

SUBCHAPTER 3. MINERAL EXPLORATION AND PRODUCTION**Section**

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800:30-3-1. Purpose

The following rules of this Subchapter were established to set guidelines for oil, gas and other mineral exploration and production on Department owned or managed lands. The Department has the right to grant or deny any or all sections of Subchapter 3.

[Source: Amended at 23Ok Reg 1593, eff 7-1-06]

800:30-3-2. General provisions

At least 30 days prior to entering to drill or moving any equipment onto Department property the operator will:

(1) Provide the Department a copy of the approved notice of intent to drill (Corporation Commission Form 1000), an estimate of drilling time and an area plat map generally showing the proposed locations and dimension of the:

- (A) Roads.
- (B) Drilling Pad.
- (C) Reserve Pit.

(D) Service Area (including pumps, flowlines, separator, meter house, pulsation bottle, compressor, storage tanks and water tanks).

(2) Provide the Department a list of the names, addresses and telephone numbers of responsible personnel involved with the drilling, subsequent operation and restoration.

(3) Obtain approval from the Oklahoma Archeological Survey Office (OASO) and State Historic Preservation Office (SHPO). Written approval from the OASO and SHPO must be provided to the Department before any type of soil disturbance is allowed.

(4) Enter into a written surface contract agreement on forms as provided by the Commission with the Department of Wildlife, [52 O.S., Section 318.2 - 318.9], sign a letter of stipulation and remit payment for damage and usage.

Predetermined surface damages shall be paid to the Department under the surface contract agreement prior to beginning of any work activity. If additional damage and usage is determined by the Department after completion of proposed project, additional charges will be imposed.

(5) Each Operator will deposit with the Department, a performance surety bond of Ten Thousand Dollars (\$10,000) from a surety company licensed to do business in this state. Only one bond will be required from each operator if the operator has ten or fewer wells on Department property. If the operator has more than ten wells on Department property, an additional One Thousand Dollars (\$1,000) bonding per well will be required. This bond will be conditioned on the observances and compliance with the terms of the surface agreement. This bond will be maintained at Ten Thousand Dollars (\$10,000) and it shall remain in effect as long as the operator is drilling or operating a well on Department lands, or until released by the Department in writing.

(6) At no time will personnel involved in oil and gas activities (except authorized security personnel) be permitted to carry firearms or other hunting or trapping equipment onto an area unless the equipment is appropriate to a season open on the area at the time and the individual(s) would otherwise be authorized to hunt.

(7) In addition to the damage costs in (a), the full value of any merchantable timber (as determined by the Department) removed from roads, drilling pads and pit sites shall also be paid by the operator.

(8) Oil and gas activities will be avoided in or near any previously identified fragile or unique areas. However, fragile or unique areas will not preclude utilization if damage to said fragile or unique areas can be prevented. Examples of fragile and unique areas include but are not limited to:

- (A) Red-cockaded woodpecker colonies.
- (B) Potential red-cockaded woodpecker restoration sites.
- (C) Fragile environments such as natural lakes and bogs.

- (D) Turkey roosts.
- (E) Wetlands.
- (F) Wintering bald eagle roost.
- (G) Populations of endangered plants.
- (H) Prairie chicken leks.

(9) Exploration may proceed if directional drilling from adjacent areas is feasible. On Department owned leases, such areas shall be identified prior to leasing and any area with substantial quantities of such habitats will not be leased for drilling.

(10) All oil and gas construction, development and/or well reworking and servicing is extremely undesirable during high public access periods, unless otherwise approved by the Department. Routine checking or trucking will be strongly discouraged during the time from two hours before sunset to two hours after sunrise.

(11) Oil and gas exploration and development activities will not prevent hunters and anglers from using wildlife resources or from freely pursuing their activities in the Wildlife Management Area.

(12) Special Provisions for oil or gas exploration or production on Department lands having commercial or municipal fresh water production including the Garber-Wellington Aquifer drainage basin/recharge area particularly T7N, R1E, Secs. 15-22, 25-35, Cleveland County, Oklahoma.

(A) No oil, gas or disposal well shall be drilled, operated, or maintained, nor shall any operation in connection therewith be carried on or conducted within three hundred (300) feet of any producing freshwater well.

