOGCC Staff to ensure:**
 - Protection of Correlative Rights
 - Prevention of Waste (Mineral Resources)
 - Oversees all well spacing regardless of the mineral estate (except tribal lands) as established by Wyoming Law. (Chap. 3 Sec. 2 WOGCC Rules)
- Well spacing is **area specific, reservoir specific, time specific and well specific.**
 - Leasehold does not matter
 - Number of owners does not matter
 - Each reservoir can have its own spacing and wells
 - Horizontal / vertical spacing independent of each other



Well Location – By Rule

Chap. 3 Section 2 (Non-Tribal)

Well Location - Vertical / Directional Wells

- 1 well / 40 acres
- Center of QTR-QTR (200' tolerance window)
- 920' from other producing wells from the same reservoir

Well Location - SW Wyoming Gas Wells

- Township 12 N - Township 28 N and Range 89 W - Range 121 West
- 1 well / 160 acres (Center)
- 1,120' to exterior boundaries of the quarter section
- Adhere to 460' setbacks from Qtr-boundary if falling under the 2/QTR section criteria (only certain townships and ranges of those listed above)



Well Spacing – By Rule

Chap. 3 Section 2 (Non-Tribal)

- **Spacing Rule: Powder River Deep Wells**
 - Frontier, Muddy, Dakota in excess of 11,000 feet
 - 1 well / 640 acres. Must be located in the centermost QTR QTRs of the section
 - 1,320' from the setback line

- **Spacing Rule: Powder River CBM Wells**
 - Fort Union or Wasatch coals
 - 1 well / 80 acres (stand-up)
 - Placement in the NE1/4 or the SW1/4, while being located in the center of the 200' tolerance window

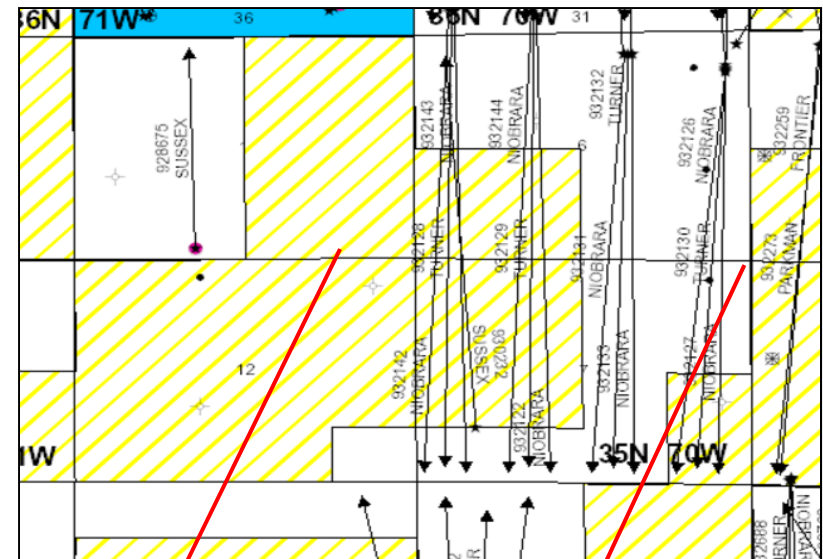


Well Spacing – By Rule

Chap. 3 Section 2 (Non-Tribal)

Permanent Spacing Rule: Horizontal Wells (as of July 2014)

- 1 well per 640 acres (Section)
- **Surface location** may be anywhere on the leased premises, or on lands adjacent to the spacing unit;
- **Completed interval** must stay 660' from unit boundaries
- **Completed interval** must stay 1,320' from any other producing well of the same formation.



640 ac. DSU
(Rule / Hearing)

1280 ac. DSU
(Hearing)

***Any divergence from rule requires notice and approval via hearing or administrative approval.**



Well Spacing (Increased Density / Ownership)

- **Spacing** is based only on **the area one well will drain.** (W.S. 30-5-109 (b))
- **Well Density** (W.S. 30-5-109 (d)) refers to the number of wells in a drilling and spacing unit
 - Well density is increased by Commission Order, when the operator finds a single well in a drilling and spacing unit (DSU) will not drain the acreage
 - Spacing remains the same as before
 - Could be 2 wells draining a 640 acre DSU, not 1 well for every 320 acres
- Area must be spaced before adding wells or pooling
- First owner to file APD gets to drill in the spacing unit
 - Operatorship based on first come, first serve basis
 - More than one owner in a spacing unit, only one can drill a well and both will share in it



