KENTUCKY

I. Administration

1. Agency regulating oil and gas exploration/production: Division of Oil and Gas, 300 Sower Blvd, Frankfort, KY 40601. Phone: (502) 573-0147. Fax: 502-564-4245

2. Contact for regulatory updates: Dennis Hatfield, Director.

3. Docketing procedure: Any party to a property may request a hearing and said hearing will be set.
   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.

II. 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.

III. Bond/Surety

KRS 353.590

1. Purpose of surety: For compliance purposes.

2. Plugging and restoration: For plugging only (pre-June 2019); for plugging and site reclamation post June 2019.

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 (shallow well): Effective for all permits issued after 6/27/19, shallow well bonding cost is $2 per foot.

Amount per well (deep well):
Vertical deep wells – $25,000
Horizontal deep well – $40,000
Oil & Gas Conservation Commission may establish a higher amount

b. Amount of blanket bond: New amounts for all new blanket bonds post 6/27/2019 (all prior blanket bonds still grandfathered at old rates)

For shallow wells:
$20,000 for 1-25 wells
$50,000 for 26-100 wells
$200,000 for 101-500 wells
$300,000 for 501 to 1000 wells
Over 1000 wells, additional bonding is required at the same additive tier levels as shown above

For deep wells:
1 to 10 vertical deep wells - $200,000
1 to 10 horizontal deep wells - $320,000

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

IV. 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

V. Spacing

   **KRS 353.610 and 353.620 (shallow wells)**

   805 KAR 1:100 (deep wells)

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 deep) - 400 feet between wells and 200 feet from mineral boundary. Oil well (coal areas and wells in non-coal area between 2000 feet and 6000 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 6,000 feet deep. Varies with depth and geographic area.

1. Exceptions: Yes, **KRS 353.620.**

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

   b. Approval: By notice, then hearing if any objections.

VI. Pooling
KRS 353.630

1. Authority to establish voluntary: Yes.

2. Authority to establish compulsory: Yes.

VII. 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%

VIII. 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:
      Shallow wells (0' to 6000') - $350
      Vertical Deep Wells:
      6001'-7000' TVD - $500
      7,001 or deeper TVD - $600
      Horizontal Deep Wells
10,000’ or less TMD - $5,000
10,001’ or greater TMD - $6,000
For multilateral - $500 for each lateral

Additional horizontal wells on same pad:
  10,000 TMD or less - $3,000
  10,001 TMD or more - $4000

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.

**IX. Vertical Deviation**

KRS 353.739
805 KAR 1:200
805 KAR 1:140

1. Regulation requirement:
   a. 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.

**X. 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

   XI. **Hydraulic Fracturing**

   KRS 353.6603
   KRS 353.6604
   KRS 353.6605
   KRS 353.6606

   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: N/A

   4. Mechanical integrity: N/A
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: Yes, for horizontal wells using more than 80,000 gallons of water, chemical, and proppant combined for any stage or 320,000 gallons total

b. Where disclosed: FracFocus.org

c. When disclosed (pre-fracing, post-fracing, both): within 90 days after treatment

d. Time limit to disclose: 90 days after treatment

e. Information required to be disclosed:

Operator’s name; date of the high-volume horizontal fracturing treatment; county in which the well is located; API number for the well; well name and number; longitude and latitude of the wellhead; true vertical depth of the well; total water volume used; each chemical additive used in the fracturing treatment, including the chemical abstract service number added, if applicable; maximum concentration, in percent by mass, of each chemical intentionally added to the base fluid, if applicable; and total amount of proppant used, if applicable.

f. Trade secret protection: Yes

g. Required disclosure to health/emergency personnel: Yes

XII. Underground Injection
KRS 353.592
805 KAR 1:110

1. Agencies that control the underground injection of fluid by well class:
   Division of Oil and Gas

XIII. 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, 300 Sower Blvd, Frankfort, KY 40601

2. Well logs required to be filed:
   a. Time limit: 90 days.
   b. Where submitted: Division of Oil and Gas, 300 Sower Blvd, Frankfort, KY 40601
   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

XIV. 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: Yes.
   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.

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**XV. 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.


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.