(B) Domestic and public water supply wells located within a radius of one-half (½) mile of any oil/gas, enhanced recovery, injection, or disposal well shall be tested prior to beginning drilling, injection, or disposal and thereafter annually for the presence of deleterious substances. Such testing is the responsibility of the permittee and, at the permittee's expense, to be conducted by a person approved by the Department and Domestic or Public Water Supply well owner. The Department and water well owners shall be notified forty-eight (48) hours in advance of such testing and may be present therefore. Test results shall be filed with the Department and water well owner's upon completion.

(C) Casing.

(i) Suitable and sufficient surface casing or a stage collar shall be installed to a depth of at least two hundred (200) feet below treatable water strata encountered in the well, and the annular space behind the casing shall be filled with cement from the base of the surface casing, or from the stage collar, to the surface of the ground, by either pump and plug method or by the displacement method. No further drilling shall be accomplished until the cement has set for at least eight (8) hours. No braden head cement job shall be performed between the surface casing and any other casing string except by special order of the Corporation Commission.

(ii) Production casing of a size not less than four and one-half (4 ½) inches outside diameter, in good condition, shall be set no higher than the top of the producing formation and cemented with a sufficient amount of cement to obtain a minimum of five hundred (500) feet of annular fillup above the casing.

(iii) The casing shall be tested before drilling the cement plug, at a minimum pressure of one thousand (1,000) pounds per square inch held for one (1) hour. Whenever the pressure drops five (5) percent within the hour, the casing will be deemed inadequate and shall be repaired and retested until the requirements hereof are met.

(iv) Permittee shall provide documentation to the Department showing the results of the casing pressure test. The test results shall be filed with the Department upon completion of such test. The Department shall be notified in advance of the casing pressure test to enable a Department Representative to be present.

(v) Rupture in surface casing: In the event a rupture, break or opening occurs in the surface production casing, the permittee or the operator or drilling contractor shall take immediate action to repair it, and shall report the incident to the Department promptly.

[Source: Amended at 23 Ok Reg 1593, eff 7-1-06; Amended at 25 Ok Reg 2128, eff 7-1-08; Amended at 26 Ok Reg 2659, eff 7-11-09]

800:30-3-3. Site development

(a) **Roads.** Existing management area roads will be used for mineral exploration and production whenever possible. If additional roads must be constructed by the operator, they shall:

- (1) Follow the natural land contour if reasonable and possible.
- (2) Be a maximum of 40' in width; dimensions and location MUST be approved by the Department prior to construction. Operator will be charged only for width of road that is actually constructed.
- (3) Possess a base sufficient to support vehicles and equipment using it. "Base" guidelines will be predetermined by the Department. In addition, road maintenance materials at the rate of 2,000 cubic yards or ton equivalent per mile, will be provided to the Department, on site, prior to road construction and will be used for annual road maintenance. Size and location of material shall be determined by the Department.
- (4) Be sufficiently ditched with culverts, water bars, and turnoffs that will provide adequate drainage and prevent erosion.

- (5) After completion of drilling, all roads not a part of the management area system will be gated, locked and, if necessary, bermed to exclude all unauthorized personnel. Locks and nonreproducible keys may be provided by the Department at cost. Such measures shall not be necessary when the operator's roads are secured by existing Department gates.
- (6) Have cattleguards installed as determined by the Department.

(b) Drilling pads.

- (1) Drilling pad shall not exceed 300 feet x 300 feet. Deviations are negotiable when justified by special conditions such as well depth and necessary equipment.
- (2) When directed by the Department, drilling pad must be enclosed within a berm to prevent escape of any deleterious substance from the drilling operation. Also a diversion ditch upslope of the well site shall be constructed prior to the commencement of drilling and shall be adequate to divert surface drainage water from the location if so directed by the Department.

(c) Reserve pit.

- (1) Closed system steel mud or circulating pits shall be used. Such pits and contents shall be removed from the premises and the drilling site within fifteen (15) days after completion of the well.
- (2) All waste oil, salt water, liquid with oil content, gasoline or other oil derivatives or by-products, sand, sludge or other waste produced in connection with the drilling, testing, cleaning, swabbing, reworking or operating of any oil, gas or disposal well shall be captured and retained in steel tanks or vessels and transported from the premises to a disposal facility.
- (3) No person shall permit such substances to escape from the premises owned, leased or controlled by the persons conducting such operations by seepage, overflow or otherwise, nor flow across the surface of the ground or upon any public way, into any storm or sanitary sewer, drainage ditch, upon any gutter or paving or into any galloway, stream or tributary.

