

**WEST VIRGINIA**  
**SECRETARY OF STATE**

KEN HECHLER

**ADMINISTRATIVE LAW DIVISION**

FORM #4

Do Not Mark In This Box

RECEIVED  
BUREAU OF ENVIRONMENT & NATURAL RESOURCES  
OFFICE OF WEST VIRGINIA  
SECRETARY OF STATE

**NOTICE OF RULE MODIFICATION OF A PROPOSED RULE**

AGENCY: Bureau of Environment - Oil & Gas Conservation Commission TITLE NUMBER: 39

CITE AUTHORITY: W. Va. Code § 22C-9

AMENDMENT TO AN EXISTING RULE: YES  NO

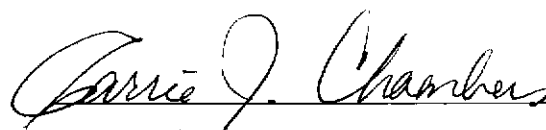
IF YES, SERIES NUMBER OF RULE BEING AMENDED: 1

TITLE OF RULE BEING AMENDED: "Rules of the Commission"

IF NO, SERIES NUMBER OF NEW RULE BEING PROPOSED: \_\_\_\_\_

TITLE OF RULE BEING PROPOSED: \_\_\_\_\_

THE ABOVE PROPOSED LEGISLATIVE RULE, FOLLOWING REVIEW BY THE LEGISLATIVE RULE MAKING REVIEW COMMITTEE IS HEREBY MODIFIED AS A RESULT OF REVIEW AND COMMENT BY THE LEGISLATIVE RULE-MAKING REVIEW COMMITTEE. THE ATTACHED MODIFICATIONS ARE FILED WITH THE SECRETARY OF STATE.

  
Authorized Signature



Executive Office  
#10 McJunkin Road  
Nitro, WV 25143-2506  
Telephone No: (304)759-0575  
Fax No: (304)759-0526



---

## West Virginia Bureau of Environment

---

Cecil H. Underwood  
Governor

Michael C. Castle  
Commissioner

December 16, 1999

Ms. Judy Cooper  
Director, Administrative Law  
Division  
Secretary of State's Office  
Capitol Complex  
Charleston, WV 25305

RE: 39CSR1 - "Rules of the Commission"

Dear Ms. Cooper:

This letter will serve as my approval to file the above-referenced rule with your office and the Legislative Rule-Making Review Committee as Notice of a Modified Rule.

Your cooperation in the above request is very much appreciated. If you should have any questions or require additional information, please call Brett Loflin at 759-0516.

Sincerely,

Michael C. Castle  
Commissioner

MCC:cc

cc: Brett Loflin  
Carrie Chambers

FEB 19 1989  
NOV 11 10 16 PM '88

**TITLE 39**  
**LEGISLATIVE RULES**  
**WEST VIRGINIA OIL AND GAS CONSERVATION COMMISSION**

**SERIES 1**  
**RULES OF THE COMMISSION**

OFFICE OF WEST VIRGINIA  
SECRETARY OF STATE

**§39-1-1. Scope and Authority.**

1.1. Scope. -- The purpose of this rule is to prevent waste, protect correlative rights and to conserve oil and gas in the State of West Virginia and are applicable in all pools and fields developed subsequent to its adoption, except as may be amended, modified, altered or enlarged generally or in specific pools or fields by orders hereafter issued by the Commission. Where special field rules apply, the special field rules shall govern to the extent of any conflict.

1.2. Authority. -- W.Va. Code §22C-9

1.3. Filing Date. --

1.4. Effective Date. --

1.5 Repeal of Former Rule. -- This rule repeals and replaces 39CSR1, filed December 20, 1988, effective December 20, 1988

**§39-1-2. General.**

2.1. Duties of the Commission. -- The duties of the Commission shall be as described in the statute.

2.2. Access to records. -- The Commission and/or its authorized agent shall have access to such deep well and lease records, wherever located, as may be necessary in the performance of its statutory duties. All persons or operators, drilling or servicing deep wells, shall permit the Commission and/or its authorized agent, to come upon any lease, property or deep well operated or controlled by them, and to inspect the record and operation of such deep wells and to have access at reasonable time to such records of deep wells; all information so obtained shall be kept confidential.

