

NEVADA

Administration

1. Agency regulating oil and gas exploration/production: [Nevada Commission on Mineral Resources, Division of Minerals](#), 400 W. King St., Suite 106, Carson City, NV 89703-4212. Phone: (775) 684-7040, Fax: (775) 684-7052.
2. Contact for regulatory updates: Lowell Price, Oil, Gas, and Geothermal Program Manager, Nevada Commission on Mineral Resources, Nevada Division of Minerals, 400 West King Street, Suite 106 Carson City, NV 89703-4212. Phone: (775) 684-7045. Lprice@govmail.state.nv.us
3. Docketing procedure: The Division may act upon its own motion or upon the petition of any interested person concerning any matter within the jurisdiction to set a date for hearing without undue delay. The Division shall enter its order within 30 days after the hearing.
 - a. Emergency orders: Yes. The Division may issue emergency orders without notice and hearing. Emergency rule, regulation or order shall remain in force no longer than 15 days from its effective date.
 - b. Notice: No less than 10 days prior to the date of the hearing. The Administrator of the Division of Minerals is responsible to give notice.
4. Agency regulating air emissions: [Nevada Division of Environmental Protection](#).
5. Agency regulating water quality: [Nevada Division of Water Resources](#).

License

1. License required: Driller must be licensed through the Nevada State Engineer.
2. Conditions of license: [NAC 534.282](#) Qualifications of applicant; denial of application. ([NRS 534.020](#), [534.110](#), [534.140](#))
 - a. An applicant for a well-drilling license must:
 - i. Be at least 18 years of age;
 - ii. Be a citizen of the United States, or be lawfully entitled to remain and work in the United States;
 - iii. Submit an application and the fee pursuant to [NAC 534.280](#);
 - iv. Demonstrate a good working knowledge of:
 1. Standard drilling practice;
 2. The regulations of the State Engineer and applicable laws relating to well drilling; and
 3. The method by which land is described by public land survey;

- v. Have at least 2 years of experience as a well driller determined to be appropriate by the State Engineer for the license for which the applicant applies;
 - vi. Have at least four references determined to be satisfactory by the State Engineer for the license for which the applicant applies; and
 - vii. Pass an examination, consisting of the following three sections:
 - 1. A written examination on which the applicant must obtain a score of at least 70 percent;
 - 2. A section which requires the applicant to use a map to provide the land survey description of the location of a well; and
 - 3. An oral examination conducted by the Board.
- b. The State Engineer may deny an applicant a license if the applicant:
- i. Fails to notify the Division that he cannot appear for the examination as instructed by a notice to appear before the State Engineer or the Board or 12-06 534-8
 - ii. Fails to pass all three sections of the examination described in paragraph (vii) of subsection (a) within the period for which the application is valid pursuant to [NAC 534.280](#).
(Added to NAC by St. Engineer, eff. 1-9-90; A 12-30-97; R009-06,6-1-2006)

Bond/Surety

- 1. Purpose of surety: Plug and Abandonment.
- 2. Plugging and restoration: Plugging and abandonment only.
- 3. Compliance bond required: Yes, a bond of not less than \$10,000 for individual well bonds and not less than \$50,000 for statewide drilling bond is required for all drilling in Nevada. The Division will accept a federal bond in a form and amount equivalent to the form and amount approved by the Division.
- 4. Types of surety accepted: Corporate surety licensed to do business in Nevada.
- 5. Conditions of bond: Sufficient surety conditioned for the performance of the duty to plug each dry or abandoned well or the repair of wells causing waste.
 - a. Amount per well: \$10,000
 - b. Amount of blanket bond: \$50,000

Land Leasing Information

- 1. No regulations at this time.

Setbacks

1. What rules/regulations/policies does your jurisdiction have regarding well setbacks from private residences and/or other habitable structures for use by humans or animals?

[NAC 522.235](#) Location of wells. ([NRS 522.040](#)) In a proven oil and gas field the spacing of wells will be governed by special rules for each particular field, to be adopted by the division after notice and hearing. In the absence of a special order of the division establishing drilling units or authorizing different densities of wells or patterns of location for particular pools or parts of pools, the following requirements apply:

