

CHAPTER 3

OPERATIONAL RULES, DRILLING RULES

Section 1. Notices: General and Emergency.

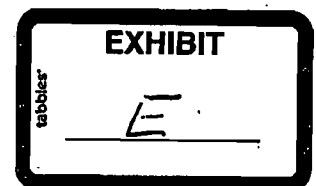
(a) A written notice of intent to do work on an Application for Permit to Drill (APD, Form 1) and a drilling and completion plan (Chapter 3, Section 8(c)), or on a Sundry Notice (Form 4) to change plans previously approved on the original Form 1, must be filed with the Supervisor, unless otherwise directed, and must reach the Supervisor and receive his approval before the work is begun. Approval must be sought to acidize, cleanout, flush, fracture, or stimulate a well. The sundry notice must include depth to perforations or the openhole interval, the source of water and/or trade name of fluids, type of proppants, as well as estimated pump pressures. Routine activities that do not affect the integrity of the wellbore or the reservoir, such as pump replacements, do not require a sundry notice. The Supervisor may require additional information.

(b) In case of emergency, or a situation where operations might be unduly delayed, any written notice required by these Rules and Regulations to be given to the Supervisor may be given orally or by wire and, if approval is obtained, the transaction shall be confirmed in writing, as a matter of record.

(c) Chapter 5 of this volume provides rules of practice and procedure for matters which are set to be heard before the Commission and also for actions which can be taken by the Supervisor as he administers the Wyoming Conservation Act and these rules which have been adopted. The Supervisor, at his discretion, may set for hearing before the Commission any request for administrative approval of operations covered by these rules. The manner and time for giving notice is provided by the Wyoming Conservation Act and by these rules and regulations. Further, WYO. STAT. ANN. § 30-5-111(f), provides that in addition to the notice prescribed by these rules, such additional notice as is deemed necessary and proper may be required. The Commission maintains a mailing list for persons interested in receiving notice of the matters scheduled to be considered at its monthly hearings.

Section 2. Location of Wells/Drilling and Spacing Units (All Lands Except Tribal).

(a) In the absence of special orders of the Commission establishing drilling units or authorizing different well density or location patterns for particular pools or parts thereof, each oil and gas well shall be located in the center of a forty (40) acre governmental quarter-quarter section, or lot or tract or combination of lots or tracts substantially equivalent thereto, as shown by the most recent governmental survey, with a tolerance of two hundred feet (200') in any direction from the center location (a "window" 400 feet square) provided:



(k) Any owner of pore space within a geologic sequestration site who has not been included within a unitization application or order authorizing a unit under this section, may petition for inclusion in the unit area, as provided by WYO. STAT. ANN. § 35-11-316(g).

Section 44. Change of Address.

Any Owner/Operator of a well shall, at all times, keep the Commission apprised of their current mailing and physical address. This may be done on a Sundry Notice (Form 4) or in the form of a letter.

Section 45. Well Stimulation.

(a) An approved Application for Permit to Drill (APD, Form 1) or an approved Sundry Notice (Form 4) is required prior to the initiation of any well stimulation activity. Additional stimulation fluid information shall be provided to the Commission as an addendum to the APD (Form 1), or as part of a comprehensive drilling/completion/recompletion plan, or on a Sundry Notice (Form 4). A federal fieldwide development document or similar document may be accepted by the Supervisor. The Supervisor may require, prior to the well stimulation, the Owner or Operator to perform a suitable mechanical integrity test of the casing or of the casing-tubing annulus or other mechanical integrity test methods using procedures set forth in Chapter 2, Section 6 and Chapter 4, Section 7(e)(i).

(b) Where multiple stimulation activities will be undertaken for several wells proposed to be drilled to the same zone(s) within an area of geologic similarity, approval may be sought from the Supervisor to accept a comprehensive master drilling/completion/recompletion plan containing the information required. The approved master drilling/completion/recompletion plan will then be referenced on each individual well's Application for Permit to Drill (Form 1).

(c) The Owner or Operator shall provide geological names, geological description and depth of the formation into which well stimulation fluids are to be injected.

(d) The Owner or Operator shall provide detailed information to the Supervisor as to the base stimulation fluid source. The Owner or Operator or service company shall provide to the Supervisor, for each stage of the well stimulation program, the chemical additives, compounds and concentrations or rates proposed to be mixed and injected, including:

(i) Stimulation fluid identified by additive type (such as but not limited to acid, biocide, breaker, brine, corrosion inhibitor, crosslinker, demulsifier,