

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION COMMISSION**

**IN THE MATTER OF THE APPLICATION OF  
BURLINGTON RESOURCES OIL & GAS COMPANY  
TO AMEND DIVISION RULE 1105.C TO EXPAND AND EXTEND  
THE CONFIDENTIALITY PROVISIONS OF SAID RULE,  
STATE OF NEW MEXICO**

RECEIVED

AUG 12 1997

Oil Conservation Division

CASE: 11856

**APPLICATION**

COMES NOW BURLINGTON RESOURCES OIL & GAS COMPANY ("Burlington") by and through its attorneys, Kellahin & Kellahin, and applies to the New Mexico Oil Conservation Division ("Division") to amend Division Rule 1105.C to enlarge the scope of the "confidentiality provisions and to provide for multiple extensions of the 90-day "confidentiality period",

and in support thereof states:

1. The Division's only "confidentiality rule" is contained as a subparagraph of Division's General Rule 1105.

2. Division General Rule 1105.A requires that "within 20 days following the completion or recompletion of any well, the operator shall file Form C-105 with the Division...accompanied by a summary of all special tests conducted on the well, including drill stem tests...and all electrical and radio-activity logs run on the well..."

3. Division General Rule 1105.C provides a limited "confidentiality" provision for the data, including logs, submitted pursuant to Rule 1105.A such that, at the operator's request:

"...the Division will keep these data confidential for 90 days from the date of completion of the well, provided, however, that the report, log(s), and other attached data may, when pertinent, be introduced in any public hearing before the Division or its examiners or in any court of law, regardless of the request that they be kept confidential."



4. With the exception of Division General Rule 1105.C, and despite the fact that the Division deals with data and information which should be classified as "confidential" the Division has not adopted a rule for the protection from disclosure trade secrets and other confidential or proprietary data submitted to the Division. ✓

5. By comparison, the Bureau of Land Management ("BLM"), in accordance with 43 CFR Part 2 (3162.8), affords to the operator the following confidentiality provisions:

(a) trade secrets and commercial and financial information that is privileged or confidential or other information that may be withheld under the Freedom of Information Act, such as geological or geophysical data and maps shall not be available for public inspection or made public or disclosed without the consent of the operator for a period of 12-month with a possibility of an additional 12-months period. But upon termination of the lease, such information shall be made available to the public.

(b) geological, geophysical or financial information which is not required under the regulations but submitted by the operator to the Authorized Officer is held confidential and not released without the consent of the operator.

(c) the regulations set out the circumstances when trade secrets, proprietary and other confidential information shall be made available to states and Indian tribes upon request for purposes of conducting an investigation.

6. Modern exploration efforts involve a high degree of economic risk and considerable capital investment in order to develop state of the art geological/geophysical data sufficient to justify exploratory drilling in New Mexico. Such data represents the "trade secrets" of operators which should be kept confidential. ✓

7. Both the Division and the BLM recognize that operators are entitled to maintain the confidentiality of certain data which affords protection to those operators who have expended considerable time, money and effort to acquire such data which gives them a competitive advantage over other operators who simply want to take advantage of "public" filings in order to obtain technical data for which they had not paid. ✓

8. The BLM has successfully maintained the confidentiality of certain proprietary data is essential for the industry and has still been able to perform its various regulatory responsibilities.

9. However, the Division's confidentiality rule is limited in scope and provides for only one 90-day confidentiality period for only certain data which provides very little if any protection of these trade secrets.

10. Expanding the Division's confidentiality rules is essential for the industry and can be accomplished by Division while still enabling the Division to perform its various regulatory responsibilities.

11. It is also the declares policy of the Division to consult, cooperate, coordinate and enter into cooperative agreements with the BLM relating to oil and gas development and operational regulations.

12. The current Division confidential rule is in adequate and in conflict with the BLM confidential rule.

13. The BLM confidential rule provides a more effective and efficient means for the protection of confidential data than is afforded by the Division's rule.