Well Spacing

How to find Commission Orders (Spacing, Increased Density, etc.):

Go to: <http://wogcc.state.wy.us> and click on “Area of

The screenshot shows the homepage of the Wyoming Oil and Gas Conservation Commission. The navigation menu includes links for Business, Government, Visitor, and Contact Us. The main content area is divided into several columns of links. The 'Area of Review' link is circled in red, and a red arrow points to it from the text above. Other links include Admin. Approvals, Agencies, Permits, Basins, CoalBed, Completions, Cores, County, Down Load, Electronic Filing, Environmental, Field, First Produced, Formations, Forms, Gas/Water Analysis, Gas Plants, Geological Reports, Hearings, Horizontal Wells, Idle / Orphan, Injection, Lease Menu, Logs, Map Server, Meeting Notices, Operators, Orders, Production, Pressures/Dst, Rules/Statutes, Sales, Spacing, Spuds, Statistics, Sundries, Units, Weekly Report, and Wells. On the right side, there are several news items with horse head icons, including 'Press Release Setback Rule Released-04/14/2015', 'Trade Secret Settlement Updated-02/18/2015', 'Notices, Memo's and Presentations Updated-02/18/2015', 'Rule Changes Updated-2/18/2015', 'Water Well Transfers Revised 02/24/2014', '2015 Industry Meeting June 10th Agenda', 'Natural Resources Program Supervisor Vacancy', 'Inspection Specialist I Vacancy', and 'Senior Public Relations Specialist Vacancy'.

Link	Link	Link	Link	Link
Location Map	Admin. Approvals	First Produced	Operators	Press Release Setback Rule Released-04/14/2015
Wellbore Group Updated 1/20/2015	Area of Review	Formations	Orders	Trade Secret Settlement Updated-02/18/2015
Confidentiality Policy July 2012	Agencies	Forms	Production	Notices, Memo's and Presentations Updated-02/18/2015
Large Grouse Core Protection Policy	Permits	Gas/Water Analysis	Pressures/Dst	Rule Changes Updated-2/18/2015
Click Look Production Graphs	Basins	Gas Plants	Rules/Statutes	Water Well Transfers Revised 02/24/2014
	CoalBed	Geological Reports	Sales	2015 Industry Meeting June 10th Agenda
	Completions	Hearings	Spacing	Natural Resources Program Supervisor Vacancy
	Cores	Horizontal Wells	Spuds	Inspection Specialist I Vacancy
	County	Idle / Orphan	Statistics	Senior Public Relations Specialist Vacancy
	Down Load	Injection	Sundries	
	Electronic Filing	Lease Menu	Units	
	Environmental	Logs	Weekly Report	
	Field	Map Server	Wells	
		Meeting Notices		



Well Spacing

How to find Commission Orders (Spacing, Increased Density, etc.):

**Will pull up section of interest and the nine surrounding sections
(Observe demonstration for further information)*

Wogcc.state.wy.us/aor9unit.cfm?RequestTimeout=65000

Wogcc.state.wy.us/aor9unit.cfm?RequestTimeout=65000

EXPLORARY

Township 33 Range 72 Section 10

Lot 4,8;

Docket

55-2010

1448-2014

Chapter 3. Section 2

Formation

FRONTIER-NIOBRARA

FRONTIER

Comments

640-A DSU; V-33-72

640-A DSU; SETBACKS FROM 660' TO 330'; 10-33-72

Formations Not Covered By Spacing Order

Desc

ALL;

ALL;

ALL

Docket

55-2010

1457-2014

Chapter 3. Section 2

Admin Approval

Directional Drilling

API No.

928512

Formation

FRONTIER-NIOBRARA

FRONTIER

Comments

640-A DSU; V-33-72

640-A DSU; 15-33-72

Formations Not Covered By Spacing Order

Desc

ALL;

ALL;

ALL

Well

15-33-72 1H WEST ORPHA UNIT

Well Name

WEST ORPHA UNIT 15-33-72 1H

Well File Bottom Hole

APD Bottom Hole

Surface

1' FNL AND 2380' FEL

Location

1' FNL & 2380' FEL

39' FNL 2370' FEL

39' FNL 2370' FEL

Bottom

39' FNL AND 2370' FEL NWNE

Prod Formation

FRONTIER

Sec 22 Twp 33 Rge 72

Sec 22 Twp 33 Rge 72

Company

CHESAPEAKE OPERATING LLC

Qtr

NW NE

App Date

05/24/2011

Qtr

NW NE

Qtr

NW NE

Qtr

NW NE

Bottom Hole Locations Sec 22

API No.

