

# KENTUCKY

## Administration

1. Agency regulating oil and gas exploration/production: [Division of Oil and Gas](#), P.O. Box 2244, Frankfort, KY 40602. Phone: (502) 573-0147. Fax: (502) 573-1099.
2. Contact for regulatory updates: Kimberly S. Collings, Director.
3. Docketing procedure: Any party to a property may request a hearing and said hearing will be set.
  - a. Emergency orders: Upon Application by an operator.
  - b. Notice: 20 days in advance of the date set for the hearing.
4. Agency regulating air emissions: [Department for Environmental Protection, Division of Air Quality](#).
5. Agency regulating water quality: [Department for Environmental Protection, Division of Water](#).

## License

1. License required: License required to operate gathering/flowlines. [KRS 353.500, 805 KAR 1:190\(3\)](#).
2. Conditions of license: \$100.00 license renewable each year.

## Bond/Surety

1. Purpose of surety: For compliance purposes.
2. Plugging and restoration: For plugging only.
3. Compliance bond required: Yes.
4. Types of surety accepted: Cash, Letter of Credit, Surety & Certificates of Deposit.
5. Conditions of bond:
  - a. Amount per well:

0 - 500 feet	\$ 500
501 - 1,000 feet	1,000

1,001 - 1,500 feet	1,500
1,501 - 2,000 feet	2,000
2,001 - 2,500 feet	2,500
2,501 - 3,000 feet	3,000
3,001 - 3,500 feet	3,500
3,501 - 4,000 feet	4,000
over 4,000 feet	5,000 or an amount set by the Kentucky Oil and Gas Conservation Commission

a. Amount of blanket bond:

\$25,000 - 25 - 100 wells  
 \$50,000 – 100 – 500 wells  
 \$100,000 – over 500 wells for “qualified” operators that had an existing blanket bond on file with the Division as of 7-12-06.

For “non-qualified” operators or new operators, blanket bonds are as follows:

\$50,000 – 1-100 wells  
 \$100,000 – over 100 wells.

Land Leasing Information

No regulations at this time

1. Leasing method: N/A
2. Notice method: N/A
3. Minimum bidding \$ (per acre): N/A
4. Qualification of the bidder: N/A
5. State statutes: N/A
6. Maximum acres: N/A
7. Royalty rates: N/A
8. Agency in control of leasing: N/A

Setbacks

1. What rules/regulations/policies does your jurisdiction have in regard to well setbacks from private residences and/or other habitable structures for use by humans or animals? Wells are required to be 150 feet from any structure unless the operator receives a waiver from the structure owner. [805 KAR 1:030](#).
2. Are there other sources of information on this matter that you could identify? N/A

Spacing

[KRS 353.610](#)

1. Spacing requirements:

a. Density:

7.85 acres for shallow oil wells in coal area  
18.03 acres for shallow gas well spacing

Deep Wells: As established by Kentucky Oil and Gas Conservation Commission, or in lieu of approved spacing as follows:

70 acres for oil wells between 4,000-7,000 feet  
281 acres for gas wells between 4,000-7,000 feet  
143 acres for oil wells deeper than 7,000 feet  
574 acres for gas wells deeper than 7,000 feet

b. Lineal:

Oil well (non-coal area & less than 2000 feet) - 400 feet between wells and 200 feet from mineral boundary. Oil well (coal areas and wells in non-coal area between 2000 feet and 4000 feet) - 660 feet between wells and 330 feet from mineral boundary.

Gas well - 1,000 feet between wells and 500 feet from mineral boundary for gas wells less than 4,000 feet deep. Varies with depth and geographic area.

2. Exceptions: Yes, [KRS 353.620](#).

a. Basis: For tracts that are so situated that they have no drillable site.

b. Approval: By notice and hearing.

Pooling

[KRS 353.630](#)

1. Authority to establish voluntary: Yes.

2. Authority to establish compulsory: Yes.

Unitization

[KRS 353.630](#)

1. Compulsory unitization of all or part of a pool or common source of supply: Yes.

2. Minimum percentage of voluntary agreement before approval of compulsory unitization:

- a. Working interest: 51%
- b. Royalty interest: 51%

Drilling Permit

[KRS 353.570](#)

[KRS 353.580](#)

[KRS 353.590](#)

1. Permits required for:

- a. Drilling a producing or service well: Yes, by statute.
- b. Seismic drilling: No.
- c. Recompletion: No restriction so long as it complies with spacing requirements and meets bonding requirements.
- d. Plugging and abandoning: No.

2. Permit fee:

- a. Drilling: \$350.00.
- b. Seismic drilling: None.
- c. Recompletion: None.
- d. Plugging and abandoning: None.

3. Require filing report of work performed: Yes, [KRS 353.660](#).

4. Sundry notices used: No.

Vertical Deviation

[KRS 353.739](#)

[805 KAR 1:200](#)

[805 KAR 1:140](#)

1. Regulation requirement:

- a. When is a directional survey necessary: For directional and horizontal wells and all wells drilled in areas of active coal mining.
- b. Filing of survey required: Yes.