2.3. Reports. -- All operators and purchasers of oil and gas within the state shall, from time to time, file such reports containing such information and covering such periods as the Commission, in order to perform its statutory duties, may require.

2.4. Tests and surveys. -- When deemed necessary or advisable the Commission, by rule may require tests and surveys to determine the occurrence of waste of oil, gas, water or reservoir energy and the magnitude thereof.

2.5. Corrective action. -- The Commission shall require correction of any condition which is causing or is likely to cause waste of oil or gas and require

the proper plugging and abandonment of any deep well or wells no longer used or useful.

2.6. Well designations. -- The operator, upon completion of any deep well, shall install and maintain, upon the deep well site, proper identification thereof, including, but not limited to, the operator's name, name of lease, number of the well, and API number (composed of state, county and permit number).

2.7. Naming of fields. -- All oil and gas fields subject to the statute discovered subsequent to the adoption of this rule shall be named by the Commission or at its direction.

2.8. Forms upon request. -- Forms required by the Commission will be furnished upon request.

2.9. All definitions used in West Virginia Code 22C-9-2 are herein incorporated.

**§39-1-3. Definitions.**

3.1. "Commission" means the West Virginia Oil and Gas Conservation Commission.

3.2. "Commissioner" means the position of Commissioner.

3.3. "Hearing" means a proceeding in which any matter is heard before the Commission.

3.4. "Day" means a period of twenty-four (24) consecutive hours.

3.5. "Barrel" means forty-two (42) United States gallons of 231 cubic inches each at a temperature of sixty (60) degrees Fahrenheit.

3.6. "Cubic Foot of Gas" means the volume of gas contained in 1 cubic foot of space at a standard pressure base and a standard temperature base. The standard pressure base shall be fourteen and seventy-three hundredths (14.73) psia, and the standard temperature base shall be sixty degrees Fahrenheit.

3.7. "Log or Well Log" means a systematic detailed geological record of formations encountered in the drilling of a well.

3.8. The words, "Person, Operator, Royalty Owner, Independent Producer, Oil, Gas, Pool, Well, Shallow Well, Deep Well, Drilling Unit, Waste, Correlative Rights, and Just and Equitable Share of Production", are defined by the statute and said definitions are hereby adopted in this rule.

3.9. "Oil Well" means any well which produces less than 6,000 cubic feet of gas to each one barrel of oil on initial gas-oil ratio test, defining oil and gas as in the statute.

3.10. "Gas Well" means any well which produces 6,000 cubic feet or more than 6,000 cubic feet of gas to each one barrel of oil on initial gas-oil ratio test, defining oil and gas as in the statute.

3.11. "Completion" - An oil well shall be considered completed when the well is first capable of producing new oil through wellhead equipment into lease tanks from the ultimate producing interval after the producing string has been run. A gas well shall be considered completed when the well is capable of producing gas through wellhead equipment from the ultimate producing zone after the producing string has been run. A dry hole shall be considered completed when all provisions of plugging have been performed. A multiple completion is the completion of more than one pool of hydrocarbon fluids into one wellbore.

3.12. "Purchaser" means any person who directly or indirectly purchases, transports, takes or otherwise removes oil, gas or other hydrocarbon to his account from a well, lease, drilling unit or pool.

3.13. "Field" means a geographic area which is underlaid or appears to be underlaid by at least one pool; and "Field" shall include the underground reservoir or reservoirs containing oil or gas or both. The words "Field" and "Pool" are synonymous when only one underground reservoir is involved; however, "Field" may relate to two or more pools.

3.14. "Well Spacing" means the pattern or minimum distances from drilling unit boundary lines and from other deep wells drilling to or producible from the same pool, at which deep wells may be located on the surface.

3.15. "Unit" means a lease or two or more leases which have been combined in such a manner that the combined leases may be regarded as a common lease for the drilling and operation of a deep oil or gas well.

3.16. "Designated Agent" - The designated agent shall be a resident of the State of West Virginia upon whom process, notices, orders or other communications issued pursuant to this rule may be served. Change in designated agent must be received by the Commission within five days after such change.

3.17. "Authorized Agent" means a representative of the Commission.

