

## CHAPTER 1

### AUTHORITY AND DEFINITIONS

**Section 1. Authority.** WYO. STAT. ANN. §§ 30-5-101 through 30-5-127, and WYO. STAT. ANN. §§ 30-5-401 through 30-5-410.

**Section 2. Definitions.**

(a) **Aquifer** shall mean a geological formation, group of formations, or part of a formation that is capable of yielding a significant amount of water to a well or spring.

(b) **Abandoned Oil Field Equipment** means equipment and the contents thereof used in drilling or producing oil and gas wells and left on the lease where a dry hole or well is located. Abandonment may be shown by lack of production, disposal, injection, or other permitted activity for more than two (2) years, lack of equipment or infrastructure necessary for the production of oil or gas, or failure to report production or payment of conservation taxes.

(c) **Agent** means the person who has been designated by the Owner or Operator to act on the Owner's or Operator's behalf. The "Agent" has authority to fulfill the obligations of the Owner as noted in Chapter 3, Section 4 of these rules, but is not required to have a performance bond in place.

(d) **Authorized Agent** shall mean a representative of the Supervisor as authorized by the Commission.

(e) **Available Water Source** shall mean a water source for which the water well owner, owner of a spring, or land owner, as applicable, has given consent for sampling and testing and has consented to having the analytical results and spatial coordinates of the water source made available to the public unless the data is otherwise considered confidential under Wyoming statute.

(f) **Average Daily Production** means the qualified maximum total production of domestic crude petroleum and petroleum condensates, including natural gas liquids produced from a property or lease during the preceding calendar year divided by the number of calendar days in that year times the number of wells which produced and wells which injected substances for the recovery of crude petroleum and petroleum condensates, including natural gas liquids from that property or lease in that year. To qualify as maximum total production, each well must have been maintained at the maximum feasible rate of production in accordance with recognized conservation practices and not significantly curtailed by reason of mechanical failure or other disruption in production.

(g) **Barrel** shall mean 42 (US) gallons of liquid at 60° Fahrenheit at atmospheric pressure.

(h) **Casing Pressure** shall mean the pressure within the casing or between the casing and tubing at the wellhead.

(i) **Class II Well** shall mean any non-commercial well used to dispose of water and/or fluids directly associated with the production of oil and/or gas, any well used to inject fluids or gas for enhanced oil recovery, or any well used for the storage of liquid hydrocarbons. Non-hazardous gas plant wastes may be disposed of in a Class II well pending Environmental Protection Agency co-approval.

(j) **Client Company** means the entity on whose behalf and for whose benefit the geophysical/seismic company does its work or the entity who hires the geophysical/seismic company.

(k) **Closed System** includes, but is not limited to, the use of a combination of solids control equipment (e.g., shale shakers, flowline cleaners, desanders, desilters, mud cleaners, centrifuges, agitators, and necessary pumps and piping) incorporated in a series on the rig's steel mud tanks, or a self-contained unit that eliminates the need for a reserve pit for the purpose of dumping and dilution of drilling fluids for the removal of entrained drilling solids. A closed system for the purpose of the Commission's rules does not automatically include the use of a small pit, even to receive cuttings.

(l) **Collection Wells** means reservoir access holes drilled from underground shafts or tunnels from which oil or gas is produced.

(m) **Commercial Disposal Well** or **Commercial Water Retention Pit**. A commercial disposal well or commercial water retention pit is one that is:

(i) Operated primarily for profit from the disposal of produced water and/or deleterious substances for a fee; or,

(ii) A disposal well or pit for which none of its Owners is an Owner or Operator in any of the oil and gas wells which produce the water and/or other deleterious substances which will be disposed into said disposal well or pit.

(n) **Commission** shall mean the Wyoming Oil and Gas Conservation Commission.

(o) **Complete Application** or **Complaint** means a document or documents which:

(i) Identifies the applicant or complainant;

(ii) Identifies the subject matter of the application or complaint and the statutory or regulatory provisions under which relief is requested;

(iii) Contains a brief statement of the circumstances supporting the application or complaint; and,

(iv) Contains a plat map which identifies at a minimum:

(A) The well or wells that are the subject of or may be affected by the application or complaint; and,

(B) The governmental sections or portions thereof that are the subject of or may be affected by the application or complaint; and,

(C) Adjacent or surrounding secondary recovery units, federal exploratory units, and existing drilling units if pertinent to the application or complaint.