[Source: Amended at 23 Ok Reg 1593, eff 7-1-06; Amended at 25 Ok Reg 2129, eff 7-1-08; Amended at 26 Ok Reg 2660, eff 7-11-09]

800:30-3-4. Site preparation

- (a) If any trees and shrubs are removed by road construction, pad preparation, pit construction or any other site preparation for mineral exploration or production, they will be piled at nearby locations for wildlife shelter as recommended by the Department.
- (b) Unless otherwise directed by the Department, a minimum of 6 inches of topsoil will be removed for road construction or any site preparation and it will be stored in topsoil stockpiles for later restoration. When topsoils are less than 6 inches, the available topsoil will be stockpiled and stabilized according to Department recommendations.
- (c) The operator will be responsible for keeping the road and site free of trash and litter at all times.
- (d) Disposal of solid waste will be in accordance with provisions of the "Oklahoma Solid Waste Management Act" and "Rules and Regulations" of the State Board of Health promulgated thereto.

[Source: Amended at 23 Ok Reg 1593, eff 7-1-06; Amended at 25 Ok Reg 2130, eff 7-1-08]

800:30-3-5. Regulations for producing wells

- (a) Within thirty days after completion of the well, the operator will provide the Department a copy of the completion notice (Corporation Commission Form 1002A) and/or Plugging Report (Corporation Commission Form 1003).
- (b) A service area of 150 feet x 150 feet will be allowed around the well head unless special conditions justify a larger area and are approved by the Department.
 - (1) The remainder of the area will be covered with topsoil and restored by tilling, fertilizing (at rate and formula recommended by the nearest NRCS office), and seeding with a seed mixture rate, and time as recommended by the Department.
 - (2) Where livestock grazing occurs, the service area will be fenced with four strands of barb wire on steel posts. If the well is located within 300 feet of a residence, camping area, shooting range, or other high use area, the service area and tank batteries will be enclosed with a six foot chain link fence.
 - (3) All pumps, storage tanks and other containers containing potential pollutants will be surrounded by a berm of sufficient height to contain 1 ½ times the entire volume of the largest container inside. These berms must be graveled or fertilized and seeded as authorized by the Department.
 - (4) Any valves and equipment that could cause pollution to the surrounding area will be secured to prevent discharge. All leaks from tanks, lines, pipes and stuffing boxes must be stopped immediately upon detection or notification and repaired as soon as possible.
 - (5) All permanent equipment must be powered electrically or equipped with "hospital zone" or buried muffler systems that are maintained in good working condition.
 - (6) All equipment in the service area must be kept painted and maintained regularly. An earthtone paint color as

authorized by the Department must be used.

(7) Pipelines outside of the immediate service area must be buried at least 36 inches below the surface unless prohibited by rocks as authorized by the Department.

(8) The service area shall be kept clean of trash, debris, empty barrels, old pipes and any other equipment or materials not being used and shall be stabilized according to the Department recommendations. Spilled salt water and hydrocarbons shall be promptly cleaned up and removed from the areas as prescribed by the Corporation Commission and the Department.

(9) Unused topsoil in stockpile shall be fertilized and seeded to preserve it.

(c) **Reserve Pits.** In no instance will pits be allowed to remain more than 12 months after completion notice date. Remaining contents of reserve pits, including liner, will be removed from the site completely. In instances where test results show that the pit content is only fresh water, disposal will be as prescribed by the Corporation Commission and the Department. Where pit content contains a substance deleterious to vegetation or wildlife, pit restoration must be accomplished within 60 days of completion date.

(1) Reserve pit will be backfilled with material from its embankments, and the remaining embankment may be used to elevate the service area.

(2) Pit area will be covered with topsoil from the topsoil stockpile and fertilized and revegetated as described in (b), (1) above.

(d) **Roads.** Roads constructed by the operator, including culverts ditches, turnouts, water bars, gates and cattle guards will be maintained at operators's expense.

(1) All locks and keys issued by the Department will be at cost and the operator will provide the area biologist a list of names of persons with keys.

(2) Operator will repair any excessive damage to area roads at his expense.

(3) Operators may be required to, as determined by the Department, pay a portion of the annual maintenance of wildlife area roads used by the operator, his employees, or anyone working for the operator or anyone hauling oil, gas, salt water, or equipment to or from the well.