Well Name

Well File Bottom Hole

APD File Bottom Hole

Surface

Company

Bottom Hole

Township 33 Range 72 Section 14

Docket

55-2010

229-2010

Chapter 3. Section 2

Admin Approval

Directional Drilling

API No.

928172

Formation

FRONTIER-NIOBRARA

NIOBRARA

Comments

640-A DSU; V-33-72

640-A D&S UNITS; 14,25-33-72

Formations Not Covered By Spacing Order

Desc

ALL;

ALL;

ALL

Well

33-72 14-1H WAGONHOUND

Well Name

WAGONHOUND 33-72 14-1H

Well File Bottom Hole

APD Bottom Hole

Surface

330' FNL AND 710' FEL

Location

330' FNL & 710' FEL

570' FSL 710' FEL

570' FSL 710' FEL

Bottom

570' FSL AND 710' FEL SESE

Prod Formation

NIOBRARA

Sec 14 Twp 33 Rge 72

Sec 14 Twp 33 Rge 72

Company

CHESAPEAKE OPERATING LLC

Qtr

NE NE

App Date

06/02/2010

Qtr

NE NE

Qtr

SE SE

Qtr

SE SE

Bottom Hole Locations Sec 14

API No.

Well Name

Well File Bottom Hole

APD File Bottom Hole

Surface

Company

Bottom Hole

WAGONHOUND 33-72 14-1H

NIOBRARA

570' FSL 710' FEL SE SE

330' FNL & 710' FEL Sec 14 NE NE

CHESAPEAKE OPERATING LLC

SE SE 1

Master Title Plat

Oil & Gas Plat

SEQ

Township 33 Range 72 Section 13

Docket

55-2010

133-2010

342-2011

343-2011

Chapter 3. Section 2

Admin Approval

Directional Drilling

Directional Drilling

Directional Drilling

Directional Drilling

API No.

928592

928255

928697

Formation

FRONTIER-NIOBRARA

FRONTIER

NIOBRARA

NIOBRARA

Comments

640-A DSU; V-33-72

POOL 640-A DSU; WAGONHOUND 13-1H; 13-33-72

640-A D&S UNIT; 13-33-72

POOL 640-A DSU; WAGONHOUND 13-33-72-A-2H

Formations Not Covered By Spacing Order

Desc

ALL;

ALL;

ALL;

ALL;

ALL

Well

33-72 13-1H WAGONHOUND

Well Name

33-72 A 2H WAGONHOUND

Well Name

33-72 A 2H WAGONHOUND

Well Name

33-72 A 2H WAGONHOUND

Well Name

33-72 A 2H WAGONHOUND

Well Name

HIGHLAND FLATS 1

WAGONHOUND 33-72 13-1H

Well File Bottom Hole

APD Bottom Hole

Well Name

WAGONHOUND 13-33-72 A 2H

Well File Bottom Hole

Surface

268' FNL AND 1988' FWL

263' FNL AND 1967' FWL

263' FNL AND 1967' FWL

263' FNL AND 1967' FWL

263' FNL AND 1967' FWL

2050' FNL & 3150' FWL

268' FNL & 1988' FWL

570' FSL 1980' FWL

570' FSL 1980' FWL

263' FNL & 1967' FWL

570' FSL 1980' FWL

263' FNL & 1967' FWL

570' FSL 1980' FWL

Bottom

570' FSL AND 1980' FWL SESE

570' FSL AND 1980' FWL SESE

570' FSL AND 1980' FWL SESE

570' FSL AND 1980' FWL SESE

570' FSL AND 1980' FWL SESE

Sec 13 Twp 33 Rge 72

Sec 13 Twp 33 Rge 72

Sec 13 Twp 33 Rge 72

Sec 13 Twp 33 Rge 72

Sec 13 Twp 33 Rge 72

Company

DAVIS OIL COMPANY

CHESAPEAKE OPERATING LLC

CHESAPEAKE OPERATING LLC

CHESAPEAKE OPERATING LLC

CHESAPEAKE OPERATING LLC

Qtr

SW NE

NE NW

NE NW

NE NW

NE NW

NE NW

SE SW

SE SW

NE NW

SE SW

App Date

05/12/2010

03/13/2012

04/29/2013

04/26/2014



Well Spacing

How to find Commission Orders (Spacing, Increased Density, etc.):

- Hit “Display Records” and then proceed to enter Section, Township, and Range

Wyoming Oil and Gas Conservation Commission

Disclaimer

Area of Review

Display Records

Plot Records

Tribal

Tree View

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Disclaimer

Enter Location
With No Alpha Characters

Section

Township

Range

Check for 1 Sections ☐

GoFind Oops

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Administrative Approvals (AAs)

(Chap. 5 Sec.15)

- **Must include \$75.00 check to be processed**

- **Types of AAs include :**

- Exception locations (BHL and entry points) (W.S.)
- Horizontal wells
- Commingling (down-hole and surface)
- Vacuum pumps, etc.

