

OKLAHOMA

I. Administration

1. Agency regulating oil and gas exploration and production: Oklahoma Corporation Commission (Commission), Oil and Gas Conservation Division, Jim Thorpe Office Building, 2101 North Lincoln Boulevard, Oklahoma City, Oklahoma 73105. The mailing address is P.O. Box 52000, Oklahoma City, Oklahoma 73152-2000. Telephone: (405) 521-2302. Fax: (405) 521-3099. Web: www.occeweb.com. The Commission's Oil and Gas Conservation Rules are contained in OAC (Oklahoma Administrative Code) 165:10-1-1, et seq., and its Rules of Practice appear in OAC 165:5-1-1, et seq.
2. Contact for regulatory updates: Susan Dennehy Conrad, Deputy General Counsel, and Tyler H. Trout, Assistant General Counsel, Oklahoma Corporation Commission, P.O. Box 52000, Oklahoma City, Oklahoma 73152-2000. Telephone and e-mail for Ms. Conrad: (405) 521-3939 and s.conrad@occemail.com. Telephone and e-mail for Mr. Trout: (405) 522-5639 and t.trout@occemail.com. Fax: (405) 521-4150.
3. Docketing procedure: There are typically between 100 and 200 uncontested cases set for hearing on the administrative law judges' dockets on Mondays and Tuesdays each week. Uncontested cases may also be heard on Wednesdays, Thursdays, and/or Fridays during times of increased Conservation Docket activity. Protested cases are set for hearing on Wednesdays, Thursdays, and Fridays, which typically total between 10 and 30 cases each week. The Pollution and Enforcement Docket is heard on Wednesdays and Fridays each week containing between 20 and 30 cases each week. Motion Dockets are heard on Mondays and Tuesdays, and Emergency Applications are heard on Mondays, Tuesdays, and Fridays. Matters set for hearing in the Commission's Tulsa office correspond to the foregoing docket dates for its Oklahoma City office, with the exception of the Pollution and Enforcement docket, which is heard on Tuesdays in the Commission's Tulsa office. The Commission's Tulsa office is located at 440 South Houston, Suite 114, Tulsa, Oklahoma 74127. Telephone: (918) 581-2296. Fax: (918) 581-2597.
 - a. Emergency Orders: Emergency applications are addressed in OAC 165:5-9-3. No application for emergency relief shall be accepted for filing by the Court Clerk without a base application being previously filed. The Commission will not accept an application for an emergency order approving a commercial facility that requires a permit under OAC 165:10-5-5, OAC 165:10-9-1, OAC 165:10-9-2, or OAC 165:10-9-4. The general form and procedures for Commission orders are addressed in OAC 165:5-15-1, and emergency orders are addressed in OAC 165:5-15-7. An order granting emergency relief relating to a Conservation Docket proceeding shall be effective for a period not to exceed ninety (90) days.

- b. Notice: 15 days notice is required for many hearings on applications. OAC 165:5-7-1. Five business days notice is required for motion and emergency hearings. OAC 165:5-9-2 and OAC 165:5-9-3. "Business day" is defined in OAC 165:5-1-3 and OAC 165:10-1-2 as "a day that is not a Saturday, Sunday, or legal holiday."
4. Agency regulating air emissions: Oklahoma Department of Environmental Quality, 707 North Robinson, Oklahoma City, Oklahoma 73102. Mailing address: P.O. Box 1677, Oklahoma City, Oklahoma 73101-1677. Telephone: (405) 702-0100. Fax: (405) 702-1001. Web: www.deq.state.ok.us. Okla. Stat. Tit. 27A § 1-3-101.
5. Agency regulating water quality: Oklahoma Corporation Commission relating to oil and gas activities. Other agencies regulating water quality include the Oklahoma Department of Environmental Quality; Oklahoma Water Resources Board; Oklahoma Department of Agriculture, Food and Forestry; Oklahoma Conservation Commission; Oklahoma Department of Mines, and the Oklahoma Department of Wildlife Conservation. See Okla. Stat. Tit. 27A § 1-3-101 for agency jurisdictional areas of water quality responsibilities.

II. License

1. License Required: A license must be obtained from the Commission before any person can contract to pull casing or plug oil, gas, injection, disposal, or other service wells, or contract to or purchase wells for the purpose of salvaging casing from such wells. OAC 165:10-11-1, OAC 165:5-7-38.
2. Conditions of License: A license for pulling casing or plugging wells is not transferable and may at any time be suspended or revoked by the Commission for good cause upon application, notice and hearing. OAC 165:10-11-1, OAC 165:5-7-38. Operating requirements for licensees appear in OAC 165:10-11-2.

