

20 AAC 25.022 is being amended to read.

20 AAC 25.022(a) Notice of ownership. **(a)** Within 15 days after a person becomes an owner of a property on which operations subject to this chapter are proposed to the commission or are being conducted, the person shall file a Notice of Ownership (Form 10-417).

(b) The operator shall notify the commission within 30 days in writing of any changes in office address, primary telephone number, email address, or principal contact(s). (Eff. 4/2/86, Register 97; am 11/7/99, Register 152; Eff. __/__/__, Register __.)

Authority: AS 31.05.030

20 AAC 25.030 is being amended and new sections added to read:

20 AAC.25.030 Casing and cementing.

(d)

(5) intermediate and production casing must be cemented with sufficient cement to fill the annular space from the casing shoe to a minimum of 500 **vertical** feet above all significant hydrocarbon zones and abnormally geo-pressured strata or, if zonal coverage is not required under (a) of this section, from the casing shoe to a minimum of 500 **vertical** feet above the casing shoe; if indications of improper cementing exist, such as lost returns, or if the formation integrity test shows an inadequate cement job, [REMEDIAL ACTION MUST BE TAKEN;]

(A) the operator shall notify the commission and obtain approval before drilling ahead; and

(B) provide:

(i) a cement quality log or other approved method to evaluate the adequacy of the cement to contain potential wellbore pressures and fluids; and

(ii) a plan setting forth the remedial actions proposed to bring the well into compliance with the requirements of (a) of this section;

(6) if the intermediate or production string is a liner, a minimum of 100 **measured** feet overlap between the outer and inner strings is required; the interval of overlap must be made pressure competent and must be pressure-tested in accordance with (e) of this section;

(7) for intermediate or production casing in a service well used for injection, a cement quality log or other evaluation log approved by the commission must be run to demonstrate isolation of the injected fluids to the approved interval.

(8) prior to hydraulic fracturing a well, the operator must submit for commission approval a Sundry Application (Form 10-403) according to 20 AAC 25.283, supported with detailed casing and cementing information, copies of any cement evaluation logs and an evaluation as to the successful isolation of the hydrocarbon zone(s) penetrated by the well.

(e) A casing pressure test must be performed if BOPE is to be installed on a casing. The casing must be tested to hold a **minimum** surface pressure equal to 50 percent of the **casing internal yield pressure**. [REQUIRED WORKING PRESSURE OF THE BOPE AS SPECIFIED IN THE PERMIT TO DRILL UNDER 20 AAC 25.035(E) (3) OR 20 AAC 25.036(C)(3).] **The casing pressure test must be held a minimum of 30 minutes and not show a decline greater**

than 10 percent. The results of this test and any subsequent tests of the casing must be recorded as required by 20 AAC 25.070(1).

(f) Except for through-tubing drilling, a formation integrity test must be performed if BOPE is installed on a casing. The test must be performed to a predetermined equivalent mud weight, leak-off, or fracture pressure as specified in the application for the Permit to Drill. The test must be conducted after drilling out of the casing shoe into at least 20 feet but not more than 50 feet of new formation. The test results must demonstrate that the integrity of the casing shoe is sufficient to contain anticipated wellbore pressures identified in the application for the Permit to Drill. The test procedure followed and the data from the test and any subsequent tests of the formation must be recorded as required by 20 AAC 25.070(1).

(g) [UPON REQUEST OF THE OPERATOR, THE COMMISSION WILL, IN ITS DISCRETION, APPROVE VARIANCES FROM THE REQUIREMENTS OF (B) - (F) OF THIS SECTION TO ALLOW FOR SPECIAL OR UNUSUAL CONDITIONS IF THE DESIGN REQUIREMENTS OF (A) OF THIS SECTION ARE SATISFIED.] **Upon written request of the operator showing good cause, the commission may modify a deadline in this section, approve a variance from any requirement of this section if the variance provides at least an equally effective means of complying with the requirement, or approve a waiver of a requirement of this section if the waiver will not promote waste, is based on sound engineering and geoscience principles, will not jeopardize the ultimate recovery of hydrocarbons, will not jeopardize correlative rights, and will not result in an increased risk to health, safety, or the environment, including freshwater.** (Eff. 4/13/80, Register 74; am 4/2/86, Register 97; am 11/7/99, Register 152; Eff. __/__/__, Register __.)

