



Chapter 3: Operational Rules, Drilling Rules

Section 8. Application for Permit to Drill or Deepen a Well (Form 1).

(a) Before any owner or operator shall spud in anticipation of drilling any well on fee, patented, state, or federal lands, or deepen/re-enter any such well(s) by drilling to a lower formation, such owner or operator shall file an Application for Permit to Drill or Deepen (Form 1) with the Commission and pay a fee of five hundred dollars (\$500.00) for a permit.

No well pad construction activity shall commence until such application is approved and a permit to drill is issued by the Commission. For good cause, the Supervisor may approve pad construction after an application for permit to drill has been received.

(b) For wells drilled on fee, patented and state land, prior to construction of the drilling location, approval of Form 14B (Application to Construct a Reserve Pit) must be obtained. The Application for Permit to Drill will not be processed until this requirement is met.

(c) The Application for Permit to Drill or Deepen (Form 1) shall be accompanied by an accurate plat showing the location of the proposed well with reference to the nearest lines of an established public survey. Information to be included in such application and its addendums shall include:

(i) Proposed depth to which the well will be drilled;

(ii) Type of drilling tools to be used;

(iii) Identification of all water sources located within one-half mile of the surface location for proposed oil well, gas well (including coalbed methane wells), dedicated injection well or Commission approved monitoring well, and the depth(s) from which water is being appropriated;

(iv) Formation depth, geological and hydrological detail from public records, published or otherwise known information of useable groundwater underlying the drilling and spacing unit or the Commission approved drilling unit. Consistent with Wyoming Department of Environmental Quality Chapter 8, as revised April 26, 2005, "Quality Standards for Wyoming Groundwaters," and for purposes of these rules, groundwater will be protected, except for Class VI Groundwater of the State that is unusable or unsuitable for use:

(A) Due to excessive concentrations of total dissolved solids or specific constituents; or,

(B) Is so contaminated that it would be economically or technologically impractical to make water useable; or,

(C) Is located in such a way, including depth below the surface, so as to make use economically and technologically impractical.

(v) Estimated depth to the top of important geologic markers, including the estimated depth to the top of objective horizons;

(vi) Proposed casing program, including size, anticipated setting depths, API grade, weight per foot, burst pressure, tensile strength for both body and joint, yield pressure, if new or used casing is planned for the well, and other information required by the Supervisor. Note that prior approval of the Supervisor is required for use of non-API tubular.

(vii) Description, type and setting depths of isolation techniques if used in openhole and uncemented liner stimulations in high angle and horizontal wells,

(viii) Description of the cementing program, including API class of cement, additives to be used, slurry density to be mixed, estimated volumes to be used, including percent of excess volume. For openhole completions, similar information is required for the cement program above the completed interval. The Supervisor must be notified of the intent and give prior approval for the use of non-API class cement and additives.

(ix) Description of the anticipated completion and stimulation program, including the base stimulation fluid and its source, the chemical additives and proposed concentrations to be mixed, identified by additive type as identified in Chapter 3, Section 45 of these rules. If this required data is not available at the time of submission of Form 1, then it must be submitted on a Sundry Notice (Form 4) and no stimulation of the well can occur without approval of the Supervisor.

(x) The Owner or Operator shall provide to the Supervisor, as an addendum to Application for Permit to Drill (Form 1), or as part of a comprehensive drilling/completion/recompletion plan, or on a Sundry Notice (Form 4), additional representative well drilling detail from adjacent or offset drilled wells that would inform and possibly influence drilling and cementing practices on the proposed well. Known information shall be provided regarding hole integrity, such as lost circulation zones by depth and barrels of fluid lost, zones of over or under pressure conditions, hole drift, key seats or tight hole if encountered, stuck pipe and depths experienced, water flows or kicks requiring an increase in mud weight beyond a predetermined amount to control, and depths experienced and as reported on Well Completion Report (Form 3). If any of this information or detail has already been presented to the Supervisor, identifying the wells is sufficient on subsequent wells for compliance with this subsection.

(xi) Where multiple Applications for Permit to Drill (Form 1) will be sought for several wells proposed to be drilled to the same zone within an area of geologic similarity, approval may be sought from the Supervisor to file a comprehensive drilling plan containing the information required above which will then be referenced on each Application for Permit To Drill (Form 1). No Application for

Permit to Drill (Form 1) shall contain the exact well name as another permitted well in the same quarter quarter, section, township and range.

(d) The Application for Permit to Drill or Deepen (Form 1) shall also be accompanied by a statement of compliance with WYO. STAT. ANN. § 30-5-403(a) (Form 1A), if the application is not exempted from the Split Estates Act. Included in this statement shall be the surface owner's name, contact address, telephone number and any other relevant and necessary contact information. The statement shall certify that the Owner/Operator has done the following:

(i) Provided notice of proposed oil and gas operations to the surface owner;

(ii) Engaged in good faith negotiations to reach a surface use agreement with the surface owner; and,

(iii) Satisfied the conditions of WYO. STAT. ANN. § 30-5-402(c) and how they were satisfied.