14. Accordingly, Burlington request that the Division amend its Rule 1105.C and adopt the following:

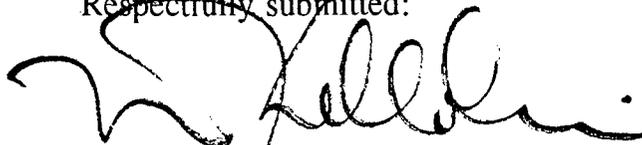
" Operators, and parties appearing before the Division, submitting data and information including but not limited to the data submitted pursuant to Rule 1105.A that they believe to be exempt form disclosure shall, at the time of submittal shall clearly mark it "CONFIDENTIAL INFORMATION" and physically separate it from other portions of the submitted data. Data so marked shall be kept confidential by the Division.

Such information obtained from an operator or party that constitutes trade secrets, proprietary and other confidential information/data, including but not limited to geological, geophysical or financial information, shall be withheld by the Division from public disclosure and shall not be made available for public inspection or made public or disclosed with the written consent of the operator for a period of not less than 90-days and upon written request to and approval by the Director, without notice or hearing, the operator can obtain up to three (3) additional 90-day periods of confidentiality.

15. The amendment of Rule 1105.C as set forth above, will prevent the economic loss caused by the premature disclosure of trade secrets and other confidential and proprietary data.

WHEREFORE, Applicant requests that this application be set for hearing before the New Mexico Oil Conservation Division on the September 4, 1997 and that after notice and hearing the application be approved.

Respectfully submitted:

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over a horizontal line.

W. THOMAS KELLAHIN  
Kellahin & Kellahin  
P. O. Box 2265  
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STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION COMMISSION

IN THE MATTER OF THE HEARING CALLED BY )  
 THE OIL CONSERVATION COMMISSION FOR THE )  
 PURPOSE OF CONSIDERING: ) CASE NO. 11,856  
 )  
 APPLICATION OF BURLINGTON RESOURCES OIL )  
 AND GAS COMPANY TO AMEND NEW MEXICO OIL )  
 CONSERVATION DIVISION RULE 1105.C TO )  
 EXPAND AND EXTEND THE CONFIDENTIALITY )  
 PROVISION OF SAID RULE )  
 )

REPORTER'S TRANSCRIPT OF PROCEEDINGS

COMMISSION HEARING

BEFORE: WILLIAM J. LEMAY, CHAIRMAN  
 WILLIAM WEISS, COMMISSIONER  
 JAMI BAILEY, COMMISSIONER.

September 25th, 1997

Santa Fe, New Mexico

This matter came on for hearing before the Oil Conservation Commission, WILLIAM J. LEMAY, Chairman, on Thursday, September 25th, 1997, at the New Mexico Energy, Minerals and Natural Resources Department, Porter Hall, 2040 South Pacheco, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

\* \* \*

STEVEN T. BRENNER, CCR  
 (505) 989-9317

1 CHAIRMAN LEMAY: Thank you, Mr. Gallegos.

2 Any other witnesses who will give testimony in  
3 the case?

4 If not, will the one Burlington witness stand and  
5 raise your right hand?

6 (Thereupon, the witness was sworn.)

7 CHAIRMAN LEMAY: Thank you.

8 Mr. Kellahin?

9 MR. KELLAHIN: Thank you, Mr. Chairman.

10 Mr. Chairman, members of the Commission, I've  
11 handed out the Burlington exhibit package. It's to be  
12 marked as Burlington Exhibit 1. It is a green binder that  
13 contains the various displays and information that Mr. Alan  
14 Alexander and I will discuss with you.

15 I've also circulated a one-page handout that  
16 represents the current rule, and below that is duplicated  
17 the suggested proposed rule.

18 By way of background and information, Burlington  
19 has filed this request as an opportunity for the Commission  
20 to consider, discuss and determine what, if any, policy  
21 decisions or rules and guidance that you want to give the  
22 industry concerning what I'll generally characterize as  
23 trade secrets.

24 In the last few years there has been substantial  
25 debate, some of it coming before your Examiners, dealing

1 with the proprietary nature of geophysical data. Thus far,  
2 those disputes and that debate has been resolved on a case-  
3 by-case basis.

4 In addition, there continues to be a discussion  
5 and debate in the industry as to what amount of trade  
6 secrets an operator has that he needs to disclose to the  
7 regulators in order for you to perform your functions.

