

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 ensure 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 03, 239 bonds, 92 letters of credit and 30 certificates of deposits 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. This information is then entered into a database to be called upon when a particular issue arises.

To assure proper workmanlike operations, the agency promotes an awareness in the field that well locations will be checked for proper compliance. In this fiscal year, the agency's drilling inspectors conducted 1,642 inspections of plugged and abandoned wells for release from the operator's bond and 339 inspections of enhanced recovery and water disposal wells. The commission has a commitment with the EPA to witness mechanical integrity tests on Class II injection wells. This fiscal year 617 tests were witnessed. In addition, inspectors witness MITs on producing wells that have been idle for at least five years. Tests were performed on 91 such wells. In accordance with the EPA agreement, we checked 677 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 five of our nine drilling inspectors. This fiscal year 464 primary cement jobs and top-offs were witnessed as well as 292 pre-site inspections. Inspectors are constantly witnessing various stages of drilling and completing coalbed methane wells in addition to responding to complaints from the public 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, 22 wells in Sandbar and Collum Fields, one old Daniel Sims well, one Olympic Exploration well and one Lawson Oil Company well were plugged. Bonds were forfeited by Black Hills Operating and Lawson Oil Company.

To promote the orderly development and drilling of oil and gas fields, the staff reviews Applications for Permit to Drill (APD) for appropriate spacing and proper

General information

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307/234-7147

Other locations

Does not apply

Year established

1951

Statutory references

Sections 30-5-101 through 30-5-126, W.S. 2003

Number of authorized personnel

36 full-time; one part-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	\$4,556,651
Federal Funds	\$192,500
Other	\$527,191
Total	\$5,276,342

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, 2002, to June 30, 2003, the agency received 6,893 applications. Of those, 3,084 were approved within two weeks. Approximately 766 permits were held in abeyance due to spacing hearings. Also, 133 applications were denied. This resulted in approximately 51 percent of the permits being approved in the two-week time frame. An average of 27 new APDs were received each day. Another group of 292 wells was held for pre-site inspections when siting was near a waterway, a house, or water well. In this case, rapid handling of permits has the potential of causing a hardship on people or a negative impact on the environment.

An attempt to avoid 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 tries to update the computer files and file the hard copy in the well files. To improve the timing for sundries, electronic filing was resumed September 17, 2001. During this fiscal year, 1,839 sundries were electronically filed.

Operators and other interested parties rely on statistical information provided by data submitted to the agency. This information is available free of charge on CD ROM and in printed form. The most often requested information is well production. To offer this information in a timely matter, the agency felt electronic filing was the answer. Another goal was to have 80 percent of the producers report their production electronically. For CY02, 142 of the 200 larger operators, those with 10 or more wells, were filing electronically; this is 71 percent. But, those 142 operators represent 84 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 advising which wells will be returned to production or plugged is 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 the CY02, there were meetings with 52 out of 135 operators on the idle well list or 39 percent. Those meetings had the following results: 167 wells plugged, 59 restored to production, and 91 tested for casing integrity. In addition, the amount of bonding held by the agency increased by approximately \$2.7 million as a result of these meetings.

An ongoing goal is to satisfy the training needs of all agency staff members. Training opportunities are posted for everyone to view. Two IT members became certified Fiber Optics Installers. They will assist the agency when it moves into the new office building presently under construction. The commission will have a fiber backbone from which our computer system will be run. Our attorney general attended the Bar Convention in Jackson in September, participated in a legislative training session and a class hosted by the Attorney General's office. Twelve staff members took advantage of a two-hour H2S training class presented by Oilind Safety in the commission's conference room. Casper College was the setting for an ARCVIEW GIS class hosted by ESRI on September 5-7, 2002. The class was attended by five staff members and our contracted hydrogeologist. Four employees attended a Watershed Workshop hosted by the Campbell County Conservation District in Gillette, May 28 - 30, 2003. The EPA hosted an Underground Injection Control Training Program for field inspectors in Denver in September. Six drilling inspectors attended that training session. In addition, individual and team mentoring and collaboration with other entities was promoted. The agency met with members of the State Engineer, DEQ and BLM staff to discuss regulation of coalbed methane pits and to establish an inter-agency guidance on pit siting. 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. Staff also participated in the Petroleum Association of Wyoming's annual meeting and gave reports on agency activities. One or more of the staff members take advantage of professional talks through SPE, WGA, and AIPG every week. Staff members have participated and listened to presentations at the Gas Fairs for the last six years.

Staff members constantly continue to update the computer and well history files with the new documentation received. A goal to obtain an additional IT person to assist with this project was attained by the granting of a time-limited position through the end of FY04. 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 have completed a short-term program to scan in all logs in the Powder River Basin and we have expanded it to include the rest of the state beginning with the Green River Basin. This program should be completed in two years.

Oil and Gas Conservation Commission organization chart