3.18. "Special Field Rules" are rules ordered after a deep well has been drilled establishing a field or pool and an application is filed by the operator of the deep well or by the operator of any lands directly and immediately affected by the drilling of such deep well or wells in the field or pool. The special field rules will designate the field or pool by name, the area to which they are applicable, the acreage of each drilling unit, the shape thereof, the minimum distance from the outside boundary of each drilling unit at which a deep well may be drilled and a minimum distance between deep wells. The Commission may conform the size and shape of the drilling unit upon which a deep well is situated to the applicable special field rules.

3.19. "Test well" shall mean a well intended to discover a "new" pool in accordance with WV Code §22C-9-2(a)(9).

3.20. "Annual" shall mean twelve calendar months beginning January 1 and ending December 31.

**§39-1-4. Operational Rules.**

4.1. Notices - General and Emergency.

Any written notice of intention to do work which requires the Commission's approval or to change plans previously approved by the Commission must be filed with the Commission in triplicate, unless otherwise directed, and must receive its approval before the work is begun.

In case of emergency or a situation where operations might be unduly delayed, any written notice or approval required by this rule to be given to or received from the Commission may be given or received orally or by wire, and, if approval is obtained, the transaction shall be confirmed in writing within ten working days as a matter of record.

4.2. Location of Wells.

To prevent waste, in the absence of an application for special field rules or special field rules ordered by the Commission establishing drilling units or authorizing different deep well spacing or location patterns for a particular field or pool or parts thereof, each deep well drilled shall be not less than 3,000 feet from a permitted deep well location or from an existing well capable of producing hydrocarbons from the objective pool of the deep well and no deep well shall be less than 400 feet from a lease or unit boundary.

The Commission shall have the discretion to determine pattern location of deep wells adjacent to an area governed by special field rules where there is sufficient evidence to indicate that the pool or reservoir spaced by the special field rules may extend beyond the boundary of the spacing order and the uniformity of the spacing pattern is necessary to ensure orderly development of the pool or field.

4.3. Exception to Location of Wells.

When exception to subsection 4.2 of this rule or a special field rule applicable to the location of deep wells is desired, the operator shall file a supplemental application to the application required by subsection 4.4 of this rule with the Commission.

The supplemental application shall be accompanied by a plat or sketch with appropriate coordinates drawn to the scale of 1 inch equaling to 2,000 feet accurately showing to scale all other completed, drilling, or permitted deep oil and gas wells on said property or surrounding property within a distance of two miles if the plat or sketch submitted under subsection 4.4 of this rule does not accurately reflect the hereinabove information. The plat shall show:

4.3.a The location at which a deep oil or gas well could be drilled in order to be in compliance with the applicable order, or rule;

4.3.b The location at which the applicant requests permission to drill; and

4.3.c The location at which deep oil or gas wells have been drilled or could be drilled in accordance with the applicable special field order or rule, directly or diagonally offsetting the proposed exception.

The Commission, after notice and hearing, may grant or deny the application and require the withholding or approve issuing of a permit pursuant to subsection 4.4 of this rule.

No exception shall prevent any operator from drilling a deep oil or gas well on adjacent lands, directly or diagonally offsetting the exception, at locations permitted by any applicable special field rules ordered by the Commission.

#### 4.4. Application for Permit.

All applications submitted to the Chief of the Office of Oil and Gas for a permit to drill, redrill, stimulate, operate, plug, abandon, deepen, case fracture, pressure, convert or combine any deep well, or physically change any deep well to allow the migration of fluid from one formation to another shall be reviewed by the Commission or by an authorized agent to ascertain compliance with this rule. The Commission will provide the Chief of the Office of Oil and Gas with a statement either approving or disapproving the application based upon its compliance with Oil and Gas Conservation rule and the statute. The permit will be issued by the Chief of the Office of Oil and Gas when the applicant has complied with this rule. The application shall contain, or show by plat or sketch, in addition to the requirements of WV Code §22C-9-1(k), and this rule, the following:

4.4.a. For all wells drilled within an area that has been established through special field rules pursuant to WV Code §22C-9-7, a certificate of consent and easement from all owners of the surface of the tract on which the deep well is to be drilled;

4.4.b. A tabulation of all deep wells within one mile of the proposed location, including the API number of the deep well, well name and the name and address of the operator;