8 In addition, you need to recognize, as I know you  
9 do, that historically the acquisition of log data by an  
10 operator, particularly in the exercise of exploration  
11 activity, is a highly valuable asset. That asset has been  
12 protected by the regulators for a certain limited period of  
13 time under various confidentiality rules.

14 Mr. Alexander and I will review with you the  
15 confidentiality rules of the BLM and all of the other oil  
16 and gas operating states in the southwest. You will find  
17 that the Division confidentiality rule that you have is the  
18 most conservative confidentiality rule in the Southwest.

19 The purpose of our Application is to ask you to  
20 consider whether or not you want to adopt any rules,  
21 regulations or guidelines with regards to geophysical data.  
22 You may choose not to do so. You need to know, as we know,  
23 that the next two cases on your Commission docket, the  
24 Fasken and Mewbourne case and the Gillespie-Crow, all  
25 involve significant issues with seismic data.

1           You may find that the time has come that you need  
2 to guide us all in how that information is to be handled  
3 through the regulators. You may decide it's better handled  
4 on a case-by-case basis. But this case is an opportunity  
5 to make that examination.

6           Separate and apart from that issue is the issue  
7 of whether or not the information reported to you on the  
8 completion report, the Division Form C-105, and the  
9 requirement to file accompanying log information, which the  
10 current rule allows to be held confidential if requested --  
11 it's not automatic -- if requested, should be extended  
12 beyond the current 90-day period.

13           And so that you have the existing rule in front  
14 of you, I have reproduced the only confidentiality rule we  
15 have, contained in Rule 1105, and it's found in the third  
16 subsection; it's 1105.C. That is the full extent of your  
17 current rule.

18           The proposed rule that we are suggesting for  
19 consideration is simply paraphrased out of the BLM  
20 confidentiality rule. You may find that it is useful, you  
21 may find that it is not. But it was simply an opportunity  
22 for us to provide you with some language and a chance to  
23 have this discussion and exchange, and for you to determine  
24 to what extent you want to modify it, or whether you'll  
25 keep your current rule and retain the 90-day

1 confidentiality, or grant our Application, which we  
2 consider to be appropriate to add additional extensions  
3 onto that 90-day period.

4 And with your permission, I'll have Mr.  
5 Alexander, with my assistance, go through the exhibit book  
6 with you so that you can see the extent of what we've  
7 discovered, and you can ask him and me and anyone else, if  
8 you desire, questions so that you can be informed on this  
9 topic.

10 So that's our purpose and objective, Mr.  
11 Chairman.

12 CHAIRMAN LEMAY: Thank you, Mr. Kellahin. You  
13 may proceed.

14 ALAN ALEXANDER,

15 the witness herein, after having been first duly sworn upon  
16 his oath, was examined and testified as follows:

17 DIRECT EXAMINATION

18 BY MR. KELLAHIN:

19 Q. Mr. Alexander, for the record would you please  
20 state your name and occupation?

21 A. Yes, my name is Alan Alexander. I'm currently  
22 employed with Burlington Resources Oil and Gas Company in  
23 Farmington, New Mexico, as a senior land advisor.

24 Q. On prior occasions have you testified before the  
25 Commission as an expert in petroleum land matters?

1 A. Yes, sir, I have.

2 Q. As part of your duties and responsibilities, do  
3 you have occasion to become familiar with the various  
4 reporting and filing requirements of the Oil Conservation  
5 Division?

6 A. Yes, sir.

7 Q. In addition, within the capacities of your  
8 employment, are you familiar with the filing and reporting  
9 requirements of the Bureau of Land Management within the  
10 State of New Mexico?

11 A. I'm generally familiar with them, yes, sir.

12 Q. As part of your preparation for today's hearing,  
13 have you also made a search of the confidentiality rules of  
14 the various other states that have confidentiality rules  
15 concerning the proprietary nature of log data filed with  
16 the various regulators?

17 A. Yes, sir, I have.

18 Q. As part of your preparation, have you prepared a  
19 hypothetical example to demonstrate to the Commission the  
20 kinds of issues you're concerned about in terms of the  
21 proprietary nature of the data we're about to discuss?

22 A. I have.

23 MR. KELLAHIN: We tender Mr. Alexander as an  
24 expert witness.

25 CHAIRMAN LEMAY: His qualifications are

1 acceptable.