(p) **Completion.** An oil well shall be considered completed when the first new oil is produced through wellhead equipment into lease tanks from the producing interval after the production string has been run. A gas well shall be considered completed when the well is capable of producing gas through wellhead equipment from the producing zone after the production string has been run. A dry hole shall be considered completed when all provisions of plugging are complied with as set out in these rules. A coalbed methane well shall be considered completed after the production casing has been run.

(q) **Cubic Foot** of gas shall mean the volume of gas contained in one cubic foot of space at a standard pressure base and a standard temperature base. The standard temperature base shall be 60° Fahrenheit.

(r) **Day** shall mean a period of twenty-four (24) consecutive hours.

(s) **Directional Well** means a wellbore that is intentionally deviated from vertical with an intentional azimuth.

(t) **Fresh Water** and **Potable Water** are defined as water currently being used as a drinking water source or having a total dissolved solids (TDS) concentration of less than 10,000 milligrams per liter (mg/l) and which:

(i) Can reasonably be expected to be used for domestic, agricultural, or livestock use; or,

(ii) Is suitable for fish or aquatic life.

(u) **Gas** shall mean all natural gases and all hydrocarbons not defined herein as oil.

(v) **Gas Well** shall mean a well the principal production of which, at the mouth of the well, is gas, as defined by the Wyoming Conservation Law.

(w) **Geophysical/Seismic Company** means an entity that performs any geophysical operation to explore for oil, gas, or associated hydrocarbons. These operations include, but are not limited to, drilling seismic shot holes for placing or detonating explosives, vibroseis, or surface shots.

(x) **Groundwater**, for purposes of these rules and consistent with Wyoming Department of Environmental Quality Chapter 8, as revised April 26, 2005, "Quality Standards for Wyoming Groundwaters", means groundwater will be protected except for Class VI Groundwater of the State that is unusable or unsuitable for use:

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

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

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

(y) **Hearing** shall mean any matter heard before the Commission or its examiners.

(z) **Horizontal Well** shall mean a wellbore drilled laterally at an angle of at least eighty degrees (80°) to the vertical and with a horizontal projection exceeding one hundred feet (100') measured from the initial point of penetration into the productive formation through the terminus of the lateral in the same common source of hydrocarbon supply.

(aa) **Injection or Disposal Well** shall mean any well used for the injection of air, gas, water or other substance into any underground stratum.

(bb) **Legal Subdivision** shall mean any regularly surveyed governmental quarter-quarter section or lot of approximately 40 acres.

(cc) **Lien Holder** means those who have liens, on file with the Secretary of State and County Clerk of the county where the property is located, on the property of the Owner or Operator of a well, as reflected by the Commission records.

(dd) **Log or Well Log** shall mean the written record progressively describing the strata, water, oil or gas encountered in drilling a well with such additional information as to give volumes, pressures, rate of fill-up, water depths, casing record, etc., as is usually recorded in the normal procedure of drilling; also to include electrical, radioactive, or other similar logs run, a lithologic description of all cores, and all drill stem tests, including depth tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries.

(ee) **Mineral Owner** means the owner of the mineral rights title under a piece of property, who will generally be the lessor who is able to convey a leasehold agreement (lease).

(i) **Mineral Leasehold Interest Owner** means the person or entity that holds a valid mineral lease as distinct from actual owner of the mineral rights title.

(ff) **Multiple Zone Completion** shall mean one in which two or more separate zones, mechanically segregated one from the other, are produced simultaneously from the same well.

(gg) **Occupied Structure** shall mean a building that was specifically constructed and approved for human occupancy such as a residence, school, office, or other place of work, or hospital. Occupied structure shall not mean outbuildings such as, but not limited to sheds, barns or garages.

(hh) **Oil** shall mean crude petroleum oil and any other hydrocarbons, regardless of gravities, which are produced at the well in liquid form by ordinary production methods, and which are not the result of condensation of gas before or after it leaves the reservoir.

