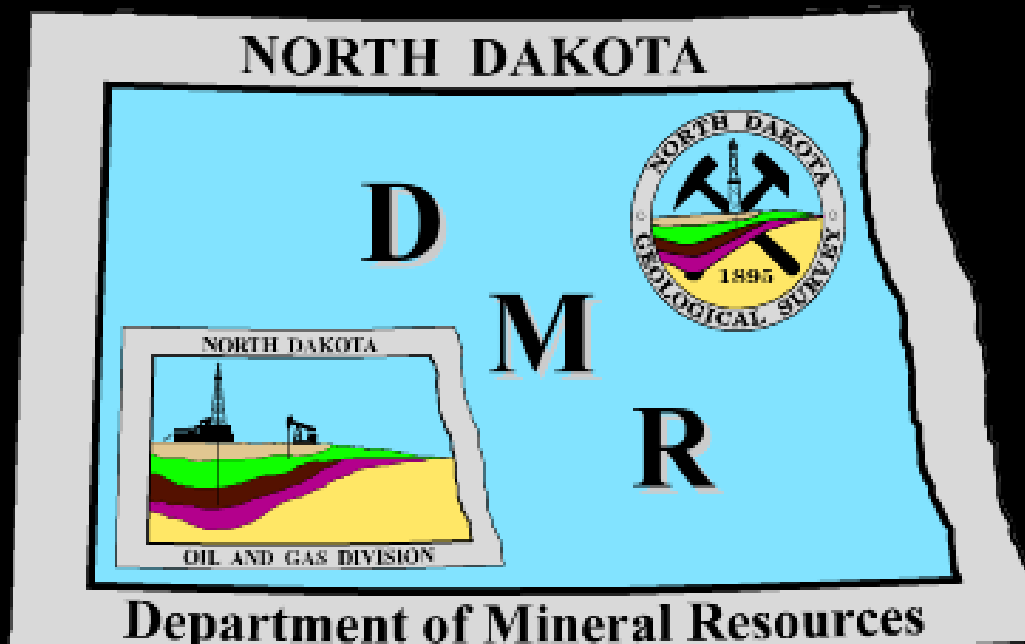


# North Dakota Department of Mineral Resources



<http://www.oilgas.nd.gov>

<http://www.state.nd.us/ndgs>

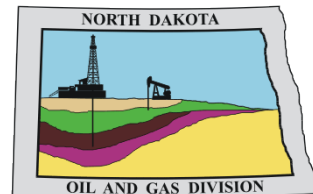
***600 East Boulevard Ave. - Dept 405***

***Bismarck, ND 58505-0840***

***(701) 328-8020      (701) 328-8000***



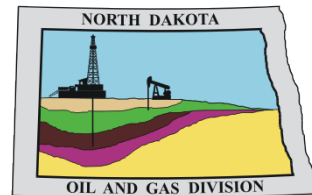
NDIC – DMR Oil and Gas Division



# Bakken Forward > > >

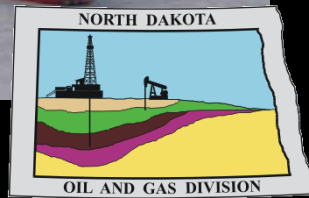


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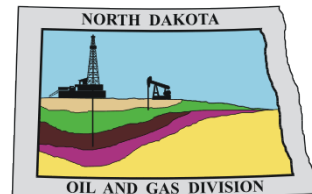


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# North Dakota Idle Wells



# General Guidelines for Not Completed - Waiver of Wells

## Policy Goal:

The North Dakota Industrial Commission (NDIC) is charged with "fostering, ... encouraging, and ... promoting the development, production, and utilization of the *state's* natural resources of oil and gas in the state in such a manner as will prevent waste." The Commission is promulgating this Policy to prevent waste.

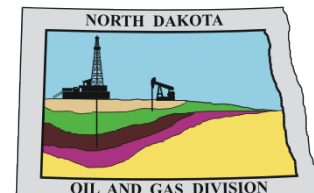
North Dakota Century Code (NDCC) § 38-08-04 (1) (l) and North Dakota Administrative Code (NDAC) § 43-02-03-55 (1) define what constitutes abandonment of a well and the operator's obligation to plug such a well and reclaim its site.

NDAC § 43-02-03-55 (2) was drafted to give the operator of an abandoned well sufficient time either to restore production or plug and reclaim the well.

This Policy does nothing to change the existing text or application of NDAC § 43-02-03-55 (2) to a well which has previously produced oil or gas.

