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OCT 23 2008

MEMORANDUM

Alaska Oil & Gas Cons. Commission
Anchorage

To: Carol Beecher, AAC Contact
Department of Administration

Date: October 20, 2008

From: Jason Hooley
Special Assistant *JH*

Telephone: (907) 465-4082

Re: Filed Permanent Regulations: Alaska Oil and Gas Conservation Commission
Suspended Wells and Requests for Information: 20 AAC 25.110; 20 AAC 25.300

Attorney General File: 993-08-0084
Regulation Filed: 10/20/2008
Effective Date: 11/19/2008
Print: 188, January 2009

cc with enclosures:

Linda Miller, Department of Law
Judy Herndon, LexisNexis
Eugene Harnett, Administrative Regulation Review Committee
Shalon Szymanski, Administrative Regulation Review Committee
Jody Colombie, AOGCC

20 AAC 25.110 is repealed and readopted to read:

20 AAC 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 in compliance with all laws, regulations, permits, and orders; and

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 re-drilling; or

(C) is located on a pad or platform with active producing or service wells.

(b) An Application for Sundry Approvals (Form 10-403) must be approved by the commission before operations to suspend a well commence, except that oral approval may be requested under 20 AAC 25.507(b). In addition to meeting the requirements of (a) of this section, the application must include the following:

(1) wellbore diagrams illustrating the current and proposed mechanical configurations of the well;

(2) information on abnormally geo-pressured or depleted strata; and

(3) a description of the proposed work plan, including how the integrity of existing and proposed plugs will be demonstrated.

~~The operator shall comply with 20 AAC 25.070.~~

(c) Unless the commission otherwise requires or approves a variance under 20 AAC 25.112(i), any well suspended under this section must be plugged in accordance with 20 AAC 25.112, except that the requirements of 20 AAC 25.112(d) do not apply if

- no indent < | ^{Tabr} once more > (1) a wellhead is installed or the well is capped with a mechanical device to seal the opening; and
- | ^{Tabr} once more > (2) a bridge plug capped with 50 feet of cement or a continuous cement plug extending 200 feet within the interior casing string is placed at or above 300 feet below the surface.

(d) The operator of a suspended well shall maintain the integrity and safety of the well and surrounding location and clear the location in accordance with 20 AAC 25.170(a)(2) or (b) or with 20 AAC 25.172(c)(2) or (d), as applicable.

(e) For ^a any well suspended ^{before} prior to January 1, 2009, the operator ^{shall} must inspect the well site before September 30, 2010. For ^a any well initially suspended on or after January 1, 2009, the operator ^{shall} must inspect the well site within ¹² twelve months after the date of suspension. For ^a any well suspended under this section, subsequent inspections ^{shall} must be conducted within 24 months ^{before} prior to September 30 of every calendar year ending in 0 or 5, except that ^a no suspended well is ^{not} required to undergo a subsequent inspection under this subsection ^(e) if the initial inspection under this subsection ^(e) occurred within the prior 24-month period. For all inspections under this section, the operator ^{shall} must provide the commission notice at least ¹⁰ ten days ^{before} prior to the inspection and the opportunity for commission inspectors to

accompany the operator on the inspection tour. If convenient for the commission, shorter notice periods may be accepted.

(f) Within 30 days after any well-site inspection required under this section, including (e), (h), and (i) of this section, the operator ~~must~~ ^{shall} file a Report of Sundry Well Operations (Form 10-404). The report ~~shall~~ ^{must} include

(1) a description of the condition of the wellhead and surface location, including any discoloration, fluids ~~(s)~~ or sheen ~~(s)~~ visible on the ground or in any nearby water;

(2) a plat showing the location of the suspended well and any wells within a one-quarter-mile radius of the wellbore;

(3) well pressure readings, ~~where~~ ^{if} practicable;

(4) photographs clearly showing the condition of the wellhead and surrounding location;

and

(5) an update of all information and documentation required in (b) of this section.

(g) A suspension or renewal of a suspension approved on or after January 1, 2009 is valid for 10 years from the date of approval.

(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 ~~prior to~~ ^{before} the expiration of an existing suspension, ~~then~~ ^{the} existing suspension will continue until the commission acts on the application. Within 24 months ~~prior to~~ ^{before} the submission of a request for suspension renewal, a well-site inspection must be completed.