III. Bond/Surety

1. Purpose of Surety: That all wells will be drilled, operated, and plugged in accordance with Oklahoma laws and Commission rules. Okla. Stat. Tit. 52 § 318.1, OAC 165:10-1-10.
2. Plugging and Restoration: If the Commission determines, after notice and hearing, that a person has neglected, failed or refused to plug or replug any well, to close any surface impoundment or to remove trash and equipment as required by Oklahoma law and Commission rules, then the person's surety can be forfeited in an amount equal to the cost of plugging or replugging the well, closing surface impoundments or removing trash and equipment. Okla. Stat. Tit. 52 § 318.1, OAC 165:10-1-10. Operators of commercial disposal well facilities are required to file surety with the Commission. OAC 165:5-7-27 and OAC 165:10-5-5. Operators of commercial pits, commercial soil farms, and commercial recycling facilities are also required to file

surety with the Commission. OAC 165:10-9-1, OAC 165:10-9-2 and OAC 165:10-9-4.

3. Compliance Bond Required: Surety, or evidence of financial ability, is required of any person who drills or operates any well for the exploration, development or production of oil or gas, or as an injection or disposal well, in the State of Oklahoma. Okla. Stat. Tit. 52 § 318.1, OAC 165:10-1-10. A performance bond in the amount of \$50,000.00, or other form of surety in an amount approved by the Conservation Division, is required for seismic operations, and a financial surety guarantee in compliance with OAC 165:10-1-10 is required in connection with stratigraphic test hole operations. OAC 165:10-7-31. Persons who contract to land apply fluids pursuant to OAC 165:10-7-17, OAC 165:10-7-19, OAC 165:10-7-26 or OAC 165:10-9-2 are required to submit to the Conservation Division a performance bond in the amount of \$50,000.00, or other form of surety in an amount as approved by the Manager of the Pollution Abatement Department. OAC 165:10-7-10.
4. Types of Surety Accepted: Category A: Financial Statement showing net worth in Oklahoma of not less than \$50,000.00; Category B: Corporate Surety Bond, Irrevocable Commercial Letter of Credit, Bank Joint Custody Receipt, Certificate of Deposit, Cashier's Check, Cash, or other negotiable instrument in the minimum amount of \$25,000.00. The amount of Category B surety may be set higher at the discretion of the Director of the Conservation Division. The Commission is authorized to establish Category B surety in an amount greater than \$25,000.00 based upon the past performance of the operator and its insiders and affiliates regarding compliance with the laws of Oklahoma, and compliance with any rules promulgated thereto including, but not limited to, the drilling, operation and plugging of wells, closure of surface impoundments or removal of trash and equipment. For good cause shown concerning pollution or improper plugging of wells by an operator posting either Category A or Category B surety or by an insider or affiliate of such operator, the Commission, upon application of the Director of the Conservation Division after notice and hearing, may require the filing of additional Category B surety in an amount greater than \$25,000.00 but not to exceed \$100,000.00. Okla. Stat. Tit. 52 § 318.1, OAC 165:10-1-10, et seq.
5. Conditions of Bond: Financial statements must be updated annually. Letters of Credit must be valid for at least one year and updated annually. Certificates of Deposit must be valid for at least one year. An operator's agreement must accompany any form of Surety submitted and updated annually. Surety is used for plugging wells, closure of surface impoundments, removal of trash and equipment, and site restoration.
 - a. Amount per well: If statewide plugging liability is less than \$25,000.00, Category B surety can be submitted based on estimated cost of plugging for each well operated. The estimated cost of plugging and abandonment shall not include any salvage value as to recoverable casing, tubing or wellhead equipment. Surety shall be increased as additional wells are added to the responsibility of the operator and may be decreased as included wells are

properly plugged and abandoned.

- b. Amount of blanket bond: Corporate Surety Bond amount: \$25,000.00. Irrevocable Commercial Letter of Credit amount: \$25,000.00. Financial Statement minimum net worth amount: \$50,000.00. Bank Joint Custody Receipt, Certificate of Deposit, or cash amount: \$25,000.00.

IV. Land Leasing Information

The Commissioners of the Land Office (CLO) will need to be contacted regarding information for this section. The CLO is located at 204 North Robinson, Suite 900, Oklahoma City, Oklahoma 73102. Telephone: 405-521-4000. Fax: 405-521-4444. For general inquiries, email: info@clo.ok.gov.

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

V. 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? It is unlawful to locate any habitable structure within a radius of 125 feet from the wellbore of an active well or a radius of 50 feet from the center of any surface equipment or other equipment necessary for the operation of an active well, including, but not limited to, hydrocarbon and brine storage vessels, tanks, compressors, heaters, separators, dehydrators, or any other related equipment. An operator and surface owner, however, can agree in writing to setback provisions with different distances. Okla. Stat. Tit. 52 § 320.1.