4.4.c. Shown on a plat for a proposed deep well location in an area covered by special field rules, the boundaries of the drilling unit, the distances from the proposed deep well location to the nearest outside boundary and the acreage of each tract within the drilling unit. Such plat shall accompany the application and shall be drawn to a scale of 1 inch to 2,000 feet. The plat shall be prepared by a licensed land surveyor or registered engineer showing the district and county in which the tract of land upon which the well to be drilled is located, the acreage of the tract, the name of mineral owners or lessees of adjacent tracts, the proposed or actual location of the well determined by survey, the courses and distances of such locations from two permanent points or landmarks on said tracts and the number to be given the deep well. The plat will show all deep oil and gas wells including abandoned deep oil and gas wells within one mile of the proposed or actual deep well for which a permit is being sought and the distances to each;

4.4.d. Any other information which the Commission, by rule, or order, may require to perform its statutory duties.

#### 4.5. Annual Report of Monthly Oil and Gas Production.

For each deep oil or gas well, an annual report of production by month shall be filed with the Commission. The report will be filed on or before the succeeding March 31st. The report will be filed regardless of the status of the deep well.

The report to be submitted by the operator or a person specified by the operator shall include the operator's name, place of business, lease or well name, API number (composed of state, county and permit number), days produced during the report month, volume of oil measured in barrels or gas measured in thousand cubic feet, and other pertinent information as the Commission may require in the performance of its statutory duties.

#### 4.6. Filing of Well Logs.

Within ninety days after the completion of drilling or recompletion of a deep well, the operator shall submit to the Commission a copy of the well log and the electrical, radioactive or other similar conventional log if they have been run. In addition, and upon the request of the Commission, operators shall file a copy of drill stem test charts, formation water analysis, porosity, permeability or fluid saturation measurements, core analysis and lithologic log or sample description as compiled within 90 days of completion: **Provided**, that no such information shall be required unless the operator has compiled such information in the ordinary course of business. No interpretation of the data is to be filed.

All information furnished to the Commission hereunder with respect to a deep well marked "confidential" shall be kept confidential for one year after the date the information is required to be filed hereunder, unless the owner gives written permission to release such information at an earlier date.

#### 4.7. Measurement of Oil.

The volume of production of oil shall be computed in terms of barrels of clean oil on the basis of meter measurement or tank measurements of oil level difference, made and recorded to the nearest 1/4 inch of one hundred percent (100%) capacity tables, subject to the following corrections:

4.7.a. Correction for impurities. - The percentage of impurities (water, sand and other foreign substances, not constituting a natural component of the oil) shall be determined to the satisfaction of the Commission and the observed gross volume of oil shall be corrected to exclude the entire volume of such impurities; and

4.7.b. Temperature correction. - The observed volume of oil corrected for impurities shall be further corrected to the standard volume at sixty degrees Fahrenheit in accordance with A.S.T.M.D. - 1250, Table 7, or any revisions thereof and any supplements thereto or any close approximation thereof approved by the Commission.

4.8. Measurement of Gas. -- All gas except gas used on the lease for development purposes, lease operations or free gas, when produced or sold shall be measured by an approved meter of sufficient capacity. The standard pressure base for reporting purposes shall be 14.73 psia regardless of atmospheric pressure at the point of measurement and the standard temperature base shall be sixty degrees Fahrenheit.

#### 4.9. Multiple Pool Completion or Commingling in One Well Bore.

In the absence of special field rules, an operator will, within seventy-two hours after commencing to complete a deep well in more than one pool, file a written notice to the office of the Conservation Commission of the intended multiple completion. Within fourteen days after the multiple completion and before any production for the deep well is marketed, the operator shall file a report stating whether the production is segregated or commingled, include a diagrammatic sketch of the mechanical installation, name and address of the operators, and a plat showing the location of the deep well and deep wells within two miles of the deep multiple completion well which have been or may be capable of being completed in the same pool or pools.

The Commission will provide all operators of deep wells within two miles of the multiple completion a copy of the report. If, within 15 days no protest is received and the Commission determines that no waste will result from the completion, the completion will be approved without notice and hearing.

In the event the pools are segregated, the Commission may require tests as it deems necessary to determine the effectiveness of the segregation of the different producing pools.