(i) For wells suspended ~~prior to~~ ^{before} January 1, 2009, an Application for Sundry Approvals (Form 10-403) requesting a suspension renewal under (h) of this section must be submitted

- (1) no later than December 31, 2010 for all wells suspended ^{before} prior to January 1, 2006; and
- (2) no later than December 31, 2015 for all wells suspended on or after January 1, 2006.

(j) The operator shall immediately notify the commission and propose appropriate action if the operator learns that there is a reasonable risk that a suspended well is (1) mechanically unsound; (2) allowing the migration of fluids; (3) causing damage to freshwater or producing or potentially producing formations; (4) impairing the recovery of oil or gas; (5) a threat to public health or not secure or safe; or (6) not in compliance with all provisions of AS 31.05, ~~20 AAC 25~~, and any order, stipulation, or permit issued by the commission. Within ^{(k) five} working days ^{under (j) of this section} after notifying the commission, the operator shall file a report and all relevant information and documentation regarding the well, including all information and documentation that may be required by the commission.

ital the "l" (l)

(k) If the operator learns that any information required under this section is no longer complete or accurate, the operator shall, within 30 days, notify the commission in writing, provide updated information, and propose appropriate action.

(l) At any time, the commission may request that an operator provide ^{after the date of} within 10 days of the request any information concerning whether suspension remains appropriate for a well. If the operator does not comply with the information request or if the commission determines that ^{information} there is insufficient information to support allowing the well to remain suspended, the commission may take action under (2)

AAC 25.540, including

- (1) revoking the well's suspended status, effective as of the date determined by the commission, and
 - (2) prescribing actions the operator must take, which may include plugging and abandonment of the well. ^{this chapter,} If action is ordered, including plugging and abandonment under ~~20 AAC 25~~, a
- lowercase*

separate notice and hearing is not required notwithstanding any other provision of this chapter, including 20 AAC 25.105.

the commission may modify a

(n)

(m) Upon written request of the operator, ~~any~~ *any* deadlines in this section ~~may be amended by the~~ *commission* upon a showing of good cause. (Eff. 4/2/86, Register 97; am 11/7/99, Register 152; am

11 / 19 / 2008 Register 188)

Authority: AS 31.05.030 AS 31.05.040 AS 31.05.095 →

20 AAC 25.300 is repealed and readopted to read:

20 AAC 25.300. Requests for information. Notwithstanding any other provision of this chapter, if the commission requests that a person provide information or documentation regarding a matter within the commission's jurisdiction, that person must provide that information and documentation within 30 days of the date the request was sent or within another period of time specified by the commission. (Eff. 4/13/80, Register 74; am 4/2/86, Register 97; am 11/7/99, Register 152; am 11/19/2008 Register 188)

Keep font size consistent

Authority: AS 31.05.030, AS 31.05.040, AS 31.05.095

ORDER CERTIFYING THE CHANGES TO
REGULATIONS OF ALASKA OIL AND GAS CONSERVATION
COMMISSION

The attached 6 pages of regulations, dealing with suspended wells and requests for information under 20 AAC 25, are certified to be a correct copy of the regulation changes that the Alaska Oil and Gas Conservation Commission adopted at its August 27, 2008 meeting, under the authority of AS 31.05.030 and AS 31.05.040 and after complying with the Administrative Procedure Act (AS 44.62), specifically including the notice provisions (AS 44.62.190 and AS 44.62.200) and the opportunity for public comment provision (AS 44.62.210).

This action is not expected to require an increased appropriation.

On the record, in considering public comments, the Alaska Oil and Gas Conservation Commission paid special attention to the cost to private persons of the regulatory action being taken.

The subject regulation changes take effect on the 30th day after they are filed by the lieutenant governor, as provided in AS 44.62.180.

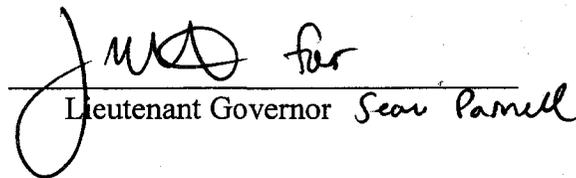
DATE: August 27, 2008
Anchorage



Daniel T. Seamount, Jr.
Chair

FILING CERTIFICATION

Jason M. Hooley for
I, Sean Parnell, Lieutenant Governor for the State of Alaska, certify that on
October 20, 2008 at 1:26 p.m., I filed the attached regulations according to the
provisions of AS 44.62.040 – 44.62.120.



Lieutenant Governor Sean Parnell

Effective: November 19, 2008

Register: 188, January 2009