The Owner/Operator shall not file a copy of any surface use agreement, nor will the terms of any such agreement be disclosed.

(e) The Commission has authority under WYO. STAT. ANN. § 30-5-104(d)(v)(B) to require that each Application for Permit to Drill or Deepen (Form 1) be accompanied by a sworn statement from the Owner/Operator, on a form approved by the Commission, that all underground electrical conductors outside of its facilities, fenced enclosures or posted areas, well site or facilities under control of the Owner or Operator:

(i) Comply with the National Electrical Code in effect for the year electrical conductors were installed and energized; and,

(ii) Comply with the Wyoming Department of Fire Prevention and Electrical Safety Act, WYO. STAT. ANN. §§ 35-9-106 and 35-9-123;

(iii) Owner or Operator shall provide the Commission at least twenty-four

(24) hours notice prior to installation of underground electrical conductors outside of its facilities, fenced enclosures, or posted areas. With routine maintenance, emergency or repair work, the Operator shall provide the Commission notice within twenty-four (24) hours of completing the electrical work.

(f) In addition to any other required form or attachment to the Application for Permit to Drill, the following shall be submitted:

(i) For directional wells, a diagram clearly showing the proposed direction of the deviation and the proposed horizontal distance between the bottom of the hole and the surface location;

(ii) For horizontal wells, a diagram clearly showing the wellbore path to be permitted, as well as offset wellbore paths (vertical and horizontal wells to the same formation) that are permitted,

drilled or completed within the spacing unit from the surface through the terminus of the lateral. A horizontal well's number shall be appended with an "H" suffix, denoting horizontal, in Block 8 of Form 1. If more than one lateral borehole extends from the same vertical wellbore, each such lateral must be permitted as an individual horizontal well with an "H" suffix. The surface location and the proposed footage locations of both the initial penetration into the productive formation and the terminus of the lateral shall be entered under "Location". If the application is for a permit to drill a horizontal well, notice of the application shall be given by certified mail to all Owners within one-half (1/2) mile of any point on the entire length of the horizontal wellbore, from the surface location through the terminus of the lateral. In the absence of any special Commission order, notice is not required for horizontal wells in federally supervised units or in API units provided that no portion of the horizontal interval is closer than six hundred sixty feet (660') from a drilling or spacing unit boundary or any uncommitted tract.

(g) After receipt by the Commission at the office of the Supervisor of a proper application from an interested party requesting the establishment of drilling units or the revision of existing drilling units for the spacing of wells within a certain designated area, or upon a decision by the Supervisor or the Commission to call a hearing for the establishment of drilling units or the revision of existing drilling units within a certain designated area, any Application for Permit to Drill within any such designated area will be held in abeyance by the Commission until such time as the matter has been fully heard and determined; except, however, a permit shall be issued by the Supervisor if an Owner files a sworn application and demonstrates therein to the Supervisor's satisfaction that on the date the application requesting such drilling units was filed:

(i) Owner has the right or obligation under the terms of an existing contract to drill said well; and,

(ii) Owner has a leasehold estate or right to acquire a leasehold estate under said contract which will be terminated unless he is permitted to commence the drilling of said well before the matter of spacing can be fully heard and determined by the Commission.

(h) If drilling is not commenced, the permit to drill shall not be valid after the expiration of a period of two (2) years from the date of the issuance thereof by the Commission or its Authorized Agents. A new application shall be submitted no more than two months prior to the expiration date of the permit to drill, along with a \$500.00 extension fee, in order to request a two (2) year extension from such expiration date.

(i) All plats shall contain the following information:

(i) Section, township, range and county that the well is to be located within;

(ii) North arrow;

- (iii) Scale of drawing, to include a bar graph and a ratio showing the scale of the map;
- (iv) A description of all monuments found, set, reset or replaced and notation of all distances measured between the corners used in establishing the section boundary in which the well is located;
- (v) Distances from the nearest established section boundary lines to the proposed well;
- (vi) Ungraded ground elevation of the well;
- (vii) Basis of elevations;
- (viii) Basis of bearings;
- (ix) Signed Wyoming Registered Land Surveyor Certificate or statement indicating that the well was actually staked by the surveyor or others under his direct supervision as exhibited on the plat.
- (j) Latitude and longitude in degrees, with five (5) decimal places and the datum used, if not contained on the plat, is to be furnished within thirty (30) days of the completion of the well. Latitude and longitude values shall be accurate to within one hundred fifty feet
- (k) Within the Special Sodium Drilling Area -A or -B (SSDA -A or -B) as defined in Chapter 1, Section 2(tt) or (uu), a notice of the Application for Permit to Drill shall be given by certified mail to all trona producers holding current valid Department of Environmental Quality permits to mine trona.