Authority: AS 31.05.030

20 AAC 25.055 is being amended to read:

20 AAC 25.055. Drilling units and well spacing. (a) The commission **may** [WILL, IN ITS DISCRETION,] establish drilling units to govern well spacing and prescribe a spacing pattern by pool rules adopted in accordance with 20 AAC 25.520. In the absence of an order by the commission establishing drilling units or prescribing a spacing pattern for a pool, the following statewide spacing requirements apply:

(1) [FOR A WELL DRILLING FOR OIL, A WELLBORE MAY BE OPEN TO TEST OR REGULAR PRODUCTION WITHIN 500 FEET OF A PROPERTY LINE ONLY IF **an oil well or service well may not be drilled if any portion of the well will be within 500 feet of a property line unless** the owner [IS THE SAME] and the landowner [IS] **are** the same on both sides of the line;

(2) [FOR A WELL DRILLING FOR GAS, A WELLBORE MAY BE OPEN TO TEST OR REGULAR PRODUCTION WITHIN 1500 FEET OF A PROPERTY LINE ONLY IF **a gas well may not be drilled if any portion of the well will be within 1500 feet of a property line unless** the owner [IS THE SAME] and the landowner [IS] **are** the same on both sides of the line;

(3) [IF OIL HAS BEEN DISCOVERED, THE DRILLING UNIT FOR THE POOL IS A GOVERNMENTAL QUARTER SECTION; NOT MORE THAN ONE WELL MAY BE DRILLED TO AND COMPLETED IN THAT POOL ON ANY GOVERNMENTAL QUARTER SECTION; A WELL MAY NOT BE DRILLED OR COMPLETED CLOSER THAN 1,000 FEET TO ANY WELL DRILLING TO OR CAPABLE OF PRODUCING FROM THE SAME POOL;] **no well may be recompleted in an oil pool or a disposal interval if any portion of the well within that oil pool or disposal interval is within 500 feet of a property line unless the owner and the landowner are the same on both sides of the line;**

(4) [IF GAS HAS BEEN DISCOVERED, THE DRILLING UNIT FOR THE POOL IS A GOVERNMENTAL SECTION; NOT MORE THAN ONE WELL MAY BE DRILLED TO AND COMPLETED IN THAT POOL ON ANY GOVERNMENTAL SECTION; A WELL MAY NOT BE DRILLED OR COMPLETED CLOSER THAN 3,000 FEET TO ANY WELL DRILLING TO OR CAPABLE OF PRODUCING FROM THE SAME POOL] **no well may be recompleted in a gas pool if any portion of the well is within 1,500 feet of a property line unless the owner and the landowner are the same on both sides of the line.**

(b) [A WELL MAY NOT BEGIN REGULAR PRODUCTION OF OIL FROM A PROPERTY THAT IS SMALLER THAN THE GOVERNMENTAL QUARTER SECTION UPON WHICH THE WELL IS LOCATED OR BEGIN REGULAR PRODUCTION OF GAS FROM A PROPERTY THAT IS SMALLER THAN THE GOVERNMENTAL SECTION UPON WHICH THE WELL IS LOCATED, UNLESS THE INTERESTS OF THE PERSONS OWNING THE DRILLING RIGHTS IN AND THE RIGHT TO SHARE IN THE PRODUCTION FROM THE QUARTER SECTION OR SECTION, RESPECTIVELY, HAVE BEEN POOLED UNDER AS 31.05.100 (C) A POOLING AGREEMENT UNDER AS 31.05.100 MUST BE FILED WITH THE COMMISSION BEFORE REGULAR