2. Are there any other sources of information on this matter that you could identify? See Okla. Stat. Tit. 52 § 137.1.

VI. Spacing

1. Spacing requirements: Not mandatory. If desired, upon application, notice (notice of hearing relating to drilling and spacing units shall be published one time at least fifteen (15) days prior to the hearing in a newspaper of general circulation published in Oklahoma County, Oklahoma, and in a newspaper of general circulation published in each county in which lands embraced in the application are located; when an applicant proposes to establish, vacate, alter, modify, amend, or extend a drilling and spacing unit, the application and notice shall be served by the applicant no less than fifteen (15) days prior to the date of the hearing, by regular mail, upon each person or governmental entity having the right to participate in production from the proposed drilling and spacing unit or the existing drilling and spacing unit) and hearing. See Okla. Stat. Tit. 52 § 87.1 and OAC 165:5-7-6. Standard square drilling and spacing units: 10, 40, 160, or 640 acres. Standard rectangular drilling and spacing units: 20, 80, or 320 acres. See OAC 165:10-1-22. Drilling additional wells into a drilling and spacing unit is permitted only after notice and hearing. The Commission may create well spacing units for horizontal oil or gas wells of up to 1,280 acres. An application for a horizontal spacing unit larger than 640 acres must include the basis for requesting a larger unit. Unless reasonable cause is shown, the contemplated horizontal lateral length for the initial well in the horizontal spacing unit must be at least 7,500 feet in order for a horizontal spacing unit larger than 640 acres to be approved. Further, the drilling of a multiunit horizontal well is not allowed as the initial unit well for a horizontal spacing unit, unless the contemplated completed portion of the lateral is to exceed 10,560 feet. Horizontal spacing units can be established for a common source of supply for which there are already non-horizontal drilling and spacing units. The horizontal spacing unit may exist concurrently with any previously formed nonhorizontal drilling and spacing units so that each concurrently existing unit may be separately drilled into and developed, with production from each well to be governed by and allocated pursuant to the applicable unit. See Okla. Stat. Tit. 52 § 87.1. See also Okla. Stat. Tit. 52 §§ 87.6 through 87.9 (The Extended Horizontal Well Development Act) regarding multiunit horizontal wells and horizontal well unitizations for targeted reservoirs. See OAC 165:10-15-18 regarding production tests and reports for reservoir dewatering oil spacing units.

- a. Density: Permitted well locations-the center of the unit for any standard square drilling and spacing unit. The permitted well locations within standard rectangular drilling and spacing units shall be the centers of alternate square tracts constituting the units (alternate halves of the units). The well will be deemed drilled at the permitted location if drilled within the following tolerance areas: (i) not less than 165 feet from the boundary of any standard 10-acre drilling and spacing unit or the proper square 10-acre tract within any standard 20-acre drilling and spacing unit; (ii) not less than 330 feet from the boundary of any standard 40-acre drilling and spacing unit or the proper square 40-acre tract within any standard 80-acre drilling and spacing unit; (iii) not less than 660 feet from the boundary of any standard 160-acre drilling and spacing unit or the proper square 160-acre tract within any standard 320-acre drilling and spacing unit; (iv) not less than 1320 feet from the boundary of any standard

640-acre drilling and spacing unit. See OAC 165:10-1-21, OAC 165:10-1-24, OAC 165:10-1-26, OAC 165:5-7-9, OAC 165:5-15-4, and OAC 165:5-15-6 regarding permitted well locations and well location exceptions, and OAC 165:10-1-27, OAC 165:5-7-10 and OAC 165:5-15-5 pertaining to increased density wells.

- b. Lineal: A horizontal well is a well drilled, completed, or recompleted with one or more laterals which, for at least one lateral, the horizontal component of the completion interval exceeds the vertical component of the completion interval and the horizontal component extends a minimum of 150 feet in the formation. For information concerning horizontal well units, horizontal well unitizations, multiunit horizontal wells, well location requirements, determination of unit size and allowable, horizontal well spacing requirements, etc. refer to OAC 165:10-3-28, OAC 165:5-7-6, OAC 165:5-7-6.1, OAC 165:5-7-6.2, and OAC 165:5-15-3. See also Okla. Stat. Tit. 52 § 87.1 and Okla. Stat. Tit. 52 §§ 87.6 through 87.9 (The Extended Horizontal Well Development Act).

2. Exceptions:

- a. Basis: To prevent waste, protect correlative rights, to encounter the edge of a known producing reservoir, or because of surface obstructions.
- b. Approval: Upon application, notice (including written notice to offset operators and working interest owners toward whom the location is to be moved) and hearing. An allowable penalty may be imposed.