(ii) **Oil and Gas Operations** means the surface disturbing activities associated with drilling, producing and transporting oil and gas, including the full range of development activity from exploration through production and reclamation of the disturbed surface.

(jj) **Oil Mining** shall mean operations associated with the production of oil or gas from reservoir access holes drilled from underground shafts or tunnels.

(kk) **Oil Well** shall mean a well the principal production of which, at the mouth of the well, is oil, as defined by the Wyoming Conservation Law.

(ll) **Operator** is duly authorized by the Owner as the person engaged in the business of drilling and producing wells for oil and gas.

(mm) **Owner** means the person who has the right to drill into and produce from a pool and to appropriate the oil or gas he produces therefrom either for himself or others.

(nn) **Permanently Abandoned Well** shall mean a well which is no longer considered active and has been permanently plugged and abandoned, as provided by these rules, in such a manner as to prevent migration of oil, gas, and water or other substances from the formation or horizon in which it originally occurred.

(oo) **Person** means and includes any natural person, corporation, association, partnership, receiver, trustee, executor, administrator, guardian, fiduciary or other representative of any kind, and includes any department, agency or instrumentality of the State or of any governmental subdivision thereof. The masculine gender, in referring to a person, includes the feminine and the neuter genders.

(pp) **Pits in Critical Areas.** Sites considered for the placement of all pits are critical areas if they meet any of the following criteria:

(i) Locations which are within one-quarter (1/4) mile of water supplies, residences, schools, hospitals, or other structures where people are known to congregate;

(ii) Areas when groundwater at the location is less than twenty feet (20') from the surface;

(iii) Locations which are within five hundred feet (500') of wetlands, ponds, lakes, perennial drainages or within a floodplain;

(iv) Areas where pit fluids are greater than ten thousand milligrams per liter (10,000 mg/l) total dissolved solids; or,

(v) Locations in pervious subsoils such as sands, scoria, river bottom gravel, loams, etc.

(qq) **Pool** shall mean an underground reservoir containing a common accumulation of oil or gas or both. Each zone of a general structure, which zone is completely separated from any other zone, is covered by the word "pool" as used herein.

(rr) **Producer** means the owner of a well or wells capable of producing oil or gas or both.

(ss) **Production Facilities** shall mean any building or equipment used for the purpose of producing, treating, or separating produced fluids and gas, including but not limited to pumps, pumping units, compressors, generators, gas flares, treaters, separators, storage tanks, and pits.

(tt) **Recompletion** means any downhole operation in an existing oil or gas well that is conducted to establish production of oil or gas from any geological interval

not currently completed or producing in said existing oil or gas well.

(uu) **Seismic Hole** is one which will be used for geophysical purposes only.

(vv) **Shut-In Well** shall mean a well not currently considered active in which the completion interval has not been isolated from the wellbore above and where the wellbore condition is such that its utility may be restored by opening valves or by energizing equipment involved in operating the well.

(ww) **Spacing Unit** shall mean a specified area of land designated by the Commission for purposes of determining well density and location. A spacing unit provides a basis for pooling the interests therein as does a drilling unit. The well location requirement for vertical wells set out in Chapter 3, Section 2(a) and Chapter 3, Section 2(a)(iii) do not create a spacing unit as defined under this section. For purposes of these rules, a spacing unit, drilling unit, and drilling and spacing unit are interchangeable.

(xx) **Special Sodium Drilling Area – A (SSDA – A)** shall mean the designated area where trona mining operations are or will occur where special drilling rules apply to protect the Trona Mineral Resources and ensure miner safety which location is described as containing:

Township 21 North, Range 108 West, 6th P.M.

Section 16: All

Section 17: All

Sections 19 – 22 (inclusive): All

Sections 27 – 34 (inclusive): All

Township 21 North, Range 109 West, 6th P.M.

Sections 24 – 27 (inclusive): All

Sections 34 – 36 (inclusive): All

Township 20 North, Range 108 West, 6th P.M.

Sections 6 – 8 (inclusive): All

Sections 17 – 20 (inclusive): All

Sections 29 – 32 (inclusive): All

Township 20 North, Range 109 West, 6th P.M.

Sections 1 – 36 (inclusive): All

Township 20 North, Range 110 West, 6th P.M.

