WASHINGTON
Administration

1. Agency regulating oil and gas exploration/production: Department of Natural Resources, Division of Geology and Earth Resources, Olympia, WA 98504-7007. Phone: (360) 902-1439. Dave Norman, Oil and Gas Supervisor.

2. Contact for regulatory updates: N/A

3. Docketing procedure: Department issues notice of hearing to State Code Reviser’s Office, interested parties, and gives public notice in a newspaper at least 20 days before the proposed hearing.
   a. Emergency orders: Yes. Department can promulgate them with no notice. They cannot be in effect more than 90 days.
   b. Notice: 20 days. The Department is responsible to give notice.

4. Agency regulating air emissions: Department of Ecology or a Regional Air Quality authority depending on area of state.

5. Agency regulating water quality: Department of Ecology

License

1. License required: N/A

2. Conditions of license: N/A

Bond/Surety

1. Purpose of surety: Plug and Abandonment and site restoration.


4. Types of surety accepted:

5. Conditions of bond: Bond is for proper abandonment of well and remains in force until that is accomplished and well site has been reclaimed.
   a. Amount per well: Not less than $50,000.
   b. Amount of blanket bond: Not less than $250,000.
Land Leasing Information

1. Leasing method: Sealed-bid auction. No over the counter sales of state oil and gas leases.

2. Notice method: Advertised in the Olympia, WA newspaper, and the official notice of Auction is distributed to oil and gas community mailing list.

3. Minimum bidding $ (per acre): The successful bidder will be determined by the highest bonus bid offered for each parcel. The starting bonus bid will be $2.00/acre. A $1.00/acre surcharge will also be assessed to the successful bidder to cover the costs of associated environmental reviews and lease processing.

4. Qualification of the bidder: Anyone can submit a sealed-bid.


6. Maximum acres: 640 acres or one government-surveyed section (some parcels in this category exceed 1,000 acres).

7. Royalty rates: N/A

8. Agency in control of leasing: Product Sales and Leasing Division, Washington Department of Natural Resources, P.O. Box 47016 Olympia, WA 98504-47016. Phone: (360) 902-1642. E-mail: venice.goetz@dnr.wa.gov. Web site: www.dnr.wa.gov.

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? None in oil and gas rules or laws. However, there could be a setback determined in the environmental review and permitting phase.

2. Are there other sources of information on this matter that you could identify? No.

Spacing

1. Spacing requirements: Yes. Not smaller than the maximum area that can be efficiently drained by one well. Because we have no production, specific limits have never been set.

   a. Density: Not greater than 160 acres for oil or 640 acres for gas.

   b. Lineal: Not closer than 500 feet to lease boundary line.
2. Exceptions:
   a. Basis: Department rules that prescribed location would not produce in paying quantities or that surface conditions would add a burden or hazard.
   b. Approval: From the department.

    **Pooling**

1. Authority to establish voluntary:

2. Authority to establish compulsory:

    **Unitization**

1. Compulsory unitization of all or part of a pool or common source of supply: Yes, but only for secondary recovery.

2. Minimum percentage of voluntary agreement before approval of compulsory unitization:
   a. Working interest: As determined by the Department.
   b. Royalty interest: As determined by the Department.

    **Drilling Permit**

1. Permits required for:
   a. Drilling a producing or service well: Yes.
   b. Seismic drilling: No but notification to the Department must be given.
   c. Recompletion: Yes.
   d. Plugging and abandoning: Yes, part of drilling permit.

2. Permit fee:

    | Depth (ft)      | Amount |
    |----------------|--------|
    | 0- 3,500       | $250   |
    | 3,501 - 7,000  | $500   |
    | 7,001 - 12,000 | $ 750  |
    | 12,001 or below| $1,000 |
a. Seismic drilling: $100
b. Recompletion: $100 under
c. Plugging and abandoning: No.

