

1 ENERGY AND ENVIRONMENT CABINET

2 Department for Energy Development and Independence

3 Division of Oil and Gas Conservation

4 (Amendment)

5 ~~805~~ KAR 1:030. Well location and as-drilled location plat, preparation, form and contents.

6 RELATES TO: KRS 353.550, 353.590

7 STATUTORY AUTHORITY: KRS [~~13A.100,~~] 353.550, 353.560

8 NECESSITY, FUNCTION, AND CONFORMITY This administrative regulation is
9 intended to assure compliance with KRS 353.550, 353.560 and 353.737 [~~and 353.560~~] in
10 establishing requirements for uniformity and clarity in well locations and identity.

11 Section 1. Applicability. This administrative regulation applies only to the oil and gas
12 producing industry and does not apply to transmission and [~~applies neither to transmission and/or~~]
13 distribution systems or [~~nor~~] to product storage facilities.

14 Section 2. General Information. Location plats for wells proposed to be drilled pursuant to
15 the provisions of KRS Chapter 353 and the as-drilled location plat to be submitted after a well is
16 drilled shall be prepared and certified as accurate and correct by a licensed Kentucky land surveyor
17 as defined in KRS 322.010(8), provided that when the location of the well is known to be underlain
18 by coal bearing stratum, the location [~~sueh~~] plat for a well proposed to be drilled pursuant to the
19 provisions of KRS 353.590(4) shall be prepared by a licensed land surveyor and certified by an
20 engineer, as defined in KRS 322.010(2) registered in Kentucky. If any plat submitted by an

1 applicant is determined by the department to be materially inaccurate or incomplete, the
2 department may require that a new plat be prepared and submitted.

3 Section 3. Waiver. (1) A person shall not drill a well for oil or gas within 150 feet of any
4 building, unless:

5 (a) A waiver of objection to such drilling is secured in the manner established below; or

6 (b) The department, after notice and hearing, determines that the drilling and production of
7 the well is not violative of the public policy set out in KRS 353.500.

8 (2) The surveyor preparing the plat for a permit shall indicate the location of a proposed
9 well site relative to all buildings within 150 feet of said well site.

10 (3) If an owner of a building located within 150 feet of a proposed well site waives
11 objection to locating a well closer than 150 feet to such building, then a copy of the executed
12 agreement of waiver shall accompany the application for permit.

13 ~~[No person shall drill a well for oil or gas within 150 feet of any building, unless a waiver of~~
14 ~~objection to such drilling is secured in the manner established below, or unless the department,~~
15 ~~after notice and hearing, determines that the drilling and production of the well is not violative of~~
16 ~~the public policy set out in KRS 353.500. The surveyor preparing the plat for a permit shall~~
17 ~~indicate the location of a proposed well site relative to all buildings within 150 feet of said well~~
18 ~~site. If an owner of a building located within 150 feet of a proposed well site waives objection to a~~
19 ~~well's being located closer than 150 feet to such building, a copy of the executed agreement of~~
20 ~~waiver shall accompany the application for permit.]~~

21 Section 4. (1) A separate location plat shall be submitted with each application to drill,
22 deepen or reopen a well.

1 (2) To ensure the division has accurate information regarding the location of a well drilled
2 through a workable coal bed a plat with the as-drilled location and elevation of the well shall be
3 provided to the division pursuant to KRS 353.737 in addition to the well location plat submitted to
4 drill a proposed well.

5 Section 5. Plat Preparation. Location plats for wells proposed to be drilled pursuant to the
6 provisions of KRS Chapter 353 shall be prepared in the following manner:

7 (1) All plats shall be clearly legible and submitted on a sheet eight and one-half (8 1/2) by
8 fourteen (14) inches. This sheet may be:

9 (a) Bond Paper;

10 (b) Tracing Cloth;

11 (c) Tracing Paper; or

12 (d) An acceptable equivalent.

13 (2) The well location plat shall:

14 (a) Show the location of the proposed well relative to the two (2) nearest boundaries of oil
15 and gas ownership (including any subdivision of the lease);

16 (b) Indicate all producing wells and permitted well sites within 1,000 feet of the proposed
17 well site; and

18 (c) Clearly display all distances in feet.

19 ~~[bond paper, tracing cloth, tracing paper or equivalent.~~

20 ~~(2) The location of the proposed well shall be shown relative to the two (2) nearest~~
21 ~~boundaries of oil and gas ownership (including any subdivision of the lease). Such plats shall also~~
22 ~~indicate all producing wells and permitted well sites within 1,000 feet of the proposed well site.~~
23 ~~The distances shall be clearly shown in feet.]~~

1 (3) The location of the proposed well shall be shown on the plat, by bearing and distance,
2 relative to two (2) permanent points/monuments that appear on the applicable U.S.G.S. seven and
3 one-half (7 1/2) minute; topographic quadrangle map, which permanent points/monuments include
4 though are not limited to road intersections, bench marks, and buildings. A photocopy of a portion
5 of such topographic quadrangle map showing the proposed well site shall be acceptable in lieu of
6 identifying such points/monuments on the plat.