2 Q. (By Mr. Kellahin) So that we're -- both  
3 understand how you define the term, Mr. Alexander, does the  
4 oil and gas industry rely upon trade secrets for  
5 exploration of oil and gas in New Mexico?

6 A. Yes, we do.

7 Q. When we talk about trade secrets, what categories  
8 of data and information are we describing by that term?

9 A. Well, among others we're describing a  
10 geophysical/geological, land contracts, electric logs, mud  
11 logs, drill-stem tests, all kinds of other wireline logs.  
12 Those are to name a few of the information that we depend  
13 upon heavily to conduct our business.

14 Q. Based upon your research and experience, do the  
15 governmental regulators currently recognize the need for  
16 maintaining the confidentiality of this type of trade  
17 secret?

18 A. Yes, they do.

19 Q. As part of your research, can you identify for us  
20 generally the range of type of information that's held  
21 confidential?

22 A. They would be the range and types of the  
23 information that I just spoke about. They range all the  
24 way from proprietary information that a company normally  
25 collects for itself, that the Commission does not require

1 be distributed to them nor the other regulatory agencies,  
2 such as geological and geophysical types of work. They  
3 range all the way from in-house proprietary data to  
4 proprietary data that the Division does request, and other  
5 regulators request, which generally includes electric logs,  
6 wireline logs and drill stem tests.

7 Q. Let's assume an operator in the State of New  
8 Mexico is exploring -- it's not a development prospect --  
9 he's exploring, develops geophysical data, 3-D seismic  
10 information, drills an exploration well and develops the  
11 suite of logs from that well, and, in fact, it's discovered  
12 to produce gas.

13 Having all that data and all that information,  
14 what types of filings are you required, if you're that  
15 operator in New Mexico, concerning that information?

16 A. Currently the rule, as I understand it, requires  
17 us to file electric logs, drill stem tests and wireline  
18 logs in general, and other special tests that are not  
19 defined in the rule *per se*, but it does say other special  
20 tests, and we're required to file that along with the C-105  
21 completion report.

22 Q. All right, let's start with the hypothetical of  
23 the exploring operator filing an application for a permit  
24 to drill on federal lands in the State of New Mexico. With  
25 that filing, what proprietary information must he disclose,

1 what part of that information, if any, can be held  
2 confidential, and for how long?

3 A. The part that can be held confidential, according  
4 to the rule, it says -- The Rule C-105.C [sic] says, "Form  
5 C-105 and accompanying attachments will not be kept  
6 confidential by the Division unless so requested in writing  
7 by the..." operator "...of the well. Upon such request,  
8 the Division will keep these data confidential for 90 days  
9 from the date of completion of the well, provided, however,  
10 that the report, log(s), and other attached data may, when  
11 pertinent, be introduced in..." the public record for  
12 hearing by "...the Division or its examiners or in any  
13 court of law, regardless of the request that they be kept  
14 confidential."

15 And the types of data referred to in C are spoken  
16 to in 1105.A., immediately above that.

17 Q. All right. What do you propose concerning a  
18 change of that rule?

19 A. What we propose, we have given you in the printed  
20 format here, and generally -- You can read it specifically,  
21 but generally what we are requesting are two areas.

22 We do invite the Commission to consider the area  
23 that Mr. Kellahin introduced to you, the areas of  
24 geological and geophysical data that are not specifically  
25 mentioned in the Commission Rules. However, I believe the

1 Commission will have to deal with this issue, if not today,  
2 at a future date. It will have to be dealt with, in my  
3 opinion.

4 We are also asking for a modification of the  
5 current rule. The Division already allows an operator to  
6 request confidentiality for a 90-day period, so those  
7 procedures and that fact are already in place. We're not  
8 asking for the Division to consider confidentiality rule as  
9 a new rule. That procedure is already out there.

10 What we're asking for is an extension of the  
11 period of time that the Commission would keep the data  
12 confidential.

13 Q. When you look at the end of the second paragraph,  
14 what are you proposing in terms of the period of  
15 confidentiality, and how would this work?