- c. Format of filing: Electronic or paper.

Casing and Tubing

[KRS 353.080](#)

[KRS 353.100](#)

[KRS 353.550](#)

[805 KAR 1:020](#)

1. Minimum amount required:
  - a. Surface casing: Yes, at least 30 feet below deepest fresh water.
  - b. Production casing: No.
2. Minimum amount of cement required:
  - a. Surface casing: Yes, circulated to surface, 30' below fresh water depth.
  - b. Production casing: No, except for injection wells circulated to surface.
  - c. Setting time: No.
3. Tubing requirements:
  - a. Oil wells: No.
  - b. Gas wells: No.

Hydraulic Fracturing

The Division of Oil & Gas has no requirements other than reporting the treatment on the Completion Report form. EPA Region 4 has primacy over injection/disposal wells. The Kentucky Department of Environmental Protection may have rules regarding flowback waste water, tanks & surface discharge.

1. Permitting: No Requirements
  - a. Before drilling: N/A
  - b. Before fracing: N/A
  - c. How long before: N/A
2. Reporting requirements: [KRS 353.660](#).
  - a. Where reported: All completion methods are reported on the Affidavit of Well Log and Completion Report.

- b. When reported: Well Log and Completion Report due 90 days after reaching total depth.
- 3. Source water requirements:
- 4. Mechanical integrity:
  - a. Cementing log required:
  - b. Pressure testing:
  - c. Pressure monitoring:
  - d. Blowout preventer required:
- 5. Disposal of flowback fluids:
  - a. Retaining pits:
  - b. Tanks:
  - c. Approved discharge to surface water:
  - d. Underground injection: EPA Region 4 has primacy for injection wells
- 6. Chemical disclosure requirement: No Requirements
  - a. Mandatory: N/A
  - b. Where disclosed: N/A
  - c. When disclosed (pre-fracing, post-fracing, both): N/A
  - d. Time limit to disclose: N/A
  - e. Information required to be disclosed: N/A
  - f. Trade secret protection: N/A
  - g. Required disclosure to health/emergency personnel: N/A

Underground Injection

[KRS 353.592](#)  
[805 KAR 1:110](#)

- 1. Agencies that control the underground injection of fluid by well class: EPA Region 4 has primacy of UIC wells.

## Completion

### [KRS 353.660](#)

1. Completion report required:
  - a. Time limit: 90 days after completion of drillings.
  - b. Where submitted: Division of Oil and Gas, P. O. Box 2244, Frankfort, KY 40602.
2. Well logs required to be filed:
  - a. Time limit: 90 days.
  - b. Where submitted: Division of Oil and Gas, P.O. Box 2244, Frankfort, KY 40602.
  - c. Confidential time period: Yes, upon request for one year maximum.
  - d. Available for public use: Yes.
  - e. Log catalog available: Yes, at the Kentucky Geological Survey.
3. Multiple completion regulation: No authorization required.
  - a. Approval obtained: N/A
4. Commingling in well bore: No authorization required.
  - a. Approval obtained: N/A

## Oil Production

### [KRS 353.010](#)

1. Definition of an oil well: any well which produces one (1) barrel or more of oil to each ten thousand (10,000) cubic feet of natural gas.
2. Potential tests required: No.
  - a. Time interval: N/A
  - b. Witness required: N/A
3. Maximum gas-oil ratio: 10,000 cubic feet to 1 barrel crude oil.
  - a. Provision for limiting gas-oil ratio: No.

- b. Exception to limiting gas-oil ratio: No.
- 4. Bottom-hole pressure test reports required: Only if such test is run by operator.
  - a. Periodical bottom-hole pressure surveys: No.
- 5. Commingling oil in common facilities: No requirements.
- 6. Measurement involving meters: No requirements.
- 7. Production reports: [805 KAR 1:180](#)
  - a. By lease: Yes.
  - b. By well: No.
  - c. Time limit: By February 28 of following year to the Department of Revenue. By April 15 of following year to the Division of Oil and Gas.

Gas Production

[KRS 353.010](#)

- 1. Definition of a gas well:
 

Gas Well - means any well which:

  - (a) Produces natural gas not associated or blended with crude petroleum oil any time during production; or
  - (b) Produces more than ten thousand (10,000) cubic feet of natural gas to each barrel of crude petroleum oil from the same producing horizon.
- 2. Pressure base 14.73 psia @ 60 degrees F.
- 3. Initial potential tests: No Requirements
  - a. Time interval: N/A
  - b. Witness required: N/A
- 4. Bottom-hole pressure test reports required: Only if run by operator.
  - a. Periodical bottom-hole pressure surveys: No.
- 5. Commingling of gas in common facilities: No Requirement.
- 6. Measurement involving meters: No Requirement.
- 7. Production reports: [805 KAR 1:180](#)

- a. By lease: Yes.
- b. By well: Yes, to the Division of Oil and Gas.
- c. Time limits: By February 28 of following year to the Department of Revenue. By April 15 of following year to the Division of Oil and Gas.