7 (4) The location of the well site shall be prepared with reference to either the Carter
8 coordinate system, latitude and longitude, or the Kentucky coordinate system.

9 (5) The elevation of the well site shall be determined by instrument and calculation.
10 Estimated topographic elevations shall not be acceptable.

11 (6) The plat shall be prepared to a scale of one (1) inch equals 100, 200, 300, 400, 500 or
12 600 feet.

13 Section 6. As-Drilled Plat Location. Location plats for as-drilled wells shall be prepared
14 in the following manner:

15 (1) All plats shall be clearly legible and submitted on a sheet eight and one-half (8 1/2) by
16 fourteen (14) inches. This sheet may be:

- 17 (a) Bond Paper;
- 18 (b) Tracing Cloth;
- 19 (c) Tracing Paper; or
- 20 (d) An acceptable equivalent.

21 (2) The well location plat shall:
22 (a) Show the location of the as-drilled well relative to the two (2) nearest boundaries of oil
23 and gas ownership (including any subdivision of the lease);

1 **(b) Indicate all producing wells and permitted well sites within 1,000 feet of the as-drilled**
2 **well site; and**

3 **(c) Clearly display all distances in feet.**

4 **(3) The as-drilled well location plat shall provide coordinates in feet, using the NAD 83,**
5 **with Single Zone Projection as the terms are defined in KRS 353.010.**

6 **(4) The location of the as-drilled well shall be shown on the as-drilled well location plat, by**
7 **bearing and distance, relative to two (2) permanent points or monuments that appear on the**
8 **applicable U.S.G.S. seven and one-half (7 1/2) minute; topographic quadrangle map, which**
9 **permanent points or monuments include though are not limited to road intersections, bench marks,**
10 **and buildings. A photocopy of a portion of such a topographic quadrangle map showing the**
11 **proposed well site shall be acceptable in lieu of identifying such points or monuments on the plat.**

12 **(5) In addition to the requirements of subsection (3) of this section, the location of the well**
13 **site shall be prepared with reference to either the Carter coordinate system, latitude and longitude,**
14 **or the Kentucky coordinate system.**

15 **(6) The elevation of the well site shall be determined by instrument and calculation.**
16 **Estimated topographic elevations shall not be acceptable.**

17 **(7) The plat shall be prepared to a scale of one (1) inch equals 100, 200, 300, 400, 500 or**
18 **600 feet.**

19 **Section 7 [Section-6].** In addition to the data required in Section 5 of this administrative
20 regulation, **well** location plats shall include the following information:

21 **(1) Operator;**

22 **(2) Farm or lease name;**

23 **(3) Well number;**

1 (4) County;

2 (5) Scale at which the plat is drawn;

3 (6) North direction;

4 (7) Legend:

5 o - proposed well site

6 ● - oil well

7 ☀ - gas well

8 ⊙ - injection well

9 □ - plugged well

10 ∅ - abandoned well, not plugged;

11 (8) Date of preparation of plat;

12 (9) Name of the topographic quadrangle map on which the well site may be located;

13 (10) Owners, lessors and lessees of oil and gas on tracts which are offset by the proposed
14 well;

15 (11) Certification in the following form: "I hereby certify that the above plat is accurate and
16 correct and satisfies the requirements of 805 KAR 1:030 to the best of my knowledge and belief";

17 and

18 (12) Certification shall be followed by the written signature of the person preparing said
19 plat, his or her mailing address, registration number, and telephone number.

20 ~~(1) Operator.~~

21 ~~(2) Farm or lease name.~~

22 ~~(3) Well number.~~

23 ~~(4) County.~~

1 ~~(5) Scale at which the plat is drawn.~~

2 ~~(6) North direction.~~

3 ~~(7) Legend:~~

4 ~~○—proposed well site~~

5 ~~●—oil well~~

6 ~~☼—gas well~~

7 ~~⊕—injection well~~

8 ~~▣—plugged well~~

9 ~~∅—abandoned well, not plugged~~

10 ~~(8) Date of preparation of plat.~~

11 ~~(9) Name of the topographic quadrangle map on which the well site may be located.~~

12 ~~(10) Owners, lessors and lessees of oil and gas on tracts which are offset by the proposed~~
13 ~~well.~~

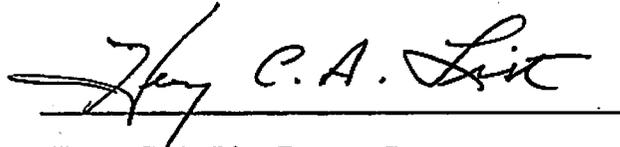
14 ~~(11) Certification in the following form: "I hereby certify that the above plat is accurate and~~
15 ~~correct and satisfies the requirements of 805 KAR 1:030 to the best of my knowledge and belief."~~

16 ~~(12) Certification shall be followed by the written signature of the person preparing said~~
17 ~~plat, his/her mailing address, registration number, and telephone number.]~~

805 KAR 1:030 approved for filing.
Pages (1-7)

6-12-09

Date

A handwritten signature in cursive script, reading "Henry C. A. List", written over a horizontal line.