VII. Pooling

- 1. Authority to establish voluntary: Yes, by private contract.
- 2. Authority to establish compulsory: Yes, for owners of the right to drill who cannot agree as to how the unit should be developed. Spacing is a prerequisite. Okla. Stat. Tit. 52 § 87.1(e). See also Okla. Stat. Tit. 52 § 87.1(f), (g) and (h), and OAC 165:5-7-7, OAC 165:5-15-3, and OAC 165:10-25-1, et seq.

VIII. Unitization

- 1. Compulsory unitization of all or part of a pool or common source of supply: For enhanced recovery, see Okla. Stat. Tit. 52 § 287.1 et seq., OAC 165:5-7-20, and OAC 165:5-15-2. Regarding horizontal well unitization, see Okla. Stat. Tit. 52 § 87.6 et seq., OAC 165:10-3-28, and OAC 165:5-7-6.1.
- 2. Minimum percentage of voluntary agreement before approval of compulsory unitization:

For enhanced recovery:

- a. Working interest: Not less than 63% by lessees of record of the unit area affected thereby. See Okla. Stat. Tit. 52 § 287.5.
- b. Royalty interest: Not less than 63% by owners of record (exclusive of royalty interests owned by lessees or by subsidiaries of any lessee) of the normal 1/8 royalty interest in and to the unit area. See Okla. Stat. Tit. 52 § 287.5.

For horizontal well unitizations for a targeted reservoir:

- a. Working interest: Not less than 63% by lessees of record in the targeted reservoir in the area to be included in the unit. See Okla. Stat. Tit. 52 § 87.9.
 - b. Royalty interest: Not less than 63% by owners of record, exclusive of royalty interests owned by lessees or by subsidiaries of any lessee, of the 1/8 royalty interest in the targeted reservoir in the area to be included in the unit. See Okla. Stat. Tit. 52 § 87.9.
3. Unitized management of a common source of supply-brine and associated gas: See OAC 165:5-7-21.

IX. Drilling Permit

1. Require permits for: (See Commission's website for instructions on electronic submissions of permits to drill)
 - a. Drilling a producing or service well: Yes. See OAC 165:10-3-1.
 - b. Seismic drilling: Yes. See OAC 165:10-7-31 and Okla. Stat. Tit. 52 § 318.21, et seq.
 - c. Recompletion: Yes. See OAC 165:10-3-1.
 - d. Plugging and abandoning: Filing of Notification of Intention to Plug required. See OAC 165:10-11-4.

2. Permit fee:
 - a. Drilling: Ranges from \$350 to \$800 depending on the classification of drilling permit. See OAC 165:5-3-1 for list of all drilling permit fees.
 - b. Seismic Operations: \$100 fee for seismic operations permit, and a \$50,000 bond must also be posted. See OAC 165:5-3-1 and OAC 165:10-7-31.
 - c. Recompletion: Ranges from \$350 to \$800 depending on the classification of drilling permit. See OAC 165:5-3-1 for list of all drilling permit fees.
 - d. Plugging and abandoning: \$100.00 fee for notification of intent to plug. See OAC 165:5-3-1.
3. Require filing report of work performed: Yes. Notice of Spudding of New Well (OAC 165:10-3-2 and OAC 165:10-7-31); Written notice of commencement of seismic operations (OAC 165:10-7-31); Completion Report (must be filed within 60 days after completion of operations regardless of whether or not the well was completed as a dry hole, producer, injection, disposal or service well) and Amended Completion Report (must be filed within 60 days after completion of operations to reenter, recomplete or convert to injection or disposal well regardless of whether or not the well was completed as a dry hole, producer, injection, disposal or service well) (OAC 165:10-3-25); Cementing Report (OAC 165:10-3-4); Certification of plugging of seismic shot holes and a post-plot or acceptable form of survey showing actual location of all seismic shot holes (OAC 165:10-7-31); Plugging Record (OAC 165:10-11-7 and OAC 165:10-7-31).
4. Sundry notices used: See OAC 165:10-1-7 Prescribed forms and OAC 165:10 Oil and Gas Conservation rules.

X. Vertical Deviation

1. Regulation requirement:
 - a. When is a directional survey necessary:
 - i. Within 30 days after completion of a horizontal well, the operator shall show that the location of the completion interval complies with the applicable general rule, location exception order, or other order of the Commission by submitting to the Commission's Technical Services Department a directional survey run in the horizontal well and a plat constructed from the results of the directional survey showing the completion interval. OAC 165:10-3-28.
 - ii. If a directionally drilled or horizontal well is drilled and completed in compliance with an interim order approving a location exception, and no

party of record has requested a hearing, the Commission may issue a final order approving the location exception, without further hearing, based on an administrative review by the Commission's Technical Services Department of the following documents, which the applicant must file with the Court Clerk for the record: the directional survey, a final plat showing the actual location of the lateral, and the well completion report. The applicant must also submit a proposed final order to the Commission's Technical Services Department in any cause handled through the administrative review process. In the event the directional survey shows that a directionally drilled or horizontal well was not drilled and completed in compliance with the interim location exception order, the applicant shall notify the Commission and all of the parties entitled to notice in the original hearing establishing the interim order by filing an amended application in the cause setting forth the actual subsurface locations of the well and by giving proper notice thereof. The actual subsurface locations of the well will be considered at a hearing conducted on the date specified in the interim location exception order, or on such date to which the hearing is continued. OAC 165:5-7-9.