Note: Exception / horizontal well APDs will not be approved without a current administrative approval. Unlike commingling applications, which are valid indefinitely upon approval, exceptions and horizontal application approvals are only valid for one year.

- **Examples of each:**

→ <http://wogcc.stat.wy.us> → “Forms” → “Download Menu”



Administrative Approvals (AAs)

(Exception Locations – Chap. 3 Section 3)

- **Exception Location Applications (As Per Chap. 3 Sec. 3)**
 - Wells with any part of “PRODUCING INTERVAL” not abiding by the setback requirements or established stipulations of rule / order
 - **Types:**
 - Violation of BHL, entry-point, or lateral setbacks
 - Violation of interwell setbacks
- **Horizontal Well Applications (As Per Chap. 3 Sec. 8(f))**
 - Required to accompany any horizontal drilling permit (APD)
 - Required notice to offset working interest owners
- ***Both Applications are Reservoir / Location / Time Specific***



Administrative Approvals (AAs)

(Commingling Applications – Chap. 3 Sec. 34)

**MUST BE SUBMITTED TO WOGCC ANYTIME PRODUCING 1 + RESERVOIRS
SIMULTANEOUSLY, OR COMBINING PRODUCTION INTO COMMON LINE**

- Approval by Commission Order or Administrative Approval
 - Approvals valid indefinitely
-
- **Down-hole Commingling:**
 - 1+ Reservoirs: Can be approved on APD if administrative approval or Commission Order previously exists. Must make reference to!
 - Spacing evaluated for all commingled reservoirs / pools
 - **Surface Commingling:**
 - Common working interest / royalty interest, otherwise → Hearing
 - Metered before common line OR provide allocation method



Common Issues: Hearings

1.) Overlapping Spacing Issues:

- The Commission does not allow overlapping spacing units unless:
 - Spacing on top of drilling unit on production (Maintain)
 - Justification that stranded reserves will be accessed.

2.) Forgetting to Vacate Underlying Spacing:

- Cannot vacate spacing with another operator's permits
- Must role existing permits into new drilling unit (if same operator).

3.) Outstanding Draft Orders:

- If you are representing a client for any WOGCC Examiners...**PLEASE PLEASE** submit draft orders in a timely fashion (90 days) following the hearing.



Common Issues: Administrative

1.) Common mistakes on Exception Filings

- Mistakes on Notices
 - Exception to Rule → Did not notify of an exception. Required to notify all WI owners in ½ mile of well (vertical) or ½ mile of well + inside DSU
 - Exception to Docket → Notify all WI in DSU + offsetting DSUs.
 - Horizontal Application → Notify All WI owner within ½ mile of well and in DSU.
- Forgetting to address requirements of Chap. 3 Sec. 3 (sp. "Why exception is needed")



Photo Courtesy of www.wyomingbusinessreport.com



Supplemental (Reference Slides)

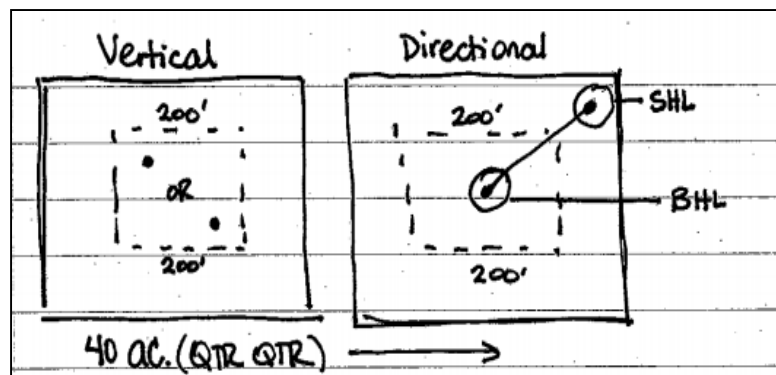
Photo Courtesy of www.wyomingbusinessreport.com