3. Require filing report of work performed: Yes.

4. Sundry notices used: N/A

**Vertical Deviation**

1. Regulation requirement:
   a. When is a directional survey necessary: Before beginning the deviation.
   b. Filing of survey required: Yes.
   c. Format of filing: N/A

**Casing and Tubing**

1. Minimum amount required: Yes. Depends on the situation. Each well is handled separately according to the conditions that exist.
   a. Surface casing: Yes.
   b. Production casing: Yes.

2. Minimum amount of cement required: Yes.
   a. Surface casing: TD to surface.
   b. Production casing: Yes, from the shoe to surface casing.
   c. Setting time: Yes. Not less than 16 hours.

3. Tubing requirements:
   a. Oil wells: Yes.
   b. Gas wells: Yes.

**Hydraulic Fracturing**

1. Permitting: Part of Drilling Permit and SEPA (environmental) review.
   a. Before drilling: Yes.
   b. Before fracing: Yes.
c. How long before: Must have approval of Oil and Gas Supervisor.

2. Reporting requirements:
   a. Where reported: Report to Oil and Gas Supervisor.
   b. When reported: Immediately.

3. Source water requirements: Yes.

4. Mechanical integrity:
   a. Cementing log required: Yes.
   b. Pressure testing: Yes.
   c. Pressure monitoring: Yes.
   d. Blowout preventer required: Yes.

5. Disposal of flowback fluids:
   a. Retaining pits: Yes.
   b. Tanks: Yes.
   c. Approved discharge to surface water: Yes.
   d. Underground injection: Yes.

6. Chemical disclosure requirement:
   a. Mandatory: Yes.
   b. Where disclosed: Oil and Gas Supervisor.
   c. When disclosed (pre-fracing, post-fracing, both): Both.
   d. Time limit to disclose: Immediately.
   e. Information required to be disclosed: All.
   f. Trade secret protection: No.
   g. Required disclosure to health/emergency personnel: Yes.

Underground Injection

1. Agencies that control the underground injection of fluid by well class: Department of Ecology.
Completion

1. Completion report required:
   a. Time limit: 30 days.
   b. Where submitted: Oil and Gas Supervisor, Department of Natural Resources, Division of Geology and Earth Resources, P O Box 47007, Olympia WA 98504-7007.

2. Well logs required to be filed: Yes.
   a. Time limit: Thirty days for descriptive logs, 6 months for downhole surveys.
   b. Where submitted: Oil and Gas Supervisor, Department of Natural Resources, Division of Geology and Earth Resources, P O Box 47007, Olympia WA 98504-7007.
   c. Confidential time period: Yes. Twelve months from day of completion or abandonment.
   d. Available for public use: Yes.


3. Multiple completion regulation: Yes.
   a. Approval obtained: Department action.

4. Commingling in well bore: Yes.
   a. Approval obtained: Department action.

Oil Production

1. Definition of an oil well: No legal definition.

2. Potential tests required: No.
   a. Time interval: On a case by case basis.
   b. Witness required: Yes.
   a. Provision for limiting gas-oil ratio: Yes.
   b. Exception to limiting gas-oil ratio: Yes.

4. Bottom-hole pressure test reports required: No.
   a. Periodical bottom-hole pressure surveys: No.

5. Commingling oil in common facilities: Yes, with written permission from the Supervisor.


7. Production reports: Yes.
   a. By lease: N/A
   b. By well: Yes.
   c. Time limit: 30 days.

Gas Production

1. Definition of a gas well: No legal definition.

2. Pressure base ________ psia @ ________degrees F.

3. Initial potential tests: Yes.
   a. Time interval: 24 hours.
   b. Witness required: Yes.

4. Bottom-hole pressure test reports required: No.
   a. Periodical bottom-hole pressure surveys: No.

5. Commingling of gas in common facilities: Yes, with written permission from the Supervisor.


7. Production reports:
   a. By lease: Yes.
   b. By well: Yes.
c. Time limits: 30 days.