Section 1: All

Section 8: All

Section 9: All

Section 12: All

Section 13: All

Sections 15 – 22 (inclusive): All  
Sections 24 – 36 (inclusive): All

Township 20 North, Range 111 West, 6th P.M.

Section 13: All  
Section 14: All  
Section 21: E1/2  
Sections 22 – 27 (inclusive): All  
Section 28: E1/2  
Sections 33 – 36 (inclusive): All

Township 19 North, Range 108 West, 6th P.M.

Section 5: All  
Section 6: All

Township 19 North, Range 109 West, 6th P.M.

Sections 1 – 36 (inclusive): All

Township 19 North, Range 110 West, 6th P.M.

Sections 1 – 36 (inclusive): All

Township 19 North, Range 111 West, 6th P.M.

Sections 1 – 4 (inclusive): All  
Sections 9 – 16 (inclusive): All  
Sections 21 – 28 (inclusive): All  
Sections 33 – 36 (inclusive): All

Township 18 North, Range 108 West, 6th P.M.

Section 6: All  
Section 7: All  
Sections 18 – 20 (inclusive): All  
Sections 29 – 32 (inclusive): All

Township 18 North, Range 109 West, 6th P.M.

Sections 1 – 36 (inclusive): All

Township 18 North, Range 110 West, 6th P.M.

Sections 1 – 36 (inclusive): All

Township 18 North, Range 111 West, 6th P.M.

Sections 1 – 4 (inclusive): All  
Section 5: E1/2  
Section 8: E1/2  
Sections 9 – 16 (inclusive): All  
Section 17: E1/2



Section 20: E1/2  
Sections 21 – 28 (inclusive): All  
Section 29: E1/2  
Section 32: E1/2  
Sections 33 – 36 (inclusive): All

Township 17 North, Range 108 West, 6th P.M.

Sections 5 – 9 (inclusive): All  
Sections 16 – 22 (inclusive): All  
Sections 26 – 35 (inclusive): All

Township 17 North, Range 109 West, 6th P.M.

Sections 1 – 36 (inclusive): All

Township 17 North, Range 110 West, 6th P.M.

Sections 1 – 6 (inclusive): All  
Sections 8 – 17 (inclusive): All  
Sections 22 – 27 (inclusive): All  
Section 35: All  
Section 36: All

Township 17 North, Range 111 West, 6th P.M.

Sections 1 – 3 (inclusive): All

Township 16 North, Range 108 West, 6th P.M.

Sections 3 – 10 (inclusive): All  
Sections 15 – 22 (inclusive): All  
Sections 26 – 35 (inclusive): All

Township 16 North, Range 109 West, 6th P.M.

Sections 1 – 30 (inclusive): All  
Section 35: All  
Section 36: All

Township 16 North, Range 110 West, 6th P.M.

Section 1: All  
Section 2: All  
Sections 11 – 15 (inclusive): All  
Sections 22 – 27 (inclusive): All

Township 15 North, Range 108 West, 6th P.M.

Sections 2 – 10 (inclusive): All  
Sections 15 – 22 (inclusive): All  
Sections 27 – 34 (inclusive): All

Township 15 North, Range 109 West, 6th P.M.

Section 1: All

Section 2: All

Sections 11 – 14 (inclusive): All

Sections 23 – 25 (inclusive): All

Section 36: All

Township 14 North, Range 108 West, 6th P.M.

Sections 4 – 7 (inclusive): All

Section 18: All

Township 14 North, Range 109 West, 6th P.M.

Section 1: All

Section 12: All

Section 13: All

(yy) **Special Sodium Drilling Area – B (SSDA – B)** shall mean the designated area where Trona Mining Resources exist outside the SSDA – A and special drilling rules apply to protect the resource which location is described as containing:

Township 21 North, Range 109 West, 6th P.M.

Sections 28 – 33 (inclusive): All

Township 21 North, Range 110 West, 6th P.M.

Section 25: All

Sections 34 – 36 (inclusive): All

Township 20 North, Range 110 West, 6th P.M.

Sections 2 – 7 (inclusive): All

Section 10: All

Section 11: All

Section 14: All

Section 23: All

Township 20 North, Range 111 West, 6th P.M.