#### 4.10. Intentional and Unintentional Deviation in Drilling.

Before beginning intentional directional drilling, other than sidetracking due to hole conditions, when the intent is to direct the bottom of the hole away from the vertical, notice of intention to do so shall be filed with the permit application and approval obtained. Such notice include the name and address of the operator, the well or farm name, lease name, field or pool, county, the depth, exact surface location of the well bore, proposed direction of deviation and proposed horizontal distance between the bottom of the hole and surface location, reason for intentional deviation and a list of offset operators. The applicant shall notify via certified mail offset operators of the applicant's intention. If an objection is received by the Commission within ten days the application will be set for hearing. If no objection is received, the application shall be approved. If approval is obtained, the operator shall file, with the Commission within sixty days after the completion of the work, an accurate and complete copy of the directional survey.

In all deep wells, all operators shall, when the safety of the well bore is not in jeopardy, survey their well bore for unintentional deviation from the vertical at least every 500 feet or every bit change if less than 500 feet, but no more frequently than 250 feet. The operator shall calculate the cumulative random drift of the bore hole from such survey as drilling progresses. The operator shall file a copy of such record within sixty days after completion of

the drilling operation and before the sale of hydrocarbons is made from the well.

In the event safety precludes a survey being performed as described above, the operator shall, before the sale of hydrocarbons from the well, run cased hole deviation surveys or directional surveys on the well bore to determine that the bore hole is within the confines of the drilling unit.

If the operator has reason to suspect that cumulative random drift exceeds the surface distance of the well from the nearest drilling unit boundary, the operator shall run a directional survey on the bore hole to determine where the bore hole actually lies and file a copy of such record within sixty days after completing the survey.

4.11. Production potential, shut-in pressure and gas-oil ratio testing and reports. -- Production potential, shut-in pressure and gas-oil ratio testing and reporting may be required by the Commission to perform its statutory responsibilities. In deep well gas testing, the methods prescribed in the Interstate Oil Compact Commission's "Manual of Gas Well Testing" shall be used.

4.12. Gas-oil ratio test. -- Each operator shall take a gas-oil ratio test not later than thirty days following the completion or recompletion of any deep well producing from a pool which contains both oil and gas. The results of such test shall be reported to the Commission within fifteen days after the completion of the test. Upon request, the Commission may waive or extend the time for making a gas-oil ratio test. Additional tests may be taken at any time and shall be taken as required by the Commission to perform its statutory responsibilities.

#### §39-1-5. Secondary Recovery.

5.1. Waterflooding and Other Recovery Operation. -- Applications for secondary or additional recovery operations, whether by waterflooding or repressuring or pressure maintenance operations, for a pool productive of oil shall contain:

5.1.a. A plat drawn to a scale of 1 inch equal to 2,000 feet showing the area involved, together with the well or wells, including shallow wells and dry and abandoned wells located thereon, all of which shall be properly designated;

5.1.b. The name, description and depth of the formations to be affected;

5.1.c. The log of any injection well or such similar information as is available;

5.1.d. A description of any injection well's casing or the proposed casing program and the proposed method for testing casing before use in any injection well;

5.1.e. A statement as to the type of fluid to be used for injection, its source and the estimated amounts to be injected daily;

5.1.f. A full description of the particular operation for which approval is requested, including the additional oil recovery anticipated and the economic feasibility of the project;

5.1.g. A copy of the unit agreement showing the approval of the plan and its terms of operation by the operators of at least three fourths (3/4) of the acreage (calculating partial interests on a pro rata basis for operator interests on any parcel owned in common) and the royalty owners of at least three fourths (3/4) of the acreage (calculating partial interests on a pro rata basis for royalty interests on any parcel owned in common); and

5.1.h. A statement of the designated operator for the unit.

5.2. Unit Operations. -- Subsequent to notice and hearing, at which the applicant will provide a copy of the unit agreement showing the approval of the plan and its terms of operation by the operators of at least three fourths (3/4) of the acreage (calculating partial interests on a pro rata basis for operator interests on any parcel owned in common) and the royalty owners of at least three fourths (3/4) of the acreage (calculating partial interests on a pro rata basis for royalty interests on any parcel owned in common), the Commission may enter an order as provided in WV Code §22C-9-8.

5.3. Monthly Report. -- A monthly report of fluids injected and withdrawn shall be filed in a form prescribed by the Commission.

5.4. Notice of commencement and discontinuance of injection operations. -- The Commission shall be notified in writing within three days of commencement of injection operations and within ten days of ceasing injection operations. No injection well will be plugged without a permit.