16 A. What we're proposing to the Division is to simply  
17 build upon what they already have in place. We considered  
18 what we would like to request, and we did not propose to  
19 you that we have an automatic confidentiality period, nor  
20 that you adopt a confidentiality period for a fixed or a  
21 given length of -- period of time, like most of the other  
22 states have done, which all of those range from six months  
23 up to four years, which you can request confidentiality.

24 Instead, we would like to build upon what you  
25 already have in place and start with the base 90-day

1 Chairman.

2 Q. (By Mr. Gallegos) Is that what you're saying,  
3 Mr. Alexander?

4 A. No, sir, we do need a rule for confidentiality.

5 Q. But I think you've told us you've been in  
6 hearings, and if Burlington believed information was  
7 confidential -- and I'm not talking about information  
8 required to be filed by 1105.A but just information you  
9 thought was confidential and you've withheld it. Hasn't  
10 that been --

11 A. You asked me if it would impair the adjudicatory  
12 process by not having that information available, and my  
13 response to that is, I do not believe so. I think the  
14 process has gone on and it has been conducted, and it does  
15 not impair that process.

16 I'm not saying that we don't need to hold  
17 information confidential outside of those kinds of hearing  
18 processes. We do need to. That's a competitive advantage  
19 that we have bought and paid for, and we would like to hold  
20 that information confidential.

21 Q. You went further after that answer, though, Mr.  
22 Alexander, and said you've already had experiences where  
23 you withheld what you consider to be confidential  
24 information. Is that a fact?

25 A. Yes, that's a fact.

1 Q. So you didn't need a rule to do that? You just -  
2 - Burlington just did it?

3 A. We didn't need a rule to bring that into the  
4 hearing.

5 Q. You didn't need a rule to refuse to produce  
6 evidence on the basis that it was a trade secret or  
7 proprietary to Burlington; isn't that true?

8 A. In the hearing process?

9 Q. Yes, sir.

10 A. That's already covered by the practices and  
11 procedures of the Division anyway. Are you saying that we  
12 need an additional rule to cover those kind of situations?

13 Q. No, I'm -- To the contrary, you're saying it's  
14 already covered, you say it's already covered by the  
15 practices and procedures of the Commission. What do you  
16 mean by that?

17 A. From our experience, the Commission does not  
18 need, nor have they requested, that we bring proprietary  
19 data forward in order to conclude the particular hearing or  
20 advent. That's our practice.

21 Q. So there's no need to change Rule 1105?

22 A. Yes, there is a need to change it.

23 Q. Well, let me direct your attention to  
24 Burlington's proposed rule, certain language here. All  
25 right? The first paragraph refers to any operator or party

1 Q. Explain that to me.

2 A. Because now we're talking about -- We're not  
3 talking simply about the cost to drill a well; we're  
4 talking about all of the costs that a person has to conduct  
5 up front in seismic and geophysical and land-contract work.

6 Q. So you wouldn't have to spend as much money doing  
7 that if your rule was in place, versus the current rule, or  
8 take as much risk in that?

9 A. And you're talking about the future application  
10 of the rule --

11 Q. I'm talking --

12 A. -- in terms of logs being held confidential, or  
13 are you talking about the application of the rule about  
14 geophysical and geologic data being held confidential even  
15 before you might commence the drilling of a well?

16 Q. The current rule -- I guess maybe we need to get  
17 some understanding there. Is geophysical data required to  
18 be filed under the current rules?

19 A. No, it's not, and the rule does not talk about  
20 that. And I believe it's time for the Commission to  
21 consider that area of proprietary data.

22 Q. So under the current rules, without that  
23 geophysical data being required to be filed, there's no  
24 risk, really, operating under the current rule with the  
25 geophysical data, is there?

1           A.    We have seen some risk develop with some  
2 applications that have been filed with this Division. I  
3 believe the operators are at risk. It depends on what the  
4 Division eventually decides about bringing in that kind of  
5 data into hearings.

6                   And you go into hearings many times, just like we  
7 did on our Marcott well -- it was a pooling hearing -- but  
8 you go into those well before you -- many times before you  
9 drill the well, although we were drilling the Marcott, and  
10 if the Division determines that they need to bring that  
11 type of information into those preliminary hearings, then  
12 yes, we are substantially at risk.