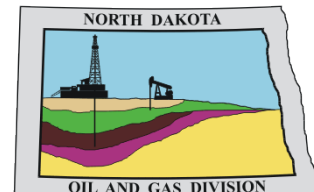
NDAC § 43-02-03-55 (3) and this policy are drafted to eliminate the waste which would otherwise occur by application of NDAC § 43-02-03-55 (2) to horizontal Bakken wells for which completions have been deferred.

*Not Completed – Waiver (NCW) Status may only be given to wells that have been drilled but whose casing has not yet been perforated (i.e. the well is incapable of producing oil or gas because completion operations have not yet been performed).*



## Proposed NCW Approval Procedure

1. The operator must submit a Sundry Notice – Form 4 intent to request a waiver to plug and reclaim an abandoned well pursuant to NDAC § 43-02-03-55 Part (3). The request must include:
  - a. A current well bore schematic that identifies the dimensions and depths of casing, tubing, liner(s) and frac string installed in the well; completion design for the well; type and density of all fluids in the well in the intermediate casing and frac string; and wellhead equipment.
  - b. Documentation that a successful pressure test was performed which adequately tested the integrity of the intermediate casing and packer element utilized to isolate the intermediate casing-production liner annulus from the intermediate casing to a minimum pressure of one thousand five hundred pounds per square inch [10,342 kilopascals] gauge.
  - c. Documentation that a successful negative pressure test of the production liner was performed. The pressure must have been bled off and a flow check performed. If no flow was observed the integrity of the liner below the liner hanger will be considered proven.
  - d. A cement evaluation log or the intermediate casing cementing job report.
  - e. Statement that wellhead equipment complies with NDAC §§ 43-02-03-28 and 43-02-03-29.
  - f. Proposed procedure to perform a NDIC witnessed surface pressure/flow test on the surface casing, the intermediate casing and frac string. Operator must notify the NDIC Field Inspector 48 hours prior to performing test. If pressure is present, the operator must relieve the pressure and install gauges. The operator must re-check the pressure gauges within 48 hours for pressure buildup.
2. The Field Inspector should witness and document the initial surface pressure/flow test in the database and notify the Bismarck office via email of failed tests. The operator is required to file a sundry notice reporting the work done.
3. A file review must be performed.

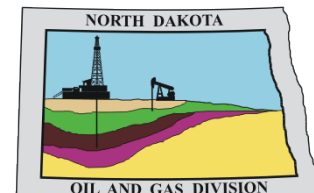


## **Subsequent Report of NCW Procedures**

1. The operator must submit for approval a subsequent report of the NCW procedures and request for a waiver to plug and reclaim an abandoned well pursuant to NDAC § 43-02-03-55 (3) being sure to include date and results of flow test.
2. Ensure NDIC Field Inspector was properly notified of surface pressure/flow test.
3. NCW status approved for one year. The director may extend a well's NCW status beyond one year.
4. A file review must be performed.

## **NCW Extension Requirements**

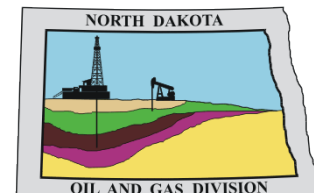
1. The operator must submit for approval an annual request to extend the NCW status. The director may extend a well's NCW status beyond one year. An annual surface pressure/flow test should be witnessed by a NDIC Field Inspector. The operator must notify the NDIC Field Inspector 48 hours prior to performing test. If pressure is present, the operator must relieve the pressure and install gauges. The operator must re-check the pressure gauges within 48 hours for pressure buildup.
2. The NDIC Field Inspector must witness and document the annual surface pressure/flow test in the database and notify the Bismarck office via email of failed tests.
3. Documentation of quarterly inspections and surface pressure/flow tests with results. If no such tests were performed, that should be indicated also. Operator must provide the name of the NDIC Field Inspector and date notified of unwitnessed flow tests.
4. A file review must be performed.