1. Each well drilled for oil with a projected depth of 5,000 feet or less must be located not less than 330 feet from the outside boundary of a government quarter-quarter section, or of a lot, tract or combination of lots or tracts substantially equivalent to a quarter-quarter section as shown by the most recent government survey. Unless the administrator, in his discretion, determines otherwise, only one well may be issued a permit to produce oil from the same reservoir within the same quarter-quarter section.
2. Each well drilled for oil with a projected depth of greater than 5,000 feet must be located not less than 330 feet from the outside boundary of a government quarter section, or of a lot, tract or combination of lots or tracts substantially equivalent to a quarter section as shown by the most recent government survey. Unless the administrator, in his discretion, determines otherwise, only one well may be issued a permit to produce oil from the same reservoir within the same quarter section.
3. Each well drilled for gas with a projected depth of 5,000 feet or less must be located not less than 660 feet from the outside boundary of a government quarter section, or of a lot, tract or combination of lots or tracts substantially equivalent to a quarter section as shown by the most recent government survey. Unless the administrator, in his discretion, determines otherwise, only one well may be issued a permit to produce gas from the same reservoir within the same quarter section.
4. Each well drilled for gas with a projected depth of greater than 5,000 feet must be located not less than 990 feet from the outside boundary of a government section, or of a lot, tract or combination of lots or tracts substantially equivalent to a section as shown by the most recent government survey. Unless the administrator, in his discretion, determines otherwise, only one well may be issued a permit to produce gas from the same reservoir within the same section.
5. The requirements of this section for the location of a well do not apply to:
 - (a) Federal units.
 - (b) Wells drilled pursuant to a working interest agreement.
 - (c) Areas subject to existing orders for drilling and spacing.

6. The administrator will determine the pattern for the location of wells which are adjacent to an area in which the spacing of wells is prescribed by the division or under application for spacing, where there is sufficient evidence to indicate that the pool or reservoir for which the spacing of wells is or will be prescribed by the division may extend beyond the boundary of the spacing order or application, and the uniformity of the pattern of spacing is necessary to ensure an orderly development of the pool.

7. As used in this section, the term “working interest agreement” means a written agreement entered into by the persons who are responsible for paying the cost of drilling one or more wells and that specifies the location of the well or wells.

[Div. of Mineral Res., § 201, eff. 12-20-79]—(NAC A by Dep’t of Minerals, 7-22-87; A by Div. of Minerals by R156-98, 12-18-98)

[NAC 522.240](#) Exceptions to location of wells and well spacing orders.

1. Upon proper application, the administrator may approve an exception to NAC 522.235 or to any order of the division establishing the spacing of wells for a pool.

2. An application for an exception must state fully the reasons the exception is necessary or desirable and must be accompanied by a plat showing:

(a) The locations at which an oil or gas well could be drilled in compliance with NAC 522.235 or the applicable order;

(b) The location at which the applicant requests permission to drill; and

(c) The locations at which oil or gas wells have been or could be drilled in accordance with NAC 522.235 or the applicable order:

(1) In a quarter section, for any oil well, regardless of depth, or any gas well of 5,000 feet or less; or

(2) In a section, for any gas well greater than 5,000 feet, directly or diagonally adjoining the quarter section or section for which the proposed exception is sought.

3. An exception approved by the administrator does not affect the rights of owners of directly or diagonally adjoining tracts to drill for oil or gas. [Div. of Mineral Res., § 202, eff. 12-20-79]—(NAC A by Dep’t of Minerals, 7-22-87)

[NAC 522.245](#) Change of location of well. If, before drilling a well, the person to whom the permit was originally issued desires to change the location, he must submit a letter so stating and another application properly filled out showing the new location. No additional fee is payable if the location change is within the same quarter-quarter

section, but drilling must not be started until the new location has been approved.

[Div. of Mineral Res., § 207, eff. 12-20-79]

2. Are there other sources of information on this matter that you could identify?

No. I checked with the BLM, and they do not have any setback regulations related to surface locations such as private residences and/or other habitable structures for use by humans or animals.

Spacing

1. Spacing requirements: Yes.

a. *Density:

Oil well - 5,000' or less: 40 acres - not less than 330' from boundary of quarter-quarter section. Oil well - more than 5,000': 160 acres - not less than 330' from boundary of quarter section. Gas well - 5,000' or less: 160 acres - not less than 660' from boundary of quarter section.

Gas well - more than 5,000': 640 acres - not less than 990' from boundary of section.

b. Lineal: Determined after hearing.

*The spacing requirements do not apply to federal units, working interest agreements, and areas subject to existing orders.

2. Exceptions: Yes.

a. Basis: Protection of correlative rights of lessees, location may be nonproductive, or topographical conditions.

b. Approval: By hearing after proper notice and order issued by the Division.

Pooling

1. Authority to establish voluntary: Yes.

2. Authority to establish compulsory: Yes.

Unitization

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: 62.5%
- b. Royalty interest: 62.5%

Drilling Permit

1. Permits required for:

- a. Drilling a producing or service well: Yes, Application for Permit to Drill an Oil or Gas Well.
- b. Seismic drilling: No.
- c. Recompletion: Yes.
- d. Plugging and abandoning: Yes, Sundry Notice and Report on Wells.