Henry C. A. List, Deputy Secretary
Signing for
Leonard K. Peters, Secretary
Energy and Environment Cabinet

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this administrative regulation shall be held on July 21, 2009 at 10:00 A.M. (Eastern Time) at Conference Room D-16 of the Department for Natural Resources at #2 Hudson Hollow, Frankfort, Kentucky. Individuals interested in being heard at this hearing shall notify this agency in writing July 14, 2009, five workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be cancelled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted until July 31, 2009. Send written notification of intent to attend the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: Kim Collings, Director
Division of Oil and Gas Conservation
1025 Capital Center Drive, Suite 201
Frankfort, KY 40601
Telephone: (502) 573-0147 Fax (502) 573-1099
Email: Kim.Collings@ky.gov

REGULATORY IMPACT ANALYSIS
AND TIERING STATEMENT

Administrative Regulation No.: 805 KAR 1:030
Contact Person: Kim Collings, Director

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation is intended to ensure compliance with KRS 353.550 and 353.560 in establishing requirements for uniformity and clarity in well locations and identity.

(b) The necessity of this administrative regulation: This administrative regulation is necessary to ensure the information submitted concerning well locations including plat characteristics is consistent.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 353.590 authorizes the cabinet to require fees, bonds, plats and an application be submitted before a permit is issued. This administrative regulation provides information on permit application requirements.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation currently provides clarity and detail on plats that are to accompany the applications and associated waivers.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: This amendment introduces information regarding plats for wells drilled through a workable coal bed. The information shall be submitted using NAD 83, with Single Zone Projection.

(b) The necessity of the amendment to this administrative regulation: This amendment is necessary to meet the requirements of HB 452 from the 2009 legislative session.

(c) How the amendment conforms to the content of the authorizing statutes: HB 452 required information regarding the location of wells drilled through workable coal beds be submitted to the Division of Oil and Gas Conservation. This amendment provides the necessary information to instruct those individuals impacted by HB 452.

(d) How the amendment will assist in the effective administration of the statutes: This amendment will assist in the administration of the statutes by providing the necessary detail to insure the well locations are accurately recorded and submitted to the division.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: The amendment will affect those entities that drill wells through a workable coal bed. The division currently has approximately 1800 operators that could be affected.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: This amendment will require those entities that drill wells through a workable coal bed to provide the division with the appropriate plats using NAD 83, with Single Zone Projection.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): This cost will vary depending on the number of wells per entity.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): The entities will benefit by having an overall safer system for miners throughout the Commonwealth of Kentucky.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: There will be no costs to the agency associated with implementation.

(b) On a continuing basis: There will be no continuing costs to the agency.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: A new fee will be promulgated in a separate administrative regulation which will be packaged with this administrative regulation for promulgation. The new fee will be \$50 and was authorized by HB 452.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: This regulation does not increase or establish any fees. However, a new fee will be promulgated in a separate administrative regulation which will be packaged with this administrative regulation for promulgation. The new fee will be \$50 and was authorized by HB 452.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees: This administrative regulation will not increase or establish any fees. However, as stated above a new administrative regulation will establish a new fee that was authorized by the passage of HB 452.

(9) TIERING: Is tiering applied? (Explain why or why not) No. The same process and procedures are required by entities that drill a well through a workable coal bed.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Admin. Regulation No.805 KAR 1:030 Contact Person: Kim Collings, Director

1. Does this administrative regulation relate to any program, service, or requirements of a state or local government (including cities, counties, fire departments, or school districts)?

Yes X No

If yes, complete questions 2-4.

2. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? This amendment will impact the Division of Oil and Gas Conservation.

3. Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 353.550 and KRS 353.560

4. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect. This amendment will not directly have any effect on the revenues or expenditures of the Division of Oil and Gas Conservation.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? This amendment will not generate any additional revenue.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? This amendment will not generate any additional revenue.

(c) How much will it cost to administer this program for the first year? There are no additional costs associated with this amendment.

(d) How much will it cost to administer this program for subsequent years? There are no additional costs associated with this amendment.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):

Expenditures (+/-):

Other Explanation: