

# Oil and Gas Commission

## Mission and philosophy

The mission of the Wyoming Oil and Gas Conservation Commission is to promote the beneficial and environmentally responsible development of Wyoming's oil and gas resources.

## Results of outcomes

The commission promotes environmentally responsible development of the state's resources in several ways. One way is to insure that no one operates oil or gas wells without first providing acceptable surety or other guaranty. The reviewing employees strive to have the bonds, letters of credit, or certificates of deposit approved within five days. In FY 02, 176 bonds, 144 letters of credit, 151 certificates of deposit, and four cashier's checks were reviewed within three days. In addition to checking bonding, the agency's attorney reads the advance Supreme Court opinions and categorizes them by applicability and legal concept. Then this information is entered into a database to be used when a particular issue arises. During FY 02, 124 cases were reviewed and entered into the database for retrieval.

The Legislature, in February 2002, took the advice of the task force appointed in June 2001 to review accepting certificates of deposits and letters of credit in lieu of bonds. Statutes §30-5-101 and 30-5-104 were amended to allow certificates of deposit and letters of credit. In May 2002, the commission held a hearing and approved changes to Chapter 3, Sections 5, 6 and 7 of the rules and regulations to allow the acceptance of those two documents in lieu of a surety bond.

To assure proper employee operations, the agency promotes awareness in the field that well locations will be checked for proper compliance. In this fiscal year, the agency's drilling inspectors conducted 516 inspections of plugged and abandoned wells for release from the operator's bond, 432 inspections of enhanced recovery wells and 122 inspections of water disposal wells. The commission has a commitment with the EPA to witness mechanical integrity tests on Class II injection wells. This fiscal year, 680 tests were witnessed. In addition, inspectors witness MITs on producing wells that have been idle for at least five years. A goal of 40 was set, but 81 well tests were performed. Along with the EPA agreement the Commission checked 1,113 well files to ensure completeness and compliance with UIC and agency rules. The increase in coalbed methane activity has demanded a field presence by at least four of our eight drilling inspectors. This fiscal year, 270 primary cement jobs and top-offs were witnessed as well as 152 pre-site inspections. Inspectors are constantly

## **General information**

Don J. Likwartz, state oil and gas supervisor

## **Agency contact**

Don J. Likwartz  
P. O. Box 2640, Casper, WY 82602-2640  
dlikwa@state.wy.us

307/ 234-7147

## **Other locations**

Does not apply

## **Year established**

1951

## **Statutory references**

Sections 30-5-101 through 30-5-126, W.S. 2001

## **Number of authorized personnel**

36 full-time

## **Organization structure**

Oil and Gas Conservation Commission

## **Clients served**

Oil and gas industry, other state and federal agencies, general public

## **Budget information**

Earmarked Funds	\$2,777,995
Federal Funds	\$202,600
Other	\$1,750,222
<b>Total</b>	<b>\$4,730,817</b>

witnessing various stages of drilling and completing coalbed methane wells in addition to responding to complaints relative to field operations.

There are times when a well has to be plugged and no operator is found to be responsible for the work or times when an operator had to forfeit a bond to comply with an order from the commission to plug and abandon and reclaim the surface. In the first instance, 35 wells in Springen Ranch Field, one orphan well for Franks in Hoplerin, and one for Southwestern Energy Production were plugged. Bonds were forfeited by Emerald Restoration for 58 wells, Lawson Oil Company for one well, and DCD Incorporated for 50 wells.

To promote the orderly development and drilling of oil and gas fields, staff reviews applications for permit to drill for appropriate spacing and proper bonding. Well construction must meet industry and agency standards and siting of facilities such as pits must be protective of public health and the environment. Wells are tracked through the issuance of unique API numbers. The goal for this approval process is to have all the checking complete within two weeks of receiving the application. From July 1, 2001, to June 30, 2002, the agency received 8,759 applications. Of those, only 3,216 were approved within two weeks. This resulted in approximately 37 percent of the permits being approved in the two-week time frame. Approximately 1,161 permits were held in abeyance due to spacing hearings. Additional delays were caused by the sheer volume of permits received each day. As many as 167 applications for permit to drill were received some days. Another group of 152 wells, was held for pre-site inspections when siting was near a waterway, a house, or water well. In this case, too rapid handling of permits would have the potential of causing a hardship on people or a negative impact on the environment. Staff was added to handle the increased volume but it was still too much to accomplish.