PRODUCTION FROM THE AFFECTED PROPERTY BEGINS. (D) THE COMMISSION WILL REVIEW AN APPLICATION FOR AN EXCEPTION TO THE PROVISIONS OF THIS SECTION IN ACCORDANCE WITH 20 AAC 25.540. THE APPLICANT FOR AN EXCEPTION SHALL SEND NOTICE OF THE APPLICATION BY CERTIFIED MAIL TO THE OWNERS, LANDOWNERS, AND OPERATORS DESCRIBED IN (1) OF THIS SUBSECTION AND SHALL FURNISH THE COMMISSION WITH A COPY OF THE NOTICE, THE DATE OF MAILING, AND THE ADDRESSES TO WHICH THE NOTICE WAS SENT.]**Upon application by the operator, the commission may approve an exception to the provisions of this section. Review of the application will be in accordance with the provisions of 20 AAC 25.540. The applicant for an exception, whether for an individual well or on a pool wide basis, shall send notice of the application by certified mail to the owners, landowners, and operators described in (1) of this subsection and shall furnish the commission with a copy of the notice, the date of mailing, the addresses to which the notice was sent, and proof of certified mailing.** The application must include:

(1) the names of all owners, landowners, and operators of all properties:

A. within 1,000 feet of a well drilling for oil[OR], **a well drilling for disposal purposes, or a well that is being recompleted in an oil pool or disposal interval for which an exception is sought;**

B. **within 1,000 feet of the proposed affected area of an oil pool or disposal interval for which a blanket spacing exception is sought;**

C. within 3,000 feet of a well drilling for gas **or for a well that is being recompleted in a gas pool** for which an exception is sought; or

D. **within 3,000 feet of the proposed affected area of a gas pool or gas storage pool for which a blanket spacing exception is sought.**

(2) a plat drawn to a scale of one inch equaling 2,640 feet or larger, showing:

A. the location of the well for which the exception is sought[.];

B. **State or Federal lease numbers or private landownership information;**

C. all other completed and drilling wells on the property[, AND];

D. all adjoining properties and wells; and

(3) an affidavit by a person acquainted with the facts, verifying that:

A. all facts are true; [AND THAT]

B. the plat correctly portrays pertinent and required data[.];

C. **the list of all the owners, landowners, and operators identified in (1) is complete and accurate; and**

D. **all such owners, landowners, and operators have been provided notice of this application.**

[E](c) Upon application by the operator, the commission [WILL] **may** [ESTABLISH] **approve a variance from the** notice requirements [DIFFERENT FROM THOSE]of [(D)] **(b)** of this section if the operator demonstrates [TO THE COMMISSION'S SATISFACTION]that compliance with the notice requirements in [(D)]**(b)** of this section is not feasible because of the complexity of ownership within the notice area. (Eff. 4/13/80, Register 74; am 4/2/86, Register 97; am 11/7/99, Register 152; Eff. __/__/__, Register ____.)

Authority: AS 31.05.030

AS 31.05.100

20 AAC 25.065(c)(1) is being amended to read:

20 AAC 25.065(c)(1) Hydrogen Sulfide. In addition to the automatic hydrogen sulfide detection system required in 20 AAC 25.066, at least three manual detectors [WITH AN ADEQUATE SUPPLY OF EXTRA DETECTOR TUBES] must be available on the location; (Repealed 11/7/99. Eff. 4/13/80, Register 74; am 4/2/86, Register 97; am 11/7/99, Register 152; Eff. __/__/__, Register __.)

Authority: AS 31.05.030

20 AAC.25.071 is amended to read:

20 AAC 25.071. Logs and Geologic data[AND LOGS]. An operator shall log the [PORTION OF THE] well [BELOW] **from total depth to the base of** [THE] conductor pipe by either a complete electrical [LOG] or [A COMPLETE RADIO-ACTIVITY]**gamma-ray** log unless the commission specifies [WHICH]**the** type of log **or logs**[IS] to be run.