- iii. For good cause, the Commission may order an operator to run directional and/or bottom hole surveys for a common source of supply in a well upon application, notice and hearing, or in any case involving the location of a well, upon motion of an affected party or upon the Commission's own motion. OAC 165:10-3-27.

b. Filing of survey required: Yes.

c. Format of filing: Directional surveys are filed in paper form with the Commission.

XI. Casing and Tubing (OAC 165:10-3-4)

1. Minimum amount required:

- a. Surface casing: Unless an alternate casing program is authorized by the Conservation Division or by an order of the Commission, suitable and sufficient surface casing shall be run and cemented from bottom to top with a minimum setting depth which is the greater of ninety feet below the surface, or fifty feet below the base of treatable water.
- b. Production casing: If additional casing other than surface casing is run, except for temporary purposes, it shall be run, set, and cemented with a calculated volume of cement sufficient to fill the annular space behind the casing string from the base of the casing string to a minimum height which is the greater of 5% of the depth to which the casing string is set, or a height of 200 feet. Any well approved for horizontal completion shall be cemented with a calculated volume of cement

sufficient to fill the annular space behind the production casing string to isolate the producing formation. The Conservation Division may grant a variance to this requirement for a horizontal well upon request.

- c. Wells which penetrate unitized common sources of supply: Each newly drilled or reentered well which penetrates a common source of supply in which enhanced recovery operations are being conducted shall be properly cased and cemented from not less than 100 feet below to not less than 100 feet above each unitized common source of supply to prevent migration of formation fluids and contain formation pressure. In the event the well is to be plugged without being cased, the well shall be properly cemented over the aforementioned interval(s) during plugging procedures.

2. Minimum amount of cement required:

- a. Surface casing: Unless an alternate casing program is authorized by the Conservation Division or by an order of the Commission, suitable and sufficient surface casing shall be run and cemented from bottom to top with a minimum setting depth which is the greater of ninety feet below the surface, or fifty feet below the base of treatable water. If no conductor string is set and the cement did not circulate to the surface or falls back more than five feet, the operator shall determine the top of the cement using a method approved by the District Manager or Field Inspector Supervisor. If the top of cement is found less than 200 feet from the surface, the operator may circulate cement to surface using small tubulars. If a conductor string has been set and the cement has been found to be ten feet or more above the base of the conductor string, no corrective action is required. If no conductor string has been set and the top of the cement is greater than 200 feet from the surface, the operator shall perform a corrective cementing operation by circulating cement to the surface from a point 50 feet below the base of treatable water or from the determined top of the cement, whichever is shallower. The District Manager or Field Inspector Supervisor may grant permission to circulate cement through small tubulars.
- b. Production casing: If additional casing other than surface casing is run, except for temporary purposes, it shall be run, set, and cemented with a calculated volume of cement sufficient to fill the annular space behind the casing string from the base of the casing string to a minimum height which is the greater of 5% of the depth to which the casing string is set, or a height of 200 feet. Any well approved for horizontal completion shall be cemented with a calculated volume of cement sufficient to fill the annular space behind the production casing string to isolate the producing formation. The Conservation Division may grant a variance to this requirement for a horizontal well upon request.
- c. Setting time: The cement behind the surface casing shall set at least eight hours before further drilling.

3. Tubing requirements:
 - a. Oil wells: No.
 - b. Gas wells: No.
 - c. Enhanced recovery and disposal operations: See OAC 165:10-5-5 and OAC 165:10-5-6.