An attempt to create no agency-related delays by scanning, approving and returning the approved sundries to operators within two days is another objective. Within these same two days, staff attempts to update the computer files and file the hard copy in the well files. To improve the timing for sundries, electronic filing was allowed but was discontinued while waiting on the state's e-portal requirements. Due to hundreds of requests from operators the option of accepting the electronic filing of sundry notices resumed September 17, 2001. From then until the end of the fiscal year, 1,118 sundries were filed. Files are currently being checked for incorrect latitudes and longitudes. A goal was set to check at least 2,500 well locations each year. By the end of June 2002, over 1,000 wells had been checked and corrected. As sundries are filed or files pulled for review, any missing documents are requested to be able to update the computer files and well history files with the new information.

Operators and other interested parties rely

on statistical information provided by data submitted to the agency. The most requested information is with regard to production. To offer this information in a timely matter, the agency found that electronic filing was the answer. Another goal was set to have 80 percent of the producers report their production electronically. For calendar year 2001, 136 of the 200 larger operators, those with ten or more wells, were filing electronically; this is 68 percent. But, those 136 operators represent 82 percent of all the wells reported.

Encouraging operators to restore to producing status those wells which have the potential of additional reserves or to plug wells and restore the locations of those which are clearly non-productive is another objective. The agency's director and some staff members conduct meetings with operators who have idle wells. An annual plan is submitted by the operator and specific wells will be returned to production or plugged are discussed. The staff strives to meet with 25 percent of those operators on the idle well list. Additional bonding is often necessary as required by our rules and regulations for idle wells. That topic is also discussed at these meetings. In calendar year 2001, there were meetings with 42 out of 136 operators on the idle well list, or 31 percent. Those meetings resulted in 137 wells being plugged, 58 restored to production, 6 converted to injection wells and 85 mechanical integrity tests were performed on idle wells. In addition, the amount of bonding increased by approximately \$1.6 million as a result of these meetings.

An ongoing goal is to satisfy the training needs of agency staff. All training opportunities are posted for everyone to view. A training class, attended by 10 staff members, was presented by the University of Tulsa on Fundamentals of Bioremediation of Hydrocarbon Contaminated Soil. In addition, individual and team mentoring and collaboration with other entities is promoted. Staff members have participated in coalbed methane fairs in Sheridan and Gillette and conducted tours for the EPA, congressional delegations and their appointees, and members of interest groups. The Underground Injection Control Program's state directors' meeting, was attended by two staff members, another was involved with the development of DEQ's hazardous waste program and participated in a conference on coalbed methane with the EPA, the BLM and the U.S. Forest Service. Staff also participated in the Petroleum Association of Wyoming's annual meeting and gave reports on agency activities. Weekly professional talks through SPE, WGA, and AIPG are regularly taken advantage of by one or more staff members. Staff members have participated and listened to presentations at the Gas Fairs for the last six years. In addition, some have had to learn new computer programs for handling drilling applications, inputting well information and spud reports designed to increase the speed of processing paperwork. Training, by one of the drilling inspectors of three new inspectors and, in one case, that involved

basic use of the computer and field procedures. Coalbed methane development in the state has strained our resources and put unending pressure on a small staff. A large part of the additional work involving data input was handled by short-term temporary personnel necessitating constant retraining. The agency did not seek any additional funding sources for this effort.

Staff members constantly continue to update the computer and well history files with the new documentation received. A goal to obtain an additional IT personnel to assist with this project was attained by the granting of a time-limited position through the end of FY 04. The implementation of scanning of logs and resuming the acceptance of electronic filing has necessitated the purchase of additional hardware and software. A continuing goal is the replacement of a quarter of the agency's computers each year to keep current with technology to better serve our constituents.

## Strategic plan changes

Due to a cooperative agreement initiated by the BLM, we are implementing a short-term program to scan in all logs in the Powder River Basin. A change to our next plan is to expand that program to include the Green River Basin.

# Oil and Gas Conservation Commission organization chart