(b) Within [30] **90** days after completion, suspension, or [ABANDONMENT]**plugging** of a well **or well branch**, [WHICHEVER OCCURS FIRST, AND WITHIN 30 DAYS AFTER COMPLETION OR PLUGGING OF A WELL BRANCH, IF OCCURRING AT A DIFFERENT TIME,]**or within 90 days of the date of acquisition of the data, whichever occurs first**, the operator shall file with the commission, unless previously filed[,];

(1) [A SEPIA]**an electronic image file in a format acceptable to the commission** and a reproduced copy of a complete mud log or a lithology log consisting of a detailed record and description of the sequence of strata encountered, including the kind and character of the rock and all shows of hydrocarbons; [AN]**a sepia may be substituted for the electronic image file**[IN A FORMAT ACCEPTABLE TO THE COMMISSION MAY BE SUBSTITUTED FOR THE SEPIA];

(2) a complete set of washed and dried, legibly identified samples of all drill cuttings, as caught by the operator in accordance with good geological practices, consisting of a minimum of one-quarter cup in volume or three ounces in weight of cuttings for each sample interval;

(3) a lithologic description and, if available, photographs of each conventional and sidewall core; conventional core descriptions must include apparent textural, fluid, and lithologic variations, including rock type, porosity, fractures, bedding plane attitudes, sedimentary structure, grain size, and presence of hydrocarbons;

(4) chips from each foot of recovered conventional core, except that chips need not be submitted until 30 days after the conventional core is analyzed; the chips must be representative of the one-foot interval, and must be approximately either one cubic inch in volume, or two ounces in weight;

(5) a list of the geologic markers **and formation tops** encountered and the measured and true vertical depths of each marker **and formation top**;

(6) [A SEPIA]**an electronic image file in a format acceptable to the commission** and a reproduced copy of all **open-hole logs and mud logs** run, including common derivative formats such as tadpole plots of dipmeter data and borehole images produced from sonic or resistivity data, and including composite log formats; however, copies of velocity surveys and experimental logs need not be included; [AN] **a sepia may be substituted for the electronic image file** [IN A FORMAT ACCEPTABLE TO THE COMMISSION MAY BE SUBSTITUTED FOR THE SEPIA]. **The operator shall provide the commission the**

opportunity to examine open-hole logs for exploration or stratigraphic test wells within 72 hours of being run and prior to abandonment;

(7) **for cased-hole logs:**

(A) an electronic image file in a format acceptable to the commission and a reproduced copy of all cement quality logs and casing evaluation logs; a sepia may be substituted for the electronic image file;

(B) an electronic image file in a format acceptable to the commission of all other logs run, including common derivative formats; a sepia may be substituted for the electronic image file;

(8) [A TAPE, DISKETTE, OR OTHER ELECTRONIC MEDIUM ACCEPTABLE TO THE COMMISSION] **digital data** and a verification listing [OF THE DIGITAL DATA] for all **open and cased-hole logs and mud logs** run, except velocity surveys and experimental logs[;], **stored on electronic media and using file formats that are acceptable to the commission** [THE VERIFICATION LISTING MUST INCLUDE A WRITTEN DESCRIPTION OF THE LOGICAL AND PHYSICAL FORMAT OF THE DIGITAL DATA]; and

[(8)] (9) the following items, or a written request proposing a date for submitting those items, subject to commission approval of that date for timeliness, if those items are unavailable within the [30] **90**-day filing period set out in this subsection:

(A) [A COPY]**copies** of all drill stem tests and production test data and charts;

(B) a brief summary of production tests, drill stem tests, wireline formation tests, and other formation tests performed, including test date, time, depth, duration, method of operation, recovered fluid types, fluid amounts, gas-oil ratio, oil gravity, pressure, and choke size;

(C) conventional and sidewall core analysis determinations, if any, of porosity, permeability, and fluid saturation;

(D) geochemical and formation fluid analyses obtained, if any.

(c) The commission[WILL, IN ITS DISCRETION,] **may** waive or modify the requirements of this section [for a well]if those requirements would not significantly add to the

geologic **or engineering** knowledge of the area in light of the information that is available from **the well or** other wells in the area.

