

Cabin Baby History and Regulatory Interpretation

Dates and Items of Importance

- Michael P. Grace originally drilled Cabin Baby-1 (CB-1) as an exploratory oil well in 1973. R-111 restrictions did not apply to this well when drilled.
- Well bore contains open hole through the salt, not in compliance with R-111, however, R-111 did not apply at this time.
- The well was a dry hole, and was planned for permanent plugging and abandonment by its operator/owner.
- The DOE requested approval from the BLM to operate CB-1 January 17, 1978 for the purpose of acquiring hydrologic data. (See Attachment A)
- The BLM approved DOE's request approximately 3 weeks later, on February 7, 1978. (See Attachment B)
- In 1988, R-111-P was issued and revised the KPLA to include CB-1.

Our interpretation is that the open-hole well bore configuration does not fall under R-111-P requirements *unless* further drilling takes place. Moreover, it is questionable if R-111-P would apply even then, due to the water monitoring nature of the well. It *is not* a hydrocarbon well.

R-111-P states that **Drilling** in the Potash Area is subject to its requirements. R-111-P section D provides the Drilling and Casing Program, and specifies that the salt section shall contain casing and cement run to the surface in the casing annulus. This section is very prescriptive, but only mentions *drilling*. It does not mention applicability of the rule to previous, existing wells. It is interpreted, therefore, that existing wells are grandfathered out of these requirements.

R-111-P clearly states that the plugging requirements apply to all wells plugged after the promulgation of the rule, by use of the term "*heretofore*". This is specified at R-111-P F(1):

up to this time

All wells heretofore and hereafter drilled within the Potash Area shall be plugged in a manner[according to R-111-P].
[Emphasis added]

When CB-1 is permanently plugged and abandoned, it will be done so in accordance with these requirements. This commitment was made by DOE as early as the 1978 letter requesting approval to operate. The letter (Attachment A) states:

"...DOE agrees to assume and bear all the expense with respect to plugging the well and to the restoration of the surface, all in accordance with BLM's prevailing regulations. If the WIPP site is finalized in its present location, we would plug this well with more care than is normally taken since the well is right on the control zone boundary."