13           Q.    That doesn't matter, whether your rule is in  
14 place, your proposal, or the current rules, does it?

15           A.    Well, we were talking about our proposed rule.  
16 And if you're simply talking about the current rule, and if  
17 you're saying that those types of information cannot be  
18 brought in pursuant to the rule, which I don't think is  
19 clear, and if we're only talking about logs and information  
20 derived when we drill the well, then you're talking about a  
21 post-application problem, in that, yes, we do need to  
22 continue with the work that we started before we drill the  
23 well, we do need to continue to consolidate our acreage, as  
24 we're currently doing.

25                   And then, yes, it becomes a real problem if that

1 information becomes public, because that takes away our  
2 competitive advantage.

3 Q. Okay, the competitive advantage that you have is  
4 not on a well issue then, if I understand correctly; it's  
5 on a leasehold issue. By having the information available,  
6 you're better able to evaluate acreage outside the drill  
7 tract?

8 A. That's one of the bigger components of it for  
9 sure. I'm sure there's other components of the problem.  
10 But for sure, that is one of the larger components, is the  
11 amount of acreage that you can build a block -- put  
12 together to get the reserves needed to support that  
13 project.

14 Q. So then part of the competitive advantage is in  
15 the way of land issues, not necessarily having to deal with  
16 a particular well as far as concerns -- waste or  
17 correlative rights?

18 A. Well, I don't think you can separate the two  
19 issues. The well, in turn, determines our ability -- The  
20 information derived from that well, in turn, determines our  
21 ability to go forward with our project. So I don't think  
22 the two issues are separatable; I think they're all one  
23 issue.

24 Q. Okay. Given the cost to drill the exploratory  
25 well, an offset operator to that well, in order to gain the

1 and as applicable as we can.

2 COMMISSIONER BAILEY: That's all the questions I  
3 have.

4 CHAIRMAN LEMAY: Thank you, Commissioner Bailey.  
5 I've got a couple, Mr. Alexander.

6 EXAMINATION

7 BY CHAIRMAN LEMAY:

8 Q. I'm trying to narrow this down to the issues.  
9 There are some pretty big issues involved, if we want to  
10 look at the big picture. I think that was mentioned  
11 earlier.

12 Example: What information is considered  
13 proprietary? As I understand it, your Application would  
14 put that discretionary power in the operator. It could  
15 also reside with the Commission, if we indicated what items  
16 would be considered proprietary.

17 Example: You know, historically seismic has been  
18 considered proprietary, as has dipmeters. The location of  
19 wells has not. We require certain information be filed as  
20 a matter of record, including the well logs, although given  
21 certain wildcat wells that are drilled, I can see well logs  
22 would be a decided advantage for competitive purposes if  
23 others had it.

24 A. Yes, sir.

25 Q. The way you describe the San Juan Basin, what --

## CURRENT RULE

### 1105 WELL COMPLETION OR RECOMPLETION REPORT AND LOG (Form C-105)

1105.A. Within 20 days following the completion or recompletion of any well, the operator shall file Form C-105 with the Division. It must be filed in QUINTUPLICATE and each copy accompanied by a summary of all special tests conducted on the well, including drill stem tests. In addition, one copy of all electrical and radio-activity logs run on the well must be filed with Form C-105. If the Form C-105 with attached log(s) and summaries is not received by the Division within the specified 20-day period, the allowable for the well will be withheld until this rule has been complied with. [1-1-65...2-1-96]

1105.B. In the case of a dry hole, a complete record of the well on Form C-105 with the above attachments shall accompany the notice of intention to plug the well, unless previously filed. The plugging report will not be approved nor the bond released until this rule has been complied with. [1-1-65...2-1-96]

1105.C. Form C-105 and accompanying attachments will not be kept confidential by the Division unless so requested in writing by the owner of the well. Upon such request, the Division will keep these data confidential for 90 days from the date of completion of the well, provided, however, that the report, log(s), and other attached data may, when pertinent, be introduced in any public hearing before the Division or its examiners or in any court of law, regardless of the request that they be kept confidential. [1-1-65...2-1-96]

