



PEER

Assessment 2019

Idle Well

Colorado Department of Natural Resources
Oil & Gas Conservation Commission

State Oil and Gas Regulatory Exchange

The State Oil and Gas Regulatory Exchange (Exchange) is a state-led initiative aimed at facilitating multi-state collaboration and innovative regulatory solutions for oil and natural gas producing states.

Governors, regulators, and policy leaders from oil and gas producing states across the country have partnered with the Interstate Oil and Gas Compact Commission (IOGCC) and Ground Water Protection Council (GWPC) in this endeavor. This joint initiative allows a unique mix of regulatory experts, and state policy and technical staff from across the country to come together and share the way they do business, review internal operations, and consider opportunities for extrapolating effective practices from one state to another.

Looking forward, the states remain committed to excellence and to providing the regulatory leadership necessary for a sound energy future. As leaders, the states recognize the need to continuously improve and to develop innovative solutions to emerging regulatory challenges. Through the Exchange programs, state regulatory agencies are collaborating and communicating with one another in an ongoing effort to keep current with rapidly changing technology, as well as to share the very best and innovative regulatory procedures from state to state.

The mission of the Exchange is to assist states' efforts to continuously improve their oil and gas regulatory programs.

Ground Water Protection Council

The GWPC is a nonprofit 501(c)6 organization whose members consist of state ground water regulatory agencies which come together within the GWPC organization to mutually work toward the protection of the nation's ground water supplies. The purpose of the GWPC is to promote and ensure the use of best management practices and fair but effective laws regarding comprehensive ground water protection. The mission of GWPC is to promote the protection and conservation of ground water resources for all beneficial uses, recognizing ground water as a critical component of the ecosystem. The organization provides an important forum for stakeholder communication and research in order to improve governments' role in the protection and conservation of ground water.

Interstate Oil and Gas Compact Commission

The IOGCC, comprised of 38 oil and gas producing states, is a multi-state government entity that promotes the conservation and efficient recovery of domestic oil and natural gas resources while protecting health, safety and the environment. The Commission assists states in balancing a multitude of interests through sound regulatory practices. As the collective voice of member states on oil and gas issues, the IOGCC advocates for states' rights to govern oil and natural gas resources within their borders.

Assessment Team

Cathy Foerster – Team Lead

In 2005, Alaska Governor Frank Murkowski appointed Cathy to serve as the engineering commissioner for the Alaska Oil and Gas Conservation Commission (AOGCC), and in 2012, Alaska Governor Sean Parnell appointed her Chair of the Commission.

Mrs. Foerster earned a mechanical engineering degree with highest honors from the University of Texas in 1977. Upon graduation she worked for Exxon Company USA. She left Exxon in 1979 to work for Atlantic Richfield Company (ARCO), where she held a variety of engineering, operations, and management positions until ARCO was acquired by British Petroleum (BP) in 2000. She worked on contract for BP for almost two years before leaving to work as an engineering consultant for various clients, including BP and the State of Alaska.

In 2005, Mrs. Foerster was named an Outstanding Mechanical Engineering Graduate of the University of Texas, and in 2008 she was named a Distinguished Graduate of the University of Texas Cockrell School of Engineering. Also, in 2008, she was named to the Athena Society, a national organization of business professionals who are recognized for mentoring young women. She was the 2014 IOGCC Vice Chair and served as the Chair of the Council of State Regulatory Officials.

Dr. Berry H. (Nick) Tew, Jr.,

State Geologist and Oil and Gas Supervisor, Geological Survey for Alabama/ Alabama Oil and Gas Board, Chairman, Alabama State Water Agencies Working Group (AWAWG)

Dr. Berry H. (Nick) Tew, Jr. is Alabama's state geologist and oil and gas supervisor. In these capacities, he directs the Geological Survey of Alabama and the staff of the State Oil and Gas Board of Alabama. In February of this year, he was appointed research professor and director of the Center for Sedimentary Basin Studies in the Department of Geological Sciences at the University of Alabama, in addition to his other duties. Nick holds bachelor's, master's, and Ph.D. degrees in geology and has been with GSA and OGB for more than 30 years, serving in his present capacity since 2002.