2. Permit fee:

- a. Drilling: \$200.00.
- b. Seismic drilling: None.
- c. Recompletion: None.
- d. Plugging and abandoning: Plugging and Abandonment program by Sundry Notice , Division approval required

3. Require filing report of work performed: Oil and Gas Completion Report, Oil, Gas and Geothermal Well Plugging Report.

4. Sundry notices used: Yes.

Vertical Deviation

1. Regulation requirement: Yes.

- a. When is a directional survey necessary: Due to spacing requirements, directional surveys may be required during drilling operations. Upon well completion, bottom hole surveys are required.
- b. Filing of survey required: Yes.
- c. Format of filing: Hard copy or digital.

Casing and Tubing

1. Minimum amount required:
 - a. Surface casing: Must be set into impervious formation. Not less than 500 ft. required on all wells or 10 percent of projected total depth if greater than 5,000 ft.
 - b. Production casing: No provision..
2. Minimum amount of cement required:
 - a. Surface casing: Circulate cement to surface.
 - b. Production casing: 500 feet above bottom of casing.
 - c. Setting time: Yes - minimum compressive strength of 300 psi at bottom-hole conditions must be attained.
3. Tubing requirements:
 - a. Oil wells: No.
 - b. Gas wells: No.

Hydraulic Fracturing

1. Permitting: Nevada has not had any hydraulic fracturing to date. Specific regulations pertaining to hydraulic fracturing will be developed by the [Nevada Division of Minerals](#), [Nevada Division of Environmental Protection](#), and [Nevada Division of Water Resources](#) in the near future.
 - a. Before drilling:
 - b. Before fracing:
 - c. How long before:
2. Reporting requirements:
 - a. Where reported:
 - b. When reported:
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:
6. Chemical disclosure requirement:
- a. Mandatory:
 - b. Where disclosed:
 - c. When disclosed (pre-fracing, post-fracing, both):
 - d. Time limit to disclose:
 - e. Information required to be disclosed:
 - f. Trade secret protection:
 - g. Required disclosure to health/emergency personnel:

Underground Injection

1. Agencies that control the underground injection of fluid by well class:
Underground Injection Control (UIC) at the [Nevada Division of Environmental Protection](#).

Completion

1. Completion report required: Yes – Oil and Gas Completion Report.
- a. Time limit: 30 days.
 - b. Where submitted: Division of Minerals.
2. Well logs required to be filed: Yes – 2 copies.
- a. Time limit: 30 days after completion.
 - b. Where submitted: Division of Minerals.

- c. Confidential time period: Yes – 6 months. May be extended for series of wells.
 - d. Available for public use: Yes.
 - e. Log catalog available: No.
3. Multiple completion regulation: Yes.
- a. Approval obtained: May be approved administratively.
4. Commingling in well bore: Yes.
- a. Approval obtained: Production from one pool shall not be commingled with that from another pool in the same field before gauging.

Oil Production

1. Definition of an oil well: "Oil well" means any well which is not a gas well and which is capable of producing oil or condensate.
2. Potential tests required: No provision.
 - a. Time interval: No provision.
 - b. Witness required: No provision.
3. Maximum gas-oil ratio: No.
 - a. Provision for limiting gas-oil ratio: Yes. No well shall be permitted to produce gas in excess of the maximum ratio determined by the Division for a pool after notice and hearing.
 - b. Exception to limiting gas-oil ratio: Yes. If excess is returned to the pool from which produced.
4. Bottom-hole pressure test reports required: No provision.
 - a. Periodical bottom-hole pressure surveys: No.
5. Commingling oil in common facilities: Yes. Common tankage may be used to receive the production from any number of wells, provided adequate tankage and other equipment is installed so that production for each well can be accurately determined at reasonable intervals.
6. Measurement involving meters: No provision.
7. Production reports:

- a. By lease: No.
- b. By well: Yes – Oil and Gas Producers Monthly Report.
- c. Time limit: 30 days.

Gas Production

- 1. Definition of a gas well: "Gas well" means a well which produces primarily natural gas or any well classified as a gas well by the Division.
- 2. Pressure base 14.73 psia @ 60 degrees F.
- 3. Initial potential tests: Each gas well must be tested initially by the multipoint back pressure method at a time prescribed by the Division.
 - a. Time interval: No provision.
 - b. Witness required: No provision.
- 4. Bottom-hole pressure test reports required: No provision.
 - a. Periodical bottom-hole pressure surveys: No provision.
- 5. Commingling of gas in common facilities: Yes. Common tankage may be used to receive the production from any number of wells, provided adequate tankage and other equipment is installed so that production for each well can be accurately determined at reasonable intervals.
- 6. Measurement involving meters: Yes.
- 7. Production reports:
 - a. By lease: No.
 - b. By well: Yes.
 - c. Time limits: 30 days.