XII. Hydraulic Fracturing (OAC 165:10-3-10)

1. Permitting:
 - a. Before drilling: Yes. See OAC 165:10-3-1.
 - b. Before fracing: Yes. See OAC 165:10-3-1.
 - c. How long before: An operator is required to obtain a Permit to Drill approved by the Conservation Division before spudding a well for the exploration for and production of oil or gas; spudding a well for use as an injection or disposal well; reentry into a plugged well; recompletion of a well or deepening an existing well.
2. Reporting Requirements:
 - a. Where reported: Notice of hydraulic fracturing operations. See OAC 165:10-3-10(b). Operators are also required to file well Completion Reports with the Commission which contain, among other things, information about fracture treatments. OAC 165:10-3-25. Upon request of the Conservation Division, service companies or other persons shall furnish and file reports and records showing gun perforating, hydraulic fracturing, cementing, shooting, chemical treatment and all other service operations on any well. OAC 165:10-1-6(g).
 - b. When reported: Notice of hydraulic fracturing operations. See OAC 165:10-3-10(b). Operators are required to file well Completion Reports with the Commission within 60 days after completion of operations, regardless of whether or not the well was completed as a dry hole, producer, injection, disposal or service well, or within 60 days after completion of operations to reenter, recomplete or convert to injection or disposal well regardless of whether or not the well was completed as a dry hole, producer, injection, disposal or service well. OAC 165:10-3-25.
3. Source water requirements: Temporary storage in noncommercial pits of flowback water that is to be reused for hydraulic fracturing of wells is addressed in OAC 165:10-7-16. Requirements for commercial facilities which recycle flowback water appear in OAC 165:10-9-4. Use of reclaimed water in oil and gas operations is addressed in OAC 165:10-7-34. "Reclaimed water" is defined in OAC 165:10-1-2.

4. Mechanical Integrity:

- a. Cementing log required: A bond log covering the interval from 100 feet below the base of the treatable water to the surface is required if a well is completed using an alternate casing and cementing procedure. OAC 165:10-3-4(d)(4)(C).
- b. Pressure testing: The Conservation Division has the right at all times to go upon and inspect any oil and gas properties for the purpose of making any investigations or tests to ascertain whether Commission rules and orders are being complied with. The Conservation Division may require the testing or retesting of any oil, gas, injection or disposal well. Until the test is completed or excused, no allowable will be assigned the well and the purchaser or taker of oil or gas from such well shall not run oil or gas until authorized by the Conservation Division. OAC 165:10-1-6. Before drilling the cement plug in a casing string, an operator is required to pressure test the installed casing for 30 minutes at a minimum pressure which is the lesser of the surface gauge pressure equal in pounds per square inch to 0.2 of the length of the casing in feet or 1500 psig. During the 30 minute test, if the surface pressure drops ten percent or more, the operator is required to repair and retest the casing until requirements have been met, or plug the well. OAC 165:10-3-4(g). Also see OAC 165:10-5-6 (testing and monitoring requirements for enhanced recovery injection wells and disposal wells), OAC 165:10-5-7 (monitoring and reporting requirements for wells covered by OAC 165:10-5-1, which include enhanced recovery injection wells and disposal wells), OAC 165:10-5-9 (duration of underground injection well orders or permits) and OAC 165:10-5-10 (transfer of authority to inject).
- c. Pressure monitoring: See OAC 165:10-5-6 (testing and monitoring requirements for enhanced recovery injection wells and disposal wells), OAC 165:10-5-7 (monitoring and reporting requirements for wells covered by OAC 165:10-5-1, which include enhanced recovery injection wells and disposal wells), OAC 165:10-5-9 (duration of underground injection well orders or permits) and OAC 165:10-5-10 (transfer of authority to inject).
- d. Blowout preventer required: Yes. See OAC 165:10-3-4(h).

5. Disposal of flowback fluids:
 - a. Retaining pits: See OAC 165:10-9-1 (use of commercial pits) and OAC 165:10-9-4 (commercial recycling facilities).
 - b. Tanks: No.
 - c. Approved discharge to surface water: Discharge of deleterious substances to streams or other surface waters is prohibited except by order of the Commission, unless permitted by a valid National Pollutant Discharge Elimination System Permit issued by the United States Environmental Protection Agency. OAC 165:10-7-18.
 - d. Underground injection: See OAC 165:10-5-1, et seq. underground injection control.
6. Chemical disclosure requirement: See OAC 165:10-3-10(c)
 - a. Mandatory: Information on chemicals used in hydraulic fracturing operations on oil, gas, injection, disposal or service wells must be submitted for horizontal wells that are hydraulically fractured on or after January 1, 2013, and other wells that are hydraulically fractured on or after January 1, 2014.
 - b. Where disclosed: Information on chemicals used in hydraulic fracturing operations can be submitted to the FracFocus Chemical Disclosure Registry or, alternatively, directly to the Commission. If the chemical disclosure information is submitted directly to the Commission, the Commission will post such information on the FracFocus Chemical Disclosure Registry.
 - c. When disclosed (pre-fracing, post-fracing, both): Within 60 days after the conclusion of hydraulic fracturing operations on oil, gas, injection, disposal or service wells.
 - d. Time limit to disclose: Within 60 days after the conclusion of hydraulic fracturing operations on oil, gas, injection, disposal or service wells.
 - e. Information required to be disclosed: See OAC 165:10-3-10(c). Also, nothing in OAC 165:10-3-10(c) restricts the Commission's ability to obtain chemical information under the provisions of OAC 165:10-1-6 or other applicable Commission rules.
 - f. Trade secret protection: If certain chemical information, such as the chemical identity, Chemical Abstract Service number, and/or maximum concentration of an ingredient, is claimed in good faith to be entitled to protection as a trade secret under the Uniform Trade Secrets Act (Okla. Stat. Tit. 78 §§ 85-94), the submission to the FracFocus Chemical Disclosure Registry may note the proprietary nature of that chemical information instead of disclosing the protected information to the

Registry. The submission must include certain information, and the Commission or the Director of the Oil and Gas Conservation Division may require the claimant to file with the Commission a written explanation in support of the claim. See OAC 165:10-3-10(c)(4).