(d) In this section

(1) "experimental logs" means logs that are not commercially available from a well logging contractor; and

(2) "velocity survey" means a survey, [THE PRIMARY]a purpose of which is to determine velocity of seismic waves through formations penetrated by a well by measuring travel times of seismic pulses from or near the surface to geophones placed at various depths in the well. **History: Eff. 4/2/86, Register 97; am 11/7/99, Register 152, Eff. __/__/__, Register ____.**)

Authority: AS 31.05.030 AS 31.05.035

20 AAC 25.110(a) is being amended to read:

20 ACC 25.110 Suspended wells. (a) If allowed under 20 AAC 25.105, an operator may apply to the commission under this section to approve the suspension of a well or to renew the approval of the suspension of a well. The operator must state the reasons the well should be suspended, and not completed or abandoned, and must demonstrate to the commission's satisfaction that

1. the well

- (A) is mechanically sound;
- (B) will not allow the migration of fluids;
- (C) will not damage freshwater or producing or potentially producing formations;
- (D) will not impair the recovery of oil or gas;
- (E) is secure, safe, and not a threat to public health; [and]
- (F) **is located on a valid lease or leases where the applicant has the right to drill for oil, gas, coal bed methane, gas hydrates, or shale gas, or to evaluate underground coal gasification or geothermal resources; and**

(G) is in compliance with all provisions of AS 31.05, this chapter, and any order, stipulation, or permit issued by the commission;

2. the well

- (A) has future utility as an exploratory, development, or service well;
- (B) is a viable candidate for redrilling; or
- (C) is located on a pad or platform with active producing or service wells[.];

b. the operator

(A) shall provide the commission with a list of the leases that the wellbore traverses, from surface location to bottom hole location, and the expiration date of each leases; and

(B) is required to notify the commission within 30 days, if the status of any lease changes.

20 AAC 25.110(h) is being amended to read:

(h) Renewal of an existing suspension may be requested by the submission of an Application for Sundry Approvals (Form 10-403) meeting all requirements of (b) of this section. A renewal is not effective until approved by the commission. If a complete renewal application is submitted at least 60 days before the expiration of an existing suspension, the existing suspension will continue until the commission acts on the application. Within 24 months before the submission of a request for suspension renewal, a well-site inspection must be completed. **The application to renew an existing suspension, must include a list of all leases that the wellbore traverses, from surface location to bottom hole location, and the expiration date of each lease.** History: (Eff. 4/2/86, Register 97; am 11/7/99, Register 152; Eff. 11/19/2008, Register 188; am 4/15/2010, Register 194; Eff. __/__/__, Register __.)

Authority: AS 31.05.030 AS 31.05.095 AS 31.05.040

20 AAC 25.265(d)(4) Well safety valve systems is being amended to read:

(4) an onshore well in a location described in (2) of this subsection and equipped with an electric submersible pump, **velocity string**, or capillary string run within the tubing is not required to be equipped with a subsurface safety valve; or

(Eff. 4/13/80, Register 74; am 4/27/86, Register 97; am 11/7/99, Register 152; Eff. __/__/__, Register __.)

Authority: AS 31.05.030

20 AAC 25.270 is amended to read.

20 AAC 25.270 [INITIAL RESERVOIR] **Reservoir** properties. (a) The operator shall determine the initial reservoir pressure in each new pool before regular production. The results must be reported to the commission on a Reservoir Pressure Report (Form 10-412).

(b) The operator shall obtain fluid samples from each new pool at the time of discovery or before regular production and determine

- (1) [THE]crude oil composition[ASSAY];
- (2) pressure, volume, and temperature properties of the crude oil; and
- (3) [THE]solution or non-associated gas composition[ASSAY].

(c) Sampling and analysis must be conducted and reported in accordance with good oil field engineering [PRACTICES]**and laboratory analysis practices**. Reports must be submitted to the commission within 45 days following the completion of the determinations required in (b) of this section.

(d) The operator shall determine within three months after discovery of each new oil pool the original solution gas-oil ratio by a well test conducted in a manner approved by the commission. The operator shall report the results on the Well Status Report and Gas-Oil Ratio Tests (Form 10-409) within 45 days after the test.

(e) By April 1st of each year, the operator shall submit to the commission an Annual Reservoir Properties Report (Form 10-428). (Eff. 4/13/80, Register 74; am 4/2/86, Register 97; AM 11/7/99, Register 152; Eff. __/__/__, Register __.)