Dr. Tew has extensive knowledge of Alabama's surface and subsurface geology and the state's rich endowment of geologically related natural resources. He is an expert in Gulf Coastal Plain stratigraphy, petroleum geology and public policy applications of the geosciences, as well as the regulation of oil and natural gas operations. Dr. Tew is chairman of the AWAWG, a group of state agencies directed by Governor Robert Bentley to recommend an action plan and timeline for implementing a statewide water management plan.

He is a member of the National Petroleum Council and the National Academies of Science, Engineering and Medicine Roundtable on Hydrocarbon Resources, in addition to numerous other committees, board and service activities. He is a past president of the American Geosciences Institute and Association of American State Geologists and served as vice-chairman of the IOGCC and chairman of the U.S. Department of the Interior Outer Continental Shelf Policy Committee. Dr. Tew is a fellow in the Geological Society of America. He is the 2013

recipient of the E.W. Marland Award for outstanding state regulator and the 2016 recipient of the AGI Medal in Memory of Ian Campbell for Superlative Service to the Geosciences, the highest award of the American Geosciences Institute.

Lawrence E. Bengal

Lawrence Bengal holds a degree in Geology from the University of Wisconsin and has over 40 years of experience in the public and private sector. Mr. Bengal has held positions as a researcher with the Illinois State Geological Survey; as a geologic consultant on mining and petroleum projects throughout the U.S.; as Manager of the Illinois Class II Underground Injection Control Program and Supervisor of the Illinois Oil and Gas Division. He currently serves as the Director of the Arkansas Oil and Gas Commission and as a Commissioner on the Pollution Control and Ecology Commission.

Mr. Bengal has previously served as the Governor's representative for Illinois and currently serves as the Governor's representative for Arkansas to IOGCC, where he has served as IOGCC Commission Second Vice Chair and Vice-Chair, Chair of the Environmental Committee, Chair of the IOGCC Carbon Capture and Geologic Storage Task Force, Chair the State Oil and Gas Regulatory Exchange and currently serves on the IOGCC Steering Committee and as Chair of the IOGCC Resolutions Committee.

Mr. Bengal serves on the GWPC Board of Directors and currently serves as President of the GWPC. Mr. Bengal has testified before United States Senate and House Committee's regarding regulatory frameworks for geologic storage of CO₂ and other oil and gas matters. He served as a state representative to a USEPA Internal Work Groups dealing with disposal well induced seismicity and the initial development of the UIC Class VI regulations for the geologic storage of CO₂. Mr. Bengal is a recipient of the IOGCC E.W. Marland Award honoring outstanding state regulators.

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Review of Colorado Regulations Regarding Idle Wells

Oil and gas regulators from Alabama, Alaska, and Arkansas reviewed Colorado's regulations relating to idle wells and provide the following comments, observations, and recommendations:

Comments and Observations:

For the purposes of this report the term "idle well" will represent any well that is shut-in, temporarily abandoned, suspended, or idle for any other reason and not properly plugged and abandoned to the requirements of the state.

COGCC Response 1: *The Commission concurs with the Exchange use of the term "idle well". Further, Commission has several definitions related to idle wells, which are in existing rules.*

INACTIVE WELL shall mean any shut-in well from which no production has been sold for a period of twelve (12) consecutive months; any well, which has been temporarily abandoned for a period of six (6) consecutive months; or, any injection well which has not been utilized for a period of twelve (12) consecutive months.

SHUT-IN WELL shall mean a well, which is capable of production or injection by opening valves, activating existing equipment or supplying a power source.

SUSPENDED OPERATIONS WELL shall mean a well in which drilling operations have been suspended prior to reaching total depth and at least one casing string (the surface casing) has been set and cemented in the wellbore. This definition does not include wells in which only conductor pipe has been set, and the surface hole has not been spud.

TEMPORARILY ABANDONED WELL shall mean a well that has all downhole completed intervals isolated with a plug set above the highest perforation such that the well cannot produce without removing a plug or a well which is incapable of production or injection without the addition of one or more pieces of wellhead or other equipment, including valves, tubing, rods, pumps, heater-treaters, separators, dehydrators, compressors, piping or tanks.

The primary concern states have relative to idle wells is assurance that a responsible operator monitor and maintain them to ensure mechanical integrity and properly plug them when they have no remaining utility.

Careful attention is required to balance the need to plug idle or mechanically compromised wells with the need to maintain wells that have remaining utility.

COGCC Response 2: *The Commission concurs with the Exchange that it is important to understand the remaining utility and value of an idle well. For clarity, Commission defines a mechanically compromised well as a well that fails a mechanical integrity test (MIT). The Commission may need to review the inclusion of annular pressure monitoring for idle wells. Commission has created an operator guidance on mechanical integrity*

testing (Mechanical Integrity Tests - Practices and Procedures) to clarify testing procedures. There are elements within the guidance, which future rule revisions can incorporate. For example, the additional procedure of performing an annular pressure test (bradenhead test) concurrent with the MIT.

Commission supports the Exchange suggestion related to requiring operators provide an explanation for future use of idle wells. Commission's existing Rule 319.b.(1). requires operators to provide a detailed statement on the future utility of a temporarily abandoned well. Rule 319.b.(1). requires a Sundry Notice, Form 4, or other form approved by the Director, to be submitted annually stating the method the well is closed to the atmosphere and plans for future operation. The rule could be expanded to include all wells idle for longer than 2-years.

The Colorado requirements for idle wells are comparable to those of other oil and gas producing states and provide reasonable approaches to address the concern of establishing regulatory methods to keep useful wells and protect the state from the liability of useless and orphaned wells. However, in many states' experiences, the exposure lies less in what the regulations say than in how they are enforced.

COGCC Response 3: *For many years, the Commission has established an internal procedure to monitor operator compliance with Rule 319.b. for required mechanical integrity testing of idle wells. Recently, this internal review procedure has changed from an annual to a monthly procedure. The revised procedure provides consistent and timely review so staff can notify operators with a Warning Letter. The Warning Letter alerts an operator of the rule requirement to perform a successful MIT or plug and abandon the well. This procedure has decreased the number of overdue MITs and reduced the average length of time wells are overdue for an MIT. Further, this audit procedure improved Commission's ability to monitor, engage and enforce on operators when they are non-compliant with Rule 319.b.*

Assessment Team Recommendations:

1. Require all operators to perform periodic (for example, every five years unless specific concerns warrant more frequent testing for a particular well or wells) MITs on all idle wells. Put the onus on the operator to schedule, conduct, and provide opportunity to witness such tests.

COGCC Response 4: *Commission has a similar approach, which requires operators to comply in a similar manner. Commission audits operators in two ways for mechanical integrity compliance:*

- a. *An internal database audit as discussed in Commission Response 3 for MIT history, production history and previous well status (shut-in or temporarily abandoned) reporting; and*
- b. *Field inspection documentation of observed well operations. Field staff have access to well files and confirm the filed observation to how the operator has to the Commission their well status while performing inspections.*

Commission's current Rule 326 for shut-in, temporarily abandoned, waiting on completion, and suspended operation wells requires well integrity testing (mechanical integrity testing or equivalent test) on a periodic basis depending on the status of well.

- *Shut-in: initial MIT within 2-years of shut-in status, then every 5-years*
- *Temporarily abandoned: initial MIT within 30-days of temporary abandonment status, then every 5-years*
- *Waiting on completion: initial MIT within 2-years of shut-in status, then every 5-years*
- *Suspended operation: initial MIT within 2-years of shut-in status, then every 5-years*

2. Conduct periodic reviews of all idle wells. The reviews can be required by regulation or can simply be made a part of other routine periodic reviews.
 - a. Alabama has taken specific regulatory steps to ensure that idle wells receive regular attention and that wells with no future utility get plugged and abandoned. (See Attachment 1.) In Alabama an operator may request that the Supervisor administratively grant temporary abandonment (TA) or shut-in (SI) status for one year. The request requires the submission of a detailed questionnaire (Attachment 2) to the Supervisor that provides details about the well and potential future uses. A wellbore schematic is also required. Upon request of the operator and submission of an updated questionnaire, the administratively approved TA or SI status can be extended for one year. After that, the operator is required to petition the Board to continue TA or SI status. The operator, or their representative, testifies before the Oil and Gas Board (OGB) at a hearing, either by live witness or affidavit, including an updated questionnaire, addressing the condition of the well, future utility, timeline for future operations, and other relevant information. The SOGB may then extend the TA or SI status, order the well be plugged and abandoned, or take other action, as it deems fit.

