

## **KENTUCKY**

### **I. Administration**

1. Agency regulating oil and gas exploration/production: [Division of Oil and Gas](#), 300 Sower Blvd , Frankfort, KY - 40601. Phone: (502) 573-0147. Fax: 502-564-4245
2. Contact for regulatory updates: Dennis Hatfield , Director.
3. Docketing procedure: Any party to a property may request a hearing and said hearing will be set.
  - a. Emergency orders: Upon Application by an operator.
  - b. Notice: 20 days in advance of the date set for the hearing.
4. Agency regulating air emissions: [Department for Environmental Protection, Division of Air Quality](#).
5. Agency regulating water quality: [Department for Environmental Protection, Division of Water](#).

### **II. License**

1. License required: License required to operate gathering/flowlines. [KRS 353.500](#), [805 KAR 1:190](#)(3).
2. Conditions of license: \$100.00 license renewable each year.

### **III. Bond/Surety**

KRS 353.590

1. Purpose of surety: For compliance purposes.
2. Plugging and restoration: For plugging only (pre-June 2019); for plugging and site reclamation post June 2019.
3. Compliance bond required: Yes.
4. Types of surety accepted: Cash, Letter of Credit, Surety & Certificates of Deposit.
5. Conditions of bond:

- a. Amount per well (shallow well): Effective for all permits issued after 6/27/19, shallow well bonding cost is \$2 per foot.

Amount per well (deep well):

Vertical deep wells – \$25,000

Horizontal deep well – \$40,000

Oil & Gas Conservation Commission may establish a higher amount

- b. Amount of blanket bond: New amounts for all new blanket bonds post 6/27/2019 (all prior blanket bonds still grandfathered at old rates)

For shallow wells:

\$20,000 for 1- 25 wells

\$50,000 for 26 - 100 wells

\$200,000 for 101 – 500 wells

\$300,000 for 501 to 1000 wells

Over 1000 wells, additional bonding is required at the same additive tier levels as shown above

For deep wells:

1 to 10 vertical deep wells - \$200,000

1 to 10 horizontal deep wells - \$320,000

No regulations at this time

1. Leasing method: N/A
2. Notice method: N/A
3. Minimum bidding \$ (per acre): N/A
4. Qualification of the bidder: N/A
5. State statutes: N/A
6. Maximum acres: N/A
7. Royalty rates: N/A
8. Agency in control of leasing: N/A

#### IV. Setbacks

1. What rules/regulations/policies does your jurisdiction have in regard to well setbacks from private residences and/or other habitable structures for use by humans or animals? Wells are required to be 150 feet from any structure unless the operator receives a waiver from the structure owner. [805 KAR 1:030](#).
2. Are there other sources of information on this matter that you could identify? N/A

## V. Spacing

[KRS 353.610 and 353.620 \(shallow wells\)](#)  
[805 KAR 1:100 \(deep wells\)](#)

### 1. Spacing requirements:

#### a. Density:

7.85 acres for shallow oil wells in coal area  
18.03 acres for shallow gas well spacing

Deep Wells: As established by Kentucky Oil and Gas Conservation Commission, or in lieu of approved spacing as follows:

70 acres for oil wells between 4,000-7,000 feet  
281 acres for gas wells between 4,000-7,000 feet  
143 acres for oil wells deeper than 7,000 feet  
574 acres for gas wells deeper than 7,000 feet

#### b. Lineal:

Oil well (non-coal area & less than 2000 feet deep) - 400 feet between wells and 200 feet from mineral boundary. Oil well (coal areas and wells in non-coal area between 2000 feet and 6000 feet) - 660 feet between wells and 330 feet from mineral boundary.

Gas well - 1,000 feet between wells and 500 feet from mineral boundary for gas wells less than 6,000 feet deep. ~~Varies with depth and geographic area.~~

### 1. Exceptions: Yes, [KRS 353.620](#).

- a. Basis: For tracts that are so situated that they have no drillable site.
- b. Approval: By notice, then hearing if any objections.

## VI. Pooling

[KRS 353.630](#)

1. Authority to establish voluntary: Yes.
2. Authority to establish compulsory: Yes.

**VII. Unitization**

[KRS 353.630](#)

1. Compulsory unitization of all or part of a pool or common source of supply: Yes.
2. Minimum percentage of voluntary agreement before approval of compulsory unitization:
  - a. Working interest: 51%
  - b. Royalty interest: 51%

**VIII. Drilling Permit**

[KRS 353.570](#)

[KRS 353.580](#)

[KRS 353.590](#)

1. Permits required for:
  - a. Drilling a producing or service well: Yes, by statute.
  - b. Seismic drilling: No.
  - c. Recompletion: No restriction so long as it complies with spacing requirements and meets bonding requirements.
  - d. Plugging and abandoning: No.
2. Permit fee:
  - a. Drilling:  
Shallow wells (0' to 6000') - \$350  
Vertical Deep Wells:  
6001'-7000' TVD - \$500  
7,001 or deeper TVD - \$600  
Horizontal Deep Wells

10,000' or less TMD - \$5,000  
10,001' or greater TMD - \$6,000  
For multilateral - \$500 for each lateral

Additional horizontal wells on same pad:  
10,000 TMD or less - \$3,000  
10,001 TMD or more - \$4000

- b. Seismic drilling: None.
  - c. Recompletion: None.
  - d. Plugging and abandoning: None.
3. Require filing report of work performed: Yes, [KRS 353.660](#).
4. Sundry notices used: No.

**IX. Vertical Deviation**

[KRS 353.739](#)  
[805 KAR 1:200](#)  
[805 KAR 1:140](#)

1. Regulation requirement:
- a. For directional and horizontal wells and all wells drilled in areas of active coal mining.
  - b. Filing of survey required: Yes.
  - c. Format of filing: Electronic or paper.