Authority: AS 31.05.030

20 AAC 25.280(g) is being added to read:

20 AAC 25.280. Workover operations.

(g) If workover operations are not commenced within 12 months after the commission approves an Application for Sundry Approvals, the Application for Sundry Approvals expires. (Eff. 4/2/86, Register 97; am 11/7/99, Register 152; am 12/28/2006, Register 180; 1/7/2015, Register 213; Eff. __/__/__, Register ____.)

Authority: AS 31.05.030

20 AAC 25.537(a)(3) is being amended to read:

20 AAC 25.537(a)(3) Public and confidential information. (a) The commission will routinely make available to the public, by means of records or reports, in its offices or elsewhere, or by means of regular publication, the following information:

(1) surface and proposed bottom-hole locations of each well after approval of the Permit to Drill (Form 10-401);

(2) total depth, bottom-hole location and well status after the Well Completion or Recompletion Report and Log (Form 10-407) is filed;

(3) all reports and information required by this chapter for development and service wells;

(4) regular production data and regular production reports, as required to be filed by the operator each month;

(5) injection data and injection reports, as required to be filed by the operator each month; and

(6) all data filed on a well as required by this chapter upon expiration of the confidential period described in (d) of this section.

20 AAC 25.537(d) is being amended to read:

(d) Except as provided by (a) of this section, the reports and information required by this chapter to be filed by the operator **for exploratory and stratigraphic test wells** will be kept confidential by the commission for 24 months following the 30-day filing period **and 21 months following the 90 day filing period** after well completion, suspension, or abandonment unless the operator gives written and unrestricted permission to release all of the reports and information at an earlier date. Upon notification that the commissioner of the Department of Natural Resources has made a finding that the required reports and information from a well contain significant information relating to the valuation of unleased land in the same vicinity, the commission will hold the reports and information confidential beyond the 24-month period and until notified by the commissioner of the Department of Natural Resources to release the reports and information. (Eff. 4/13/80, Register 74; am 4/2/86, Register 97; am 11/7/99, Register 152; Eff. __/__/__, Register __.)

Authority: AS 31.05.030

AS 31.05.035

20 AAC 25.556 is being amended to read.

20 AAC 25.556. Orders. (a) Orders of the commission require approval of at least two commissioners.

(b) Unless otherwise indicated within the order, all conservation orders issued by the commission shall expire:

- (1) five years after the date the order was adopted; or
- (2) when the operator changes for a property affected by that order,

whichever occurs first.

(c) Unless otherwise indicated in the order, all enhanced recovery, area, storage, and disposal injection orders issued by the commission shall expire:

(1) two years after the date the order was adopted if injection operations have not commenced;

(2) two years after injection operations authorized by that order cease;

(3) five years from the date the order was issued if injection operations are ongoing; or

(4) when the operator changes for a property affected by that order, whichever occurs first.

(d) The commission may reauthorize orders on its own motion or upon proper application from the operator. Applications must be timely filed so that if necessary a hearing under 20 AAC 25.540 can be held and a decision of the commission can be made before the order expires. An application for reauthorization shall include:

(1) a review of the existing rules in the order and an analysis whether or not those rules should be retained, amended, or repealed;

(2) a review of, and discussion on, whether or not the affected area of the order should be revised; and

(3) a discussion of, and justification for, proposed new rules or revisions to existing rules. (Eff. 11/7/99, Register 152; Eff. __/__/__, Register __.)

Authority: AS 31.05.011 AS 31.05.040
AS 31.05.030

20 AAC 25.990. Definitions.

(--) "experimental logs" means logs that are not commercially available from a well logging contractor.

(--) "velocity survey" means a survey, a purpose of which is to determine velocity of seismic waves through formations penetrated by a well by measuring travel times of seismic pulses from or near the surface to geophones placed at various depths in the well.

(Eff. 11/7/99, Register 152; am 1/5/2006, Register 177; am 9/30/2010, Register 195; am 11/3/2013, Register 208; am 1/7/2015, Register 213; Eff. __/__/__, Register ____.)

Authority: AS 31.05.030 AS 41.06.035
 AS 41.06.005 AS 41.06.040