## Inspections & Monitoring Requirements

1. The NDIC Field Inspector must witness and document the initial surface pressure/flow test in the database and notify the Bismarck office via email of failed tests.
2. Well must be inspected by the operator at least once per quarter for pressure or leakage on the surface casing, the intermediate casing and frac string. If pressure is present, the operator must notify the NDIC immediately, relieve the pressure and install gauges. The operator must re-check the pressure gauges within 48 hours for pressure buildup. If the NDIC Field Inspector is unable to witness the test, the operator must notify the NDIC Field Inspector of the results of the test and the NDIC Field Inspector will document the results in the database. If the NDIC Field Inspector witnesses the surface pressure/flow test, it should be documented in the database and the Bismarck office notified via email of failed tests. Note the operator must report the results and the respective inspection dates from the inspections and flow tests on any request to extend the NCW status.
3. Operator must perform an annual NDIC witnessed surface pressure/flow test on the surface casing, the intermediate casing and frac string. Operator must notify the NDIC Field Inspector 48 hours prior to performing test. If pressure is present, the operator must relieve the pressure and install gauges. The operator must re-check the pressure gauges within 48 hours for pressure buildup.
4. The NDIC Field Inspector must witness and document the annual surface pressure/flow test in the database and notify the Bismarck office via email of failed tests.
5. Any pressure or leakage discovered by the operator must be reported to the NDIC immediately.



## Revocation of NCW Status

1. Failure of surface pressure/flow test.
2. Fails inspection and monitoring requirements in part 4 above.
3. Reason for NCW no longer valid.
4. Consideration of mineral/landowner/field inspector concerns that are in the well file and field inspector notes in RBDMS.

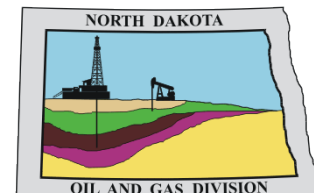
## Access to Well Sites

Reasonable access to NCW well sites must be maintained.

## Other

Upon notice from the NDIC that a well drilled on a multi-well pad has met the definition of what constitutes abandonment of the well, the operator may apply for additional time to NCW or TA the well by documenting the date that each well drilled on the multi-well pad during continuous drilling operations reached total depth. The commission may grant an extension of the Not Completed (NC) well status to one year following the date the last well drilled on the multi-well pad during continuous drilling operations reached total depth.

***Note: The foregoing are guidelines only and may be altered for good cause to meet specific conditions.***



## General Guidelines for Inactive Well - Waiver

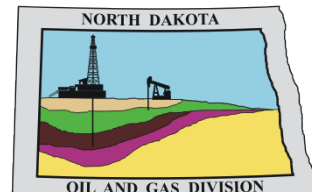
### **Policy Goal:**

The North Dakota Industrial Commission (NDIC) is charged with "fostering, ... encouraging, and ... promoting the development, production, and utilization of the *state's* natural resources of oil and gas in the state in such a manner as will prevent waste." The Commission is promulgating this Policy to prevent waste.

North Dakota Century Code (NDCC) § 38-08-04 (1) (I) and North Dakota Administrative Code (NDAC) § 43-02-03-55 (1) define what constitutes abandonment of a well and the operator's obligation to plug such a well and reclaim its site.

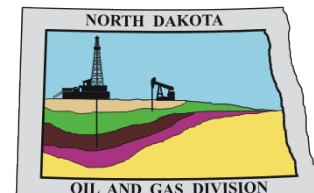
NDAC § 43-02-03-55 (3) was drafted to give the operator of an abandoned well sufficient time either to restore production or plug and reclaim the well.

*Inactive Well – Waiver (IAW) Status may only be given to wells that have met the following criteria.*



## Proposed IAW Approval Procedure

1. The operator must submit a Sundry Notice – Form 4 intent to request a waiver to plug and reclaim an abandoned well pursuant to NDAC § 43-02-03-55 Part (3). The request must include:
  - a. Documentation of why the well is currently in an inactive or abandoned status.
  - b. A statement that the well is uneconomic to produce at current crude oil prices.
  - c. A statement that wellhead equipment complies with NDAC §§ 43-02-03-28 and 43-02-03-29 with regard to subsurface pressure control and well and lease equipment in good working order.
  - d. The current casing and tubing pressure.
  - e. If the well was in abandoned status (AB – had not produced for a continuous 12 month period) prior to January 1, 2016, document why the well was not brought into compliance prior to that date.
2. A file review and review of the field activity system must be performed.



## IAW Extension Requirements

1. The operator must submit for approval an annual request to extend the IAW status by including an updated sundry with the information required above in items (a) through (d).

## Revocation of IAW Status

1. Reason for IAW no longer valid.
2. Consideration of mineral/landowner/field inspector concerns.
3. Removal of any production or injection equipment.

## Access to Well Sites

Reasonable access to IAW well sites must be maintained.

***Note: The foregoing are guidelines only and may be altered for good cause to meet specific conditions.***