COGCC Response 5: *Alabama's requirement for Board approval after 1-year of being idle is a guide on how to modify Commission's existing Rule 319.b.(1). Commission's existing rule requires an operator to provide an annual request on temporarily abandon wells, which can be approved at the staff level for the Director.*

Commission could revise the existing rule to include shut-in wells. Further, the rule could require Commission approval for wells with demonstrated mechanical integrity to remain in idle/inactive status for a period long than the initial idle/inactive period.

- b. Alaska regulations allow the AOGCC to request needed information and does not require that the type of information be specifically enumerated in the regulations. The AOGCC requires (without specific regulation) all operators to provide an annual review of all their idle wells. The review includes assurance that each well has mechanical integrity and what, if any, plans the operator has the well. If either mechanical integrity or future use cannot be shown, the AOGCC requires the operator to commit to a schedule of when the well will be plugged. For each operator, the AOGCC establishes a target number of wells per year to be plugged. Other state agencies may require immediate plugging of all idle wells with no future utility (and in some cases the AOGCC

does, too), but the AOGCC often must make allowances for Alaska's unique logistical challenges such as remote or seasonal access and limited availability or lead time on specialty equipment.

COGCC Response 6: *Commission idle well compliance has two elements of review: financial assurance and well integrity.*

- a. *One is based on Rule 707 for inactive wells financial assurance.*
- b. *Second is based on Rule 326 for well integrity.*

Rule 707 for Inactive Wells allows the Director to require additional financial assurance for excess inactive wells that have not produced for a period of 12-months. Commission staff perform an annual review of the production history for all wells in the state. Operators with excessive inactive wells are noticed of their requirement to provide additional financial assurance.

As discussed in Commission response 3 and 4, Rule 326 is to assure well integrity through a mechanical integrity test. Due to Commission's production, well status, MIT, and bradenhead test documentation, engineering staff are able to query the database to perform monthly compliance audits. The objective of this procedure is to identify those wells overdue for a MIT, future utility and understanding of the general well maintenance. Staff sends a Warning Letters on non-compliant wells. Those wells that are not brought into compliance by the corrective action date set forth by the Warning Letter are referred for enforcement, which includes assessment of a penalty and corrective actions be completed.

3. Ensure that the future utility provided by the operator is specific and real. If an operator states that it is evaluating a well for future use, require the operator to state what that use is, how it is being evaluated, and when the evaluation will be completed. Then assess that information for plausibility rather than simply accept it as fact.

COGCC Response 7: *Commission concurs and currently requires operators provide an economic evaluation, geologic setting and a forward plan, which realistically defines the future utility of a well.*

The current rule 319.b.(1) requires an operator to submit a request for temporary abandonment status if the temporary abandonment status exceeds 6 months. The request is to be submitted by Sundry Notice, Form 4, or other form approved by the Director. An operator must annually submit the how the well is closed to the atmosphere and plans for future operation. Below is an image of a portion of the Sundry showing the check box for this request.

Commission concurs there is value in providing a guidance for requesting 319.b.(1) extension of temporary abandonment status, which is based on economics, geologic setting, well construction and a forward plan for future use of the well.

ENGINEERING AND ENVIRONMENTAL WORK		
<input type="checkbox"/> NOTICE OF CONTINUED TEMPORARILY ABANDONED STATUS		
Indicate why the well is temporarily abandoned and describe future plans for utilization in the COMMENTS box below or provide as an attachment, as required by Rule 319.b.(3).		
Date well temporarily abandoned _____	Has Production Equipment been removed from site? _____	
Mechanical Integrity Test (MIT) required if shut in longer than 2 years. Date of last MIT _____		
<input type="checkbox"/> SPUD DATE: _____		
TECHNICAL ENGINEERING AND ENVIRONMENTAL WORK		
Details of work must be described in full in the COMMENTS below or provided as an attachment.		
<input type="checkbox"/> NOTICE OF INTENT	Approximate Start Date _____	
<input type="checkbox"/> REPORT OF WORK DONE	Date Work Completed _____	
<input type="checkbox"/> Intent to Recomplete (Form 2 also required)	<input type="checkbox"/> Request to Vent or Flare	<input type="checkbox"/> E&P Waste Management Plan
<input type="checkbox"/> Change Drilling Plan	<input type="checkbox"/> Repair Well	<input type="checkbox"/> Beneficial Reuse of E&P Waste
<input type="checkbox"/> Gross Interval Change	<input type="checkbox"/> Rule 502 variance requested. Must provide detailed info regarding request.	
<input type="checkbox"/> Other _____	<input type="checkbox"/> Status Update/Change of Remediation Plans for Spills and Releases	
COMMENTS:		

Limit the time before an idle well must be plugged. The Nebraska Oil and Gas Conservation Commission (NOGCC) limits idle wells to five years before requiring plugging, with extensions requiring a hearing. The hearing assists the NOGCC in judging justification for continuing non-production on a case by case basis and issuing a well specific Order establishing timelines, outlining additional requirements for the idle wells, plugging schedules, additional bonding, and other stipulations. Enforcement can be initiated for failure to comply with such an order. The AOGCC does not set such a limit, but does set an annual target for each operator on how many wells to plug each year, assists in the selection of which wells will be plugged, and is final approver of the plugging plan.

COGCC Response 8: *Commission Staff sees value in discussing limiting how long a well can maintain a shut-in, temporarily abandoned, waiting on completion or suspended drilling status. Staff sees an importance in escalating requirements for long-term idle wells and developing a process by which it could require wells to be plugged.*

4. Ensure that each operator’s bonding methodology adequately covers the cost to the state to plug all the operator’s wells. The first way to do this is through a blanket bond, but this often proves inadequate as the operator adds wells or as the complexity of plugging wells increases with age and use of the well. Another approach is to require a separate bond for each idle well equal to the actual cost to the state to plug the well. It is important to keep in mind that the cost to the state to plug a well may be greater than the cost to an operator, if the state does not have access to the same discounts on services and equipment available

to operators. For small operators unable to secure adequate bonding, the state may opt to adopt a growing fund that the operator contributes to each year, drawn from its revenues.

COGCC Response 9: *See comment 5 above. Staff currently reviews the financial assurance requirements per Rule 707 for inactive wells with the intention of requiring appropriate levels of financial assurance to limit the state's liability.*

5. Consider assessing an annual idle well fee to encourage operators to keep their idle well inventory to a minimum and to provide a source of funding for plugging orphan wells. Keep in mind that the legislature might be able to appropriate all or part of the fund for other uses.

COGCC Response 10: *See comment 5 and 8 above.*

6. Ask the legislature to pass a bill allowing the state to go back on former operators. California has done this and used it successfully. Alaska is considering doing something similar. (See Attachment 3 for draft language.)

COGCC Response 11: *Commission agrees that operators should be responsible for plugging and abandoning their wells. On June 18, 2018, the Governor of the State of Colorado issued an executive order that seeks to aid in funding the Commission's orphan well program; expand existing efforts to plug, remediate, and reclaim orphaned wells and site; and prevent wells and sites from becoming orphaned.*

The executive order directed the Commission to increase fees as necessary to assist in the agency's orphaned well program. The executive order also directed the Commission to issue by January 1, 2019, guidance to operators to conduct voluntary plugging, remediation, and/or reclamation activities at orphaned wells and sites. Operators who elect to participate in the voluntary program will be eligible to seek reimbursement of costs incurred, including earning a credit against the mill levy.

On July 18, 2018 the Governor issued a second executive order requiring Commission to establish a technical working group to review financial assurance requirements and report recommended changes before December 1, 2018. Commission is required to promulgate rules by September 1, 2019 to ensure the sufficiency of financial assurance. This work group reported several potential methods of assurance.

The Commission is open to any other viable suggestions that improve the situation.

Attachment 1 - 400-1-4-.17. Request to Classify Wells as Temporarily Abandoned or Shut-in.

(1) Temporary Abandonment Status. An operator may request that a well be placed in a temporarily abandoned status by submitting a written request to the Supervisor describing its future utility. A well may be classified as a temporarily abandoned well upon a showing that the well has future utility. Upon approval of a request by the Supervisor, the well will be placed in a temporarily abandoned status for a period of not more than one (1) year. The operator must submit a subsequent request to the Supervisor prior to the end of such period in order to extend the temporarily abandoned status for an additional period of time of not more than one (1) year. Such request for an extension must be justified in writing and include a statement when the well is scheduled to be utilized. Upon approval of the request by the Supervisor, the temporarily abandoned status will be extended for a period of not more than one (1) year. Thereafter, the Board may, after notice and hearing, extend further the temporarily abandoned status for a well. The Supervisor or Board may require the operator to temporarily or partially plug the well, to verify the mechanical integrity of the casing in the well, and to implement a monitoring program before approving a request to classify a well as temporarily abandoned. The well location shall be maintained in accordance with Rule 400-1-4-.01, relating to Identification of Wells, and Rule 400-1-6-.10, relating to Site Maintenance. Additional safeguards and requirements may be imposed on the operator by the Supervisor or Board.

(2) Shut-in Status. An operator may request that a well be placed in a shut-in status by submitting a written statement to the Supervisor stating that the well is capable of producing hydrocarbons but must remain shut-in until connected to a gathering system, pipeline or processing facility, or for some other reason. A request to classify a well as shut-in will not be considered until the official test results have been received by the Board on Form OGB-9, First Production or Retest Report. Such request must be submitted in writing to the Supervisor stating why the well is shut-in and the date when production is expected to commence. Upon approval by the Supervisor, the well will be placed in a shut-in status for a period of not more than one (1) year. The operator must submit a subsequent request to the Supervisor prior to the end of such period in order to extend the shut-in status for an additional period of time of not more than one (1) year. Such request for an extension must describe the progress that has been made toward placing the well on production and when production is expected to commence. Upon approval of the request by the Supervisor, the shut-in status will be extended for a period of not more than one (1) year. Thereafter, the Board may, after notice and hearing, extend further the shut-in status for a well. The Supervisor or Board may require the operator to temporarily or partially plug the well, to verify the mechanical integrity of the casing in the well, and to implement a monitoring system before approving a request to classify a well as shut-in. The well location shall be maintained in accordance with Rule 400-1- 4-.01, relating to Identification of Wells, and Rule 400-1-6-.10, relating to Site Maintenance. Additional safeguards and requirements may be imposed on the operator by the Supervisor or Board.

400-1-4-.18. Abandoned Wells.

A well is considered abandoned when it has not been used for six (6) consecutive months, and has not been classified as temporarily abandoned or shut-in pursuant to Rule 400-1-4-.17, and cannot be operated, whether because it was drilled as a dry hole or has ceased to produce, or operations have not been conducted thereon, or for some other reason.

Attachment 2 – State Oil and Gas Board of Alabama TA/SI Request Questionnaire



State Oil and Gas Board of Alabama

TA/ SI Request Questionnaire

(Rev. 08/12)

Please provide the following information when requesting that a well be placed in a temporarily abandoned or shut-in status. Fill out all the pertinent information completely and accurately.

In addition, attach a wellbore schematic (include such data as casing and tubing sizes and depths, packer depth, depth of perforations, cement squeeze record, cement tops on casing strings, bridge plug or plug records, etc.).

Permit No.: _____ Date: _____

Well name and number: _____

Operator: _____

Well Location: _____

County: _____ Unit assigned to well: _____

Field (or wildcat): _____

Which status are you requesting—temporarily abandoned or shut-in? _____

Was the well ever productive? Yes No

If no, state the date operations ceased and explain why?

If yes, which pool(s) did it produce from? _____

What was the date of *first* production? _____

What was date of *last* production? _____

What was the average *daily* production rate the *last* month of production (include gas, oil or condensate, and water production)? _____

What was the *cumulative* production (include gas, oil or condensate, and water production)? _____

What was the date the well was shut in? _____

What was the reason the well was shut in? _____

What is the current downhole condition of the wellbore (e.g. mechanical integrity)?

Is there any *tubing pressure* at the wellhead? Yes No If yes, how much?

Is there pressure on any of the *casing strings* at the wellhead? Yes No

If yes, explain why? (Provide a recent pressure reading of the pressure on all strings of casing and the date of the reading.) _____

Has the well been pressure tested for mechanical integrity? Yes No
If yes, what are the *date* and *results* of the test? _____

Does the wellstream contain H_2S (*hydrogen sulfide*)? Yes No
If yes, list safety measures for securing the well (e.g. chain lock wellhead valves, backpressure valve in tubing, locked gate to location with fence, etc.). Include monitoring frequency of field personnel (visits, how often). _____

If requesting *temporarily abandoned status*, explain the *future utility* of the well and the date when the well is scheduled to be utilized. _____

If requesting *shut-in status*, explain *why the well must remain shut in* and the date when production is expected to commence. _____

Describe the work necessary to re-activate the well: _____

Does the operator own or control 100% of the rights to drill and produce with respect to oil and gas underlying the lands comprising the unit assigned to the well? (For a Class II injection well or gas storage well, does the operator own or control 100% of the interest having rights to conduct such operations on and under the lands on which the well is located?) Yes No

Other Pertinent Comments: _____

Company representative who answered these questions and affirms that the information provided is true and accurate:

Name: _____

Title or position: _____

Signature: _____ Date: _____

Attachment 3 – Draft Statutory Language

1. The current operator, as determined by the records of the commission, of any well subject to the commission's jurisdiction is responsible for proper plugging and abandonment of the well. If the AOGCC determines that the current operator is incapable of compliance with its obligation to plug and abandon the well in accordance with the commission's regulations, the other current working interest owners shall be responsible to the obligation to plug and abandon the well in accordance with the commission's regulations. The commission may continue to look seriatim to prior working interest owners until the commission finds one or more working interest owners capable of compliance with the obligation to plug and abandon the well in accordance with the commission's regulations. The liability of working interest owners shall be joint and several.
2. If the commission is unable to identify an operator or working interest owner capable of compliance with its obligation to plug and abandon the well in accordance with the commission's regulations, the landowner shall be responsible for the cost of plugging and abandoning the well. If the land was transferred after the well was drilled, the commission may look seriatim to previous landowners until a landowner is found that the commission determines is capable of compliance with the obligation to properly plug and abandon the well. If the well traverses the land of more than one landowner, the liability of each landowner shall be joint and several.
4. If the commission is unable to determine an operator, owner or landowner capable of compliance with its obligation to properly plug and abandon the well, the commission may undertake to plug and abandon the well pursuant to 20 AAC 25.112.
5. This section does not apply to any operator or owner that made a valid good faith transfer of operatorship or ownership of the well prior to _____, 2018 (the effective date of this statute).
6. Unless the context otherwise requires, for purposes of this section:

“landowner” is defined in AS 31.05.170(7)

“operator” means an owner or person authorized by an owner who is responsible for drilling, development, production, injection, disposal, storage, abandonment, and location clearance;

“owner” is defined in AS 31.05.170(10).

Acronyms

AGI – American Geosciences

AOGCC – Alaska Oil and Gas Conservation Commission

AWAWG – Alabama State Water Agencies Working Group
Exchange – State Oil and Gas Regulatory Exchange

GWPC – Ground Water Protection Council

GSA – Geological Survey of Alabama

IOGCC – Interstate Oil and Gas Compact Commission

MIT - Mechanical Integrity Test

NOGCC – Nebraska Oil and Gas Conservation Commission

OGB – Oil and Gas Board

SI – Shut-in

SOGB – State oil and Gas Board

TA – Temporarily Abandoned

UIC – Underground Injection Control

US EPA – United States Environmental Protection Agency