**X. Casing and Tubing**

[KRS 353.080](#)  
[KRS 353.100](#)  
[KRS 353.550](#)  
[805 KAR 1:020](#)

1. Minimum amount required:
- a. Surface casing: Yes, at least 30 feet below deepest fresh water.

- b. Production casing: No.
2. Minimum amount of cement required:
- a. Surface casing: Yes, circulated to surface, 30' below fresh water depth.
  - b. Production casing: No, except for injection wells circulated to surface.
  - c. Setting time: No.
3. Tubing requirements:
- a. Oil wells: No
  - b. Gas wells: No

**XI. Hydraulic Fracturing**

[KRS 353.6603](#)  
[KRS 353.6604](#)  
[KRS 353.6605](#)  
[KRS 353.6606](#)

The Kentucky Department of Environmental Protection may have rules regarding flowback waste water, tanks & surface discharge.

- 1. Permitting: No requirements
  - a. Before drilling: N/A
  - b. Before fracing: N/A
  - c. How long before: N/A
- 2. Reporting requirements: [KRS 353.660](#).
  - a. Where reported: All completion methods are reported on the Affidavit of Well Log and Completion Report.
  - b. When reported: Well Log and Completion Report due 90 days after reaching total depth.
- 3. Source water requirements: N/A
- 4. Mechanical integrity: N/A

- a. Cementing log required:
  - b. Pressure testing:
  - c. Pressure monitoring:
  - d. Blowout preventer required:
5. Disposal of flowback fluids:
- a. Retaining pits:
  - b. Tanks:
  - c. Approved discharge to surface water:
  - d. Underground injection:
6. Chemical disclosure requirement:
- a. Mandatory: Yes, for horizontal wells using more than 80,000 gallons of water, chemical, and proppant combined for any stage or 320,000 gallons total
  - b. Where disclosed: [FracFocus.org](http://FracFocus.org)
  - c. When disclosed (pre-fracing, post-fracing, both): within 90 days after treatment
  - d. Time limit to disclose: 90 days after treatment
  - e. Information required to be disclosed:
 

Operator's name; date of the high-volume horizontal fracturing treatment; county in which the well is located; API number for the well; well name and number; longitude and latitude of the wellhead; true vertical depth of the well; total water volume used; each chemical additive used in the fracturing treatment, including the chemical abstract service number added, if applicable; maximum concentration, in percent by mass, of each chemical intentionally added to the base fluid, if applicable; and total amount of proppant used, if applicable.
  - f. Trade secret protection: Yes
  - g. Required disclosure to health/emergency personnel: Yes

## **XII. Underground Injection**

[KRS 353.592](#)  
[805 KAR 1:110](#)

4. Agencies that control the underground injection of fluid by well class:  
Division of Oil and Gas

**XIII. Completion**

[KRS 353.660](#)

1. Completion report required:
  - a. Time limit: 90 days after completion of drillings.
  - b. Where submitted: Division of Oil and Gas, 300 Sower Blvd ,  
Frankfort, KY 40601
2. Well logs required to be filed:
  - a. Time limit: 90 days.
  - b. Where submitted: Division of Oil and Gas, 300 Sower Blvd ,  
Frankfort, KY 40601
  - c. Confidential time period: Yes, upon request for one year maximum.
  - d. Available for public use: Yes.
  - e. Log catalog available: Yes, at the Kentucky Geological Survey.
3. Multiple completion regulation: No authorization required.
  - a. Approval obtained: N/A
4. Commingling in well bore: No authorization required.
  - a. Approval obtained: N/A

**XIV. Oil Production**

[KRS 353.010](#)

1. Definition of an oil well: any well which produces one (1) barrel or more of oil to each ten thousand (10,000) cubic feet of natural gas.
2. Potential tests required: No.



- a. Time interval: N/A
- b. Witness required: N/A
- 3. Maximum gas-oil ratio: 10,000 cubic feet to 1 barrel crude oil.
  - a. Provision for limiting gas-oil ratio: No.
  - b. Exception to limiting gas-oil ratio: No.
- 4. Bottom-hole pressure test reports required: Only if such test is run by operator.
  - a. Periodical bottom-hole pressure surveys: No.
- 5. Commingling oil in common facilities: No requirements.
- 6. Measurement involving meters: No requirements.
- 7. Production reports: [805 KAR 1:180](#)
  - a. By lease: Yes.
  - b. By well: Yes.
  - c. Time limit: By February 28 of following year to the Department of Revenue. By April 15 of following year to the Division of Oil and Gas.

## **XV. Gas Production**

### [KRS 353.010](#)

#### 1. Definition of a gas well:

Gas Well - means any well which:

- (a) Produces natural gas not associated or blended with crude petroleum oil any time during production; or
- (b) Produces more than ten thousand (10,000) cubic feet of natural gas to each barrel of crude petroleum oil from the same producing horizon.

#### 2. Pressure base 14.73 psia @ 60 degrees F.

3. Initial potential tests: No Requirements
  - a. Time interval: N/A
  - b. Witness required: N/A
4. Bottom-hole pressure test reports required: Only if run by operator.
  - a. Periodical bottom-hole pressure surveys: No.
5. Commingling of gas in common facilities: No Requirement.
6. Measurement involving meters: No Requirement.
7. Production reports: [805 KAR 1:180](#)
  - a. By lease: Yes.
  - b. By well: Yes, to the Division of Oil and Gas.
  - c. Time limits: By February 28 of following year to the Department of Revenue. By April 15 of following year to the Division of Oil and Gas.