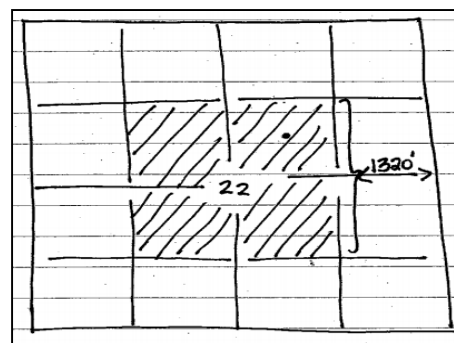
Well Spacing – By Rule

Chap. 3 Section 2 (Non-Tribal)

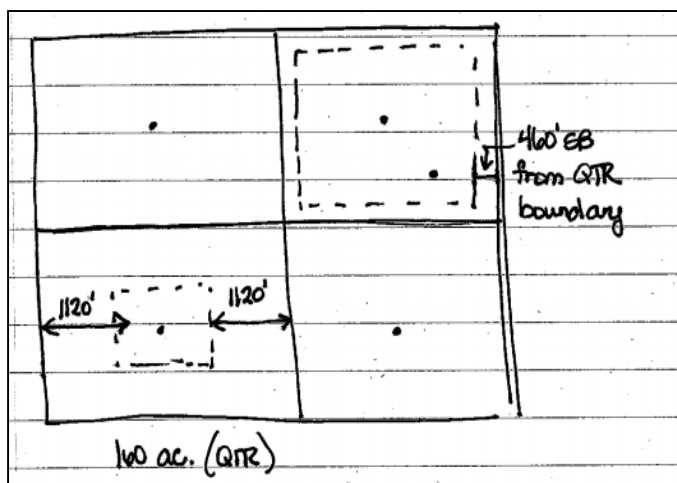
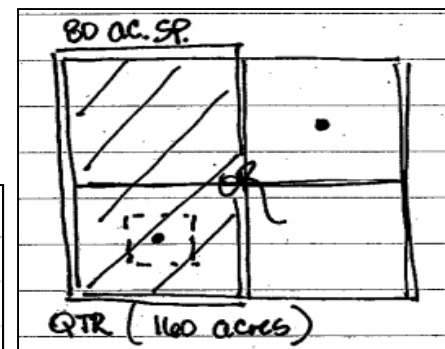
Vertical / Directional 40-ac. Density



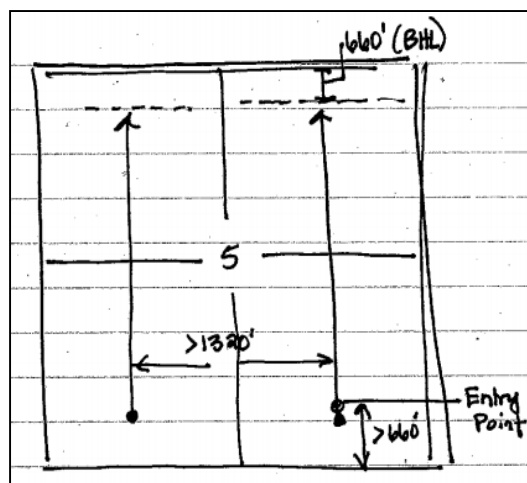
Powder River Deep
640 ac. (Vertical)



Coal Bed Methane
– 80 ac. Spacing



Southwest WY Gas Wells
– 160 ac. Density



Horizontal Well Spacing
640 ac. DSU



WOGCC APD Approval Process

SG-1: Joe Scott

Begin



Debbie Bagner
Mary Trembath



Dave Stevens – Only if horizontal
well or an exception



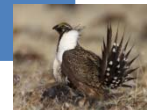
Jodi May



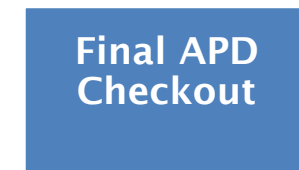
Kate Helm



Frank Ingham, Trayce Rauscher
Sabrina Forbis



SG-2: Jody May



Debbie Bagner
Mary Trembath

End



APDs: (Permit Components)

➤ What do the Engineer's Review?

- Legal location of the well
 - Survey Plat
- **Well spacing**
 - Commission Orders, by rule?
- **Geologic Markers / Drilling Plans**
 - BOP Diagrams
 - Casing Program
 - Cement plans
- Offset water wells in ¼ mile
 - Setting depth of surface casing

- Direction Plans (If applicable)
- Administrative Approvals
 - Exception Locations
 - Commingling
 - Horizontal Applications
- Confidential Requests
- **Completions and Stimulations**
 - Chapter 3 Section 45:
 - Must be submitted and approved before the operation begins
 - Master plans, general plans, sundry NOI