Section 1: All

Section 11: All

Section 12: All

Section 15: All

Township 19 North, Range 108 West, 6th P.M.

Section 7: All

Section 18: All

Section 19: All

Section 30: All  
Sections 31 – 35 (inclusive): All

Township 18 North, Range 108 West, 6th P.M.

Sections 1 – 5 (inclusive): All  
Sections 8 – 17 (inclusive): All  
Section 21: All  
Section 22: All  
Section 27: All  
Section 28: All  
Section 33: All  
Section 34: All

Township 17 North, Range 107 West, 6th P.M.

Sections 30 – 32 (inclusive): All

Township 17 North, Range 108 West, 6th P.M.

Section 3: All  
Section 4: All  
Section 10: All  
Section 11: All  
Sections 13 – 15 (inclusive): All  
Sections 23 – 25 (inclusive): All  
Section 36: All

Township 17 North, Range 110 West, 6th P.M.

Section 7: All  
Sections 18 – 21 (inclusive): All  
Sections 28 – 34 (inclusive): All

Township 17 North, Range 111 West, 6th P.M.

Section 4: All  
Section 5: All  
Sections 8 – 36 (inclusive): All

Township 17 North, Range 112 West, 6th P.M.

Section 13: All  
Section 14: All  
Sections 22 – 28 (inclusive): All  
Sections 33 – 36 (inclusive): All

Township 16 North, Range 107 West, 6th P.M.

Section 6: All  
Section 7: All  
Section 18: All

Section 19: All  
Section 30: All  
Section 31: All

Township 16 North, Range 108 West, 6th P.M.

Section 1: All  
Section 2: All  
Sections 11 – 14 (inclusive): All  
Sections 23 – 25 (inclusive): All  
Section 36: All

Township 16 North, Range 109 West, 6th P.M.

Sections 31 – 34 (inclusive): All

Township 16 North, Range 110 West, 6th P.M.

Sections 3 – 10 (inclusive): All  
Sections 16 – 21 (inclusive): All  
Sections 28 – 36 (inclusive): All

Township 16 North, Range 111 West, 6th P.M.

Sections 1 – 36 (inclusive): All

Township 16 North, Range 112 West, 6th P.M.

Sections 1 – 36 (inclusive): All

Township 15 North, Range 107 West, 6th P.M.

Section 6: All  
Section 7: All  
Section 18: All  
Section 19: All  
Section 30: All  
Section 31: All

Township 15 North, Range 108 West, 6th P.M.

Section 1: All  
Sections 11 – 14 (inclusive): All  
Sections 23 – 26 (inclusive): All  
Section 35: All  
Section 36: All

Township 15 North, Range 109 West, 6th P.M.

Sections 3 – 10 (inclusive): All  
Sections 15 – 22 (inclusive): All  
Sections 26 – 35 (inclusive): All

Township 15 North, Range 110 West, 6th P.M.  
Sections 1 – 36 (inclusive): All

Township 15 North, Range 111 West, 6th P.M.  
Sections 1 – 36 (inclusive): All

Township 15 North, Range 112 West, 6<sup>th</sup> P.M.  
Sections 1 – 36 (inclusive): All

Township 14 North, Range 108 West, 6th P.M.  
Sections 1 – 3 (inclusive): All  
Sections 8 – 17 (inclusive): All  
Sections 19 – 36 (inclusive): All

Township 14 North, Range 109 West, 6th P.M.  
Sections 2 – 11 (inclusive): All  
Sections 14 – 36 (inclusive): All

Township 14 North, Range 110 West, 6th P.M.  
Sections 1 – 36 (inclusive): All

Township 14 North, Range 111 West, 6th P.M.  
Sections 1 – 36 (inclusive): All

Township 14 North, Range 112 West, 6th P.M.  
Sections 1 – 16 (inclusive): All  
Sections 22 – 26 (inclusive): All

(zz) **Spud** means the commencement of operations for the first boring of a hole for the drilling of an oil, gas or injection well, or observation/monitor well, and/or the commencement of operations for the re-entry of a previously plugged and abandoned well, and/or observation/monitor well. This includes setting conductor.

(aaa) **Stratigraphic Test** or **Core Hole** shall mean any hole drilled for the sole purpose of obtaining geological information.