- g. Required disclosure to health/emergency personnel: The Conservation Division shall have access to all well records, wherever located, and upon request of the Conservation Division, service companies or other persons shall furnish and file reports and records showing gun perforating, hydraulic fracturing, cementing, shooting, chemical treatment and all other service operations on any well. OAC 165:10-1-6. In the case of an emergency, first responders will have access to information regarding the chemicals used in hydraulic fracturing operations, through coordinated state emergency planning procedures.

XIII. Underground Injection

Agencies that control the underground injection of fluid by well class: The Commission has jurisdiction over Class II injection wells; Class V injection wells utilized in the remediation of groundwater associated with underground or aboveground storage tanks regulated by the Commission; those wells used for the recovery, injection or disposal of mineral brines as defined in the Oklahoma Brine Development Act (Okla. Stat. Tit. 17 § 500, et seq.) regulated by the Commission, and any aspect of any CO₂ sequestration facility, including any associated CO₂ injection well, over which the Commission is given jurisdiction pursuant to the Oklahoma Carbon Capture and Geologic Sequestration Act (Okla. Stat. Tit. 27A § 3-5-101, et seq.). The Oklahoma Department of Environmental Quality has jurisdiction over underground injection control pursuant to the Federal Safe Drinking Water Act and 40 CFR Parts 144 through 148 except as noted above. Okla. Stat. Tit. 27A §§ 1-3-101(B)(7) and (E).

XIV. Completion

1. Completion report required: Yes, Form 1002A Completion Report.
 - a. Time limit: A Completion Report must be filed within 60 days after completion of operations regardless of whether or not the well was completed as a dry hole, producer, injection, disposal or service well, and an Amended Completion Report must be filed within 60 days after completion of operations to reenter, recomplete or convert to injection or disposal well regardless of whether or not the well was completed as a dry hole, producer, injection, disposal or service well. The Conservation Division shall not assign an allowable to a well without a current Completion Report being on file with the Conservation Division. OAC 165:10-3-25. The operator of the well shall also submit, along with its Form 1002A Completion Report, Form 1002C Cementing Report(s) describing all cementing operations on surface, intermediate and production casing strings, including multistage cementing jobs. OAC 165:10-3-4(i).

- b. Where submitted: Completion Reports, Amended Completion Reports and Cementing Reports are submitted to the Technical Services Department of the Commission's Oil and Gas Conservation Division, Oklahoma City office.
 2. Well logs required to be filed: If an operator runs formation evaluation type well logs, the operator is required to submit to the Commission resistivity logs and porosity logs, if available. Resistivity and porosity logs include, but are not limited to, spontaneous potential, induction, laterolog, density, gamma ray, neutron and sonic logs. Any other well logs, if available, shall be submitted to the Technical Services Department upon Commission order or special request of the Conservation Division. OAC 165:10-3-26. See also OAC 165:10-3-4(d)(4)(C) (bond log required-alternate casing and cementing procedure); OAC 165:10-3-5 (certain logs required in connection with underground gas storage facilities); OAC 165:10-3-31 (electric well log, if available, to be submitted in connection with application for a permit to use a vacuum at the well head); OAC 165:10-5-5 and OAC 165:5-7-27 (certain logs required to be submitted in conjunction with applications for approval of injection, disposal or commercial disposal wells), and OAC 165:10-5-13 and OAC 165:5-7-31 (certain logs to be submitted in connection with application for permit for one time injection of reserve pit fluids).
 - a. Time limit: Within 60 days from the earlier of the date of completion of the well or the date that the last formation evaluation type well log was run. OAC 165:10-3-26(a).
 - b. Where submitted: Commission's Oil and Gas Conservation Division, Oklahoma City Office.
 - c. Confidential time period: Yes, if requested and Form 1002B timely filed. Held confidential for one year from the date the last log was run on the well. Upon written request, the Conservation Division may administratively extend the period of confidentiality for six months. OAC 165:10-3-26(e).
 - d. Available for public use: Yes, unless confidential, then only after expiration of confidential time period.
 - e. Log catalog available: No.
3. Multiple completion regulation:
 - a. Approval obtained: Approval of multiple zone completion required. See OAC 165:10-3-35 through OAC 165:10-3-38. Also see OAC 165:10-13-2(d) (classification of wells for allowable purposes).
4. Commingling in well bore:

- a. Approval obtained: Permit required to commingle production from a well from separate common sources of supply. See OAC 165:10-3-35 and OAC 165:10-3-39. Also see OAC 165:10-13-2(e) (classification of wells for allowable purposes).