## PROPOSED RULE

**1105.C. Operators, and parties appearing before the Division, submitting data and information including but not limited to the data submitted pursuant to Rule 1105.A that they believe to be exempt from disclosure shall, at the time of submittal shall clearly mark it "CONFIDENTIAL INFORMATION" and physically separate it from other portions of the submitted data. Data so marked shall be kept confidential by the Division.**

Such information obtained from an operator or party that constitutes trade secrets, proprietary and other confidential information/data, including but not limited to geological, geophysical or financial information, shall be withheld by the Division from public disclosure and shall not be made available for public inspection or made public or disclosed without the written consent of the operator for a period of not less than 90-days and upon written request to and approval by the Director, without notice or hearing, the operator can obtain up to three (3) additional 90-day periods of confidentiality.

# CONFIDENTIALITY RULES

STATE	CONFIDENTIALITY PERIOD	RULE
BLM	1 YEAR + 1 YEAR OPTIONAL	<p><u>RULE 43 - CFR Part 2 (3162.8)</u>                      (a) trade secrets and commercial and financial information that is privileged or confidential or other information that may be withheld under the Freedom of Information Act, such as geological or geophysical data and maps shall not be available for public inspection or made public or disclosed without the consent of the operator for a period of 12-months with a possibility of an additional 12-month period. But upon termination of the lease, such information shall be made available to the public.                      (b) geological, geophysical or financial information which is not required under the regulations but submitted by the operator to the Authorized Officer is held confidential and not released without the consent of the operator.                      (c) the regulations set out the circumstances when trade secrets, proprietary and other confidential information shall be made available to states and Indian tribes upon request for purposes of conducting an investigation.</p>
COLORADO	6 MONTHS	<p><u>RULE 308 - COGCC Form 5 - Well Completion or Recompletion Report and Log</u>                      Upon written request by the operator, completion reports and mechanical logs of exploratory or wildcat wells marked "confidential" by the Director, shall be kept confidential for six (6 months) after the date of completion, unless the operator gives written permission to release such logs at an earlier date.</p>
LOUISIANA	1 YEAR + 1 TO 4 YEARS DEPENDING ON WELL DEPTH	<p><u>ACT 4 of the Extraordinary Session of 1973</u>                      Wells shallower than 15,000 feet--one year with a one-year extension; wells deeper than 15,000 feet--two years with a two-year extension;  <u>ACT 691 of the Regular Session of the 1979</u>                      Offshore logs, upon written request--two year with a two-year extension.</p>
MONTANA	6 MONTHS	<p><u>RULE 36.22.1011 - Well Completion And Recompletion Reports</u>                      (1) Within thirty (30) days after the completion of a well drilled for oil or gas (except a wildcat or exploratory well), a completion report shall be filed with the board on Form No. 4.                      (2) Within thirty (30) days after the completion of any repair, deepening, reconditioning, reperforating, or recompletion, a detailed report of work done and results obtained shall be filed with the board on Form No. 2.</p>

STATE	CONFIDENTIALITY PERIOD	RULE
MONTANA (Cont.)	6 MONTHS	<p><u>RULE 36.22.10 - Filing of Completion Reports, Well Logs, Analysis, Reports, and Surveys</u></p> <p>(1) The owner or operator must run an electrical, radioactivity, or similar petrophysical log or combination of logs sufficient to determine formation tops from total depth to the base of the surface casing unless waived by the board administrator.</p> <p>(2) Within 30 days after the completion, reworking, or abandonment of any well drilled to known productive horizons within a delineated field, the operator or owner must transmit to the board three copies of Form 4, four copies of Form 2, and two copies of all well logs; drill stem test survey reports; sample and core description logs, analysis, reports, water analysis; and all other logs, surveys, and reports run or made.</p> <p>(3) In the case of wildcat or exploratory well, the owner or operator must transmit to the board within 6 months after completion or abandonment three copies of Form 4, four copies of Form 2 and two copies of all logs, surveys, reports, and analysis run or made as described in subsection (2). In the case of a stratigraphic well, said information must be sent to the board within three years from the date of completion.</p>
NORTH DAKOTA	6 MONTHS	<p><u>RULE 43-02-03-31 - Well Log, Completion, and Workover Reports</u></p> <p>All information furnished to the director shall be kept confidential for not more than six months if requested by the operator in writing. The six-month period must commence on the date the well is completed or the date the written request is received, whichever is earlier. If the written request accompanies the application for permit to drill or is filed after permitting but prior to spudding, the six-month period will commence on the date the well is spudded.</p>
OKLAHOMA	1 YEAR + 6 MONTHS IF REQUESTED	<p><u>RULE 165:10-1-7 - Prescribed Forms Form 1002B - Confidential Filing of Electric Logs</u></p> <p>Operator shall file Form 1002B within sixty (60) days of the running of the last formation evaluation type wire line log to hold logs confidential for one year period. Optional extension for six months may be requested by operator in writing to the Technical Department of the Conservation Division. [Reference 165L 10-3-26]</p>