(bbb) **Stripper Production** means a property or lease whose average daily production of crude petroleum and petroleum condensate, including natural gas liquids, did not exceed ten (10) barrels per day per well during the preceding calendar year.

(ccc) **Sump** is a buried, or partially buried, vessel constructed of man-made material including, but not limited to, steel, fiberglass, and/or concrete, which is used for the temporary collection of fluids. A sump can be closed top or open top.

(ddd) **Supervisor** shall mean State Oil and Gas Supervisor.

(eee) **Surface Owner** means any person holding any recorded interest in the legal or equitable title, or both, to the land surface on which oil and gas operations occur, as filed of record with the county clerk of the county in which the land is located. Surface Owner does not include any person or governmental entity that owns all of the land surface and all of the underlying oil and gas estate, or any person or governmental entity that owns only an easement, right-of-way, license, mortgage, lien, mineral interest or nonpossessory interest in the land surface.

(fff) **Temporarily Abandoned Well** shall mean a well in which the completion interval has been isolated from the wellbore above and the surface. The completion interval may be isolated by a retainer, bridge plug, cement plug, tubing and packer with tubing plug, or any combination thereof.

(ggg) **Tertiary Production** means the crude oil recovered from a petroleum reservoir by means of a tertiary recovery project to which one (1) or more tertiary enhanced recovery techniques meeting the certification requirements of the Wyoming Oil and Gas Conservation Commission or the United States Government are being applied.

(hhh) **Trona Mineral Resource** shall mean a concentration or occurrence of trona mineral in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Trona Mineral Resource is known, estimated or interpreted from specific geological evidence and knowledge.

(iii) **Trona Interval** shall mean that stratigraphic interval contained within the Special Sodium Drilling Area – A or – B (SSDA – A or – B), as defined in Chapter 1, Section 2(tt) or (uu) of these rules that lies between the base of the Laney member of the Green River Formation and the top of the main body of the Wasatch Formation.

(jjj) **Underground Source of Drinking Water (USDW)** means an aquifer or its portion which:

- (i) Supplies any public water system; or,
- (ii) Contains a sufficient quantity of ground water to supply a public water system; and,
  - (A) Currently supplies drinking water for human consumption;or,
  - (B) Contains fewer than 10,000 mg/l total dissolved solids; and,
- (iii) Is not an exempted aquifer.

(kkk) **Water Source** shall mean water wells or springs that are permitted or adjudicated through the Wyoming Engineer's Office for the beneficial use of water including domestic, stock, industrial, miscellaneous, municipal, irrigation, or any other beneficial use of water recognized and permitted by that office. This definition also includes any monitoring well permitted by the State Engineer's Office or the Department of Environmental Quality. For the purpose of this definition, coalbed methane wells (CBM) are not considered a water source.

(lll) **Well**, when used alone in these rules and regulations shall refer to an oil or gas well, injection or disposal well, or observation/monitor well, or to a hole drilled for the purpose of producing oil or gas or both. It shall not include seismic, stratigraphic test, core or other exploratory holes drilled for the purpose of obtaining geologic information only.

(mmm) **Wildcat Well** means any oil or gas well designated as a wildcat well by the Wyoming Oil and Gas Conservation Commission. Wildcat wells are wells outside known fields or new wells which are determined by the Commission to have discovered oil or gas in a pool not previously proven productive.

(nnn) **Workover** means any downhole operation in an existing oil or gas well that is designed to sustain, restore or increase the production rate or ultimate recovery in a geologic interval currently completed or producing in said existing oil or gas well. Workover includes, but is not limited to, acidizing, reperforating, fracture treating, sand/paraffin removal, casing repair, squeeze cementing, or setting bridge plugs to isolate water productive zones from oil or gas productive zones, or any combination thereof. Workover does not mean the routine maintenance, repair, or replacement of downhole equipment such as rods, pumps, tubing, packers, or other mechanical devices.

(ooo) **Wyoming Conservation Act** shall mean WYO. STAT. ANN. §§ 30-5-101 through 30-5-127.

(ppp) **Wyoming Split Estates Act** shall mean WYO. STAT. ANN. §§ 30-5-401 through 30-5-410.