XV. Oil Production

1. Definition of an oil well: GOR (Gas-Oil Ratio) of less than 15,000 to one. Classification is for allowable purposes. OAC 165:10-13-2. GOR means the ratio of the gas produced in standard cubic feet to one barrel of oil produced during any stated period. Condensate and load oil excepted under OAC 165:10-13-6 shall not be considered as oil for purposes of determining GOR. OAC 165:10-1-2.
2. Potential tests required: Yes. See OAC 165:10-13-3, OAC 165:10-15-6 (discovery oil pools), OAC 165:10-15-10 (allocated oil wells), OAC 165:10-15-13 (unallocated oil wells), OAC 165:10-15-15 (enhanced oil recovery projects), OAC 165:10-15-17 (excessive water exempt oil projects) and OAC 165:10-15-18 (reservoir dewatering oil spacing units).
 - a. Time interval: 30 days after completion of the well (discovery oil pool); 30 days after the earlier of making the election, completion of the well, or recompletion of the well (unallocated oil wells); 30 days after completion of the well (oil well in a reservoir dewatering oil spacing unit).
 - b. Witness required: Operator shall give 24 hour notice of the opportunity to witness the initial test to the Conservation Division and the offset operator(s) producing from the same pool.
3. Maximum gas-oil ratio: GOR (Gas-Oil Ratio) of less than 15,000 to one. Classification is for allowable purposes. OAC 165:10-13-2.
 - a. Provision for limiting gas-oil ratio: No.
 - b. Exception to limiting gas-oil ratio: No.
4. Bottom-hole pressure test reports required:
 - a. Periodical bottom-hole pressure surveys: Form 1027-Operators shall perform bottom hole pressure tests in the manner and during periods prescribed by special pool rules, by order of the Commission. OAC 165:10-13-3 and OAC 165:10-13-4.
5. Commingling oil in common facilities: No.
6. Measurement involving meters: No.
7. Production reports: Yes.

- a. By lease: See OAC 165:10-1-46 (reports of purchasers and/or transporters) and OAC 165:10-13-7 (production from different pools).
- b. By well: See OAC 165:10-1-46 (reports of purchasers and/or transporters) and OAC 165:10-13-7 (production from different pools).
- c. Time limit: See OAC 165:10-1-46 (reports of purchasers and/or transporters) and OAC 165:10-13-7 (production from different pools).

XVI. Gas Production

1. Definition of a gas well: GOR (Gas-Oil Ratio) of 15,000 to one or more. Classification is for allowable purposes. OAC 165:10-13-2.
2. Pressure base 14.65 psia @ sixty (60) degrees F. See Okla. Stat. Tit. 52 § 472.
3. Initial potential tests: Yes, Form 1016. OAC 165:10-17-6. Also see OAC 165:10-17-7 and OAC 165:10-17-9 for additional information regarding well tests.
 - a. Time interval: The initial test for all gas wells shall be run into the pipeline within 30 days and test results filed within 45 days after the date of first sales of gas. OAC 165:10-17-6.
 - b. Witness required: Regarding initial tests for special allocated gas wells, the operator of the well shall provide 24 hours notice to the Conservation Division of its intent to run an initial test in order to give the Conservation Division the opportunity to witness said test, but in no case shall the operator be precluded from performing said test and filing the results as provided above. Initial tests for special allocated gas wells need not be witnessed, nor signatures obtained, if witnessed, in order for the Conservation Division to assign an allowable to said well. Initial tests for unallocated gas wells with calculated open flow of less than two million cubic feet per day are exempt from witnessing by Conservation Division personnel. OAC 165:10-17-6.
4. Bottom-hole pressure test reports required:
 - a. Periodical bottom-hole pressure surveys: Form 1027-Operators shall perform bottom hole pressure tests in the manner and during periods prescribed by special pool rules, by order of the Commission. OAC 165:10-13-3 and OAC 165:10-13-4.
5. Commingling of gas in common facilities: No.
6. Measurement involving meters: See OAC 165:10-1-47 (gas volume reports to Conservation Division) and OAC 165:10-17-5 (meters and recorders).

7. Production reports: Yes.
 - a. By lease: See OAC 165:10-1-47 (gas volume reports to Conservation Division).
 - b. By well: See OAC 165:10-1-47 (gas volume reports to Conservation Division).
 - c. Time limits: See OAC 165:10-1-47 (gas volume reports to Conservation Division).