# CONFIDENTIALITY RULES

STATE	CONFIDENTIALITY PERIOD	RULE
SOUTH DAKOTA	6 MONTHS	<p><u>RULE 74:10:03:25 - Well Logs, Completion/Recompletion Reports, and Sundry Notice Reports to be Filed with Secretary</u>                      The electrical, geophysical, and sample descriptive logs, drill-stem test reports, core analysis and reports, water analysis, and any other important geologic and engineering data on such wells must be forwarded to the secretary. All reports and well logs are confidential for six months when so requested by the operator in writing.</p>
TEXAS	1 YEAR + 2 YEAR + (4 YEAR OFFSHORE)	<p><u>§ 3.16. RULE 16. Log and Completion or Plugging Report.</u>                      (b) Each log filed with the Commission shall be considered public information and shall be available to the public during normal business hours. If the owner or operator of such well described in subsection (a) of this section desires log(s) to be confidential, the owner or operator must submit a written request for a delayed filing of the log(s). When filing such a request, the owner or operator must retain the log(s) and may delay filing such log(s) for one year beginning from the date the completion or plugging report is required to be filed with the Commission. The owner or operator of such well may request an additional filing delay of two years, provided the written request is filed prior to the expiration date of the initial confidentiality period. If a well is drilled on land submerged in state water, the owner or operator may request an additional filing delay of two years so that a possible total filing delay of five years may be obtained. A request for the additional two year filing delay period must be in writing and be received prior to the expiration of the first two year filing delay. Logs must be filed with the Commission within 30 days after the expiration of the final confidentiality period.</p>
UTAH	1 YEAR	<p><u>RULE 649-2-11 - Confidentiality of Well Log Information</u>                      (1) Well logs marked confidential shall be kept confidential for one year after the date on which the log is required to be filed with the division, unless the operator gives written permission to release the log at an earlier date.                      (2) Information on a newly permitted well will be held confidential only upon receipt by the division of a written request from the owner or operator.</p>

# CONFIDENTIALITY RULES

STATE	CONFIDENTIALITY PERIOD	RULE
UTAH (Cont.)	1 YEAR	<p>(3) The period of confidentiality may begin at the time the APD is submitted for approval if a request for confidentiality is received at that time, although the information on the application itself will not be considered confidential.</p> <p>(4) Information which shall be held confidential includes well logs, electrical or radioactivity logs, electromagnetic, electrical, or magnetic surveys, core descriptions and analysis, maps, other geological, geophysical, and engineering information, and well completion reports which contain such information.</p> <p>(5) The owner or operator shall clearly mark documents as confidential. such marking shall be in red to be clearly visible.</p> <p>(6) Confidential wells or information shall be reported separately from wells or information that is not in confidential status.</p>
WYOMING	6 MONTHS	<p><u>RULE 321 - Filing Of Well Logs</u></p> <p>Within thirty (30) days after logs are run on any well or within thirty (30) days after the completion of any further operation on it, if such operations involve drilling deeper or re-drilling any formation, the owner shall submit to the Supervisor two (2) copies of the well log on the form prescribed by the Commission as well as two (2) copies of the electrical, radioactive, or other similar conventional logs run. If requested by the owner, the Supervisor may grant an extension to the thirty (30) day reporting period for any well.</p> <p>All information furnished to the Supervisor hereunder with respect to exploratory wells marked confidential shall be kept confidential for six (6) months after the date said information is required to be filed hereunder, unless the owner give written permission to release such information at an earlier date.</p>