



## A Guide to Oil and Gas Operations for Surface Owners

Wyoming is abundant in natural resources and has had minerals such as oil and gas produced for many decades throughout the state. Because of this, if you are a surface owner in Wyoming, you may experience oil and gas production on your property or nearby. Since Wyoming is a mineral dominant state, minerals take precedent over the surface. If you own the surface, but do not own the minerals beneath the surface, this is called a split estate, and the owner of those minerals has the dominant right to access their property i.e. minerals. However, several rules are in place that industry must follow to help ensure the safety and wellbeing of landowners. The intent of this guide is to help you understand the role of the Wyoming Oil and Gas Conservation Commission (WOGCC) and the rules that Wyoming operators are required to follow before, during and after drilling.

### SPLIT ESTATE ACT

In 2005, the Wyoming Split Estate Act came into effect, which states, “The oil and gas operator and the surface owner shall attempt good faith negotiations to reach a surface use agreement for the protection of the surface resources, reclamation activities, timely completion of reclamation of the disturbed areas and payment for damages caused by the oil and gas operations.”

The following steps must be taken by operators as it relates to the Split Estate Act

- All surface owners must receive a written notice of the proposed oil and gas operations on the land no earlier than 180 days and no less than 30 days before commencement of any oil and gas operations on the land.
- The notice must sufficiently disclose the plan of work and operations to enable the surface owner to evaluate the effect of oil and gas operations on the surface owner’s use of the land.
- Entry upon the land for oil and gas operation shall be conditioned on the oil and gas operator providing the required notice and attempting good faith negotiations.
- Operator must secure a written consent or waiver from the surface owner for entry onto the land for oil and gas operations and obtain an executed surface use agreement providing for compensation to the surface owner for damages to the land and improvements.
- Otherwise, the operator must execute a good and sufficient surety bond or other guaranty to the Commission for the use and benefit of the surface owner to secure payment of damages.

### APPLICATION TO DRILL (APD)

Every oil and gas well in the state of Wyoming must first be permitted through the WOGCC. This ensures that the proper procedures and guidelines to drill a well are consistently followed.

## SETBACK RULE

To further reduce impacts to surface owners, new setback rules were incorporated in 2015. Wells must now be located no closer than 500 feet from an occupied structure. Additionally, where a well or production facility is proposed within 1,000 ft. of an existing occupied structure, the oil and gas operator must notify the owners in writing of their plans including a description of the best management practices and site specific measures to mitigate reasonably foreseeable impacts.

## BASELINE GROUNDWATER MONITORING RULE

As a landowner with a domestic water well, it is important to know the quality of your water prior to drilling activities. In 2014, the WOGCC incorporated the Groundwater Baseline Sampling, Analysis and Monitoring rule requiring all operators to submit a groundwater baseline sampling, analysis and monitoring plan with their Application for Permit to Drill or Deepen a Well.

## FLARING AND VENTING

The WOGCC not only enforces rules that regulate flaring and venting, but encourages operators to employ practical technologies that minimize the venting and flaring of gas. Venting or flaring is only allowed under certain circumstances such as emergencies, production tests or for wells that produce less than 60 MCF of gas per day for flaring and less than 20 MCF of gas per day for venting. Otherwise, special approval must be granted by the Supervisor or the Commission.

## THE ROLE OF THE WOGCC

As outlined in [Wyoming's Conservation Act](#), the WOGCC is charged with preventing the waste of oil and gas and protecting correlative rights for Wyoming. The WOGCC works alongside many agencies in the state that also play a role in providing a balanced approach for the industry and Wyoming. Below are helpful links to provide a full understanding of the regulatory environment for Wyoming's oil and gas industry.

BLM: <https://www.blm.gov/wy/st/en.html>

WYGF: <https://wgfd.wyo.gov/>

US Forest Service: <http://www.fs.fed.us/>

Office of State Lands and Investments: <http://lands.wyo.gov/>

EPA: <https://www.epa.gov/aboutepa/epa-region-8-mountains-and-plains>

DEQ: <http://deq.wyoming.gov/>

SEO: <https://sites.google.com/a/wyo.gov/seo/>

OSHA: <http://www.wyomingworkforce.org/workers/osha/>