(4) Roads not needed for access to the producing well and not part of the wildlife area road system will be restored to approximate original contour, reterraced, covered with topsoil, and revegetated as described in (b), (1) above at operator's expense. And, when necessary, materials may be relocated as directed by the Department.

[Source: Amended at 23 Ok Reg 1594, eff 7-1-06; Amended at 25 Ok Reg 2130, eff 7-1-08]

800:30-3-6. Regulations for non-producing wells

(a) If a well is declared dry or abandoned, the operator will plug the well as required by the Corporation Commission and will supply the Department a copy of the plugging record (Corporation Commission Form 1003) within 30 days from the plugging date.

(b) Restoration of the drilling area, roads and reserve pit will be accomplished within 180 days of plugging date.

(1) Drilling pad fill material will be removed within 2 feet of original contour and the area will be covered with topsoil and revegetated as described in Section 800:30-3-5 (b), (1) above.

(2) Reserve pit and roads will be restored as described in Section 800:30-3-5 (c) and (d).

[Source: Amended at 23 Ok Reg 1594, eff 7-1-06; Amended at 25 Ok Reg 2131, eff 7-1-08]

800:30-3-7. Damage and use charges

Basic damage and use charges for mineral exploration and production are as follows:

(1) Oil or gas well location and reserve pit:

(a) \$7,000.00 per acre for well location site.

(b) \$10,000.00 per acre for reserve pit site.

(2) Pipelines:

(A) \$3,500.00 per acre right-of-way for buried pipeline for gas or freshwater. No lines will be buried less than 36 inches below ground level.

(B) \$85.00 per rod for right-of-way if buried gas line is to be of any Hi-Tech Poly Propylene materials. No lines will be buried less than 36 inches below ground level.

(C) \$10,000.00 per acre right-of-way for buried pipeline for oil or salt water.

(D) Pipelines placed upon the surface will not be allowed, except temporary fresh water lines during drilling or well servicing - \$500.00 per mile. Above ground Hi-Tech Poly Propylene gas lines may be temporarily used to test a well and to bring it into full production. These temporary above ground Poly Propylene lines may be used to test or flow a well for no more than 60 days. Rates for above ground lines are \$500.00 per mile.

(3) Power lines:

(A) \$7,000.00 per acre for above ground electric lines if approved.

- (B) \$3,500.00 per acre for buried electric lines.
- (4) Seismograph:
 - (A) \$15.00 per acre for all Seismograph activity, including but not limited to the following methods: Shot Hole, Mini-Hole, Hydropulse, and Vibrosies. Charges based on quarter section legals.
 - (B) On lands where the Department owns mineral interest, a Mineral Bonus will be assessed. The Mineral Bonus will be based on a two year average for that county, provided by the Commissioners of the Land Office.
- (5) Tank batteries, lact unit, separators:
 - (A) \$7,000.00 per acre if location is different from well.
 - (B) \$500.00 per acre if at same location as well.
- (6) Use of water out of ponds, lakes or existing wells if approved: \$150.00 per day.
- (7) Drilling water well if approved: \$1,000.00.
- (8) Roadways:
 - (A) \$7,000.00 per acre if new road.
 - (B) Pipelines proposed in new or existing roadways will be subject to pipeline damage and use charges.
- (9) Monitoring Fee: \$1,000.00
- (10) If any oil or gas activity damages Department crops, wildlife or improvements, such damage will be taken into consideration and will be in addition to the minimum charges listed above in 1-9 of this Subsection.
- (11) Crop damage: Any oil or gas activity resulting in damages to a Department agriculture or grazing lease must be negotiated separately with the lessee. All negotiations must be completed prior to beginning any work activity. The Department will provide the name and a contact number for any lessees involved.
- (12) Oil and Gas Leases: Actual cost for advertising fees will be billed to the requesting entity.

[Source: Amended at 23 Ok Reg 1594, eff 7-1-06; Amended at 25 Ok Reg 2131, eff 7-1-08]

800:30-3-8. Disposal wells

- (a) Salt water not produced on Department lands may not be disposed of in wells on Department land, unless otherwise approved by the Department.
- (b) Operator requesting salt water disposal well agreements must supply the Department in advance a plat showing the location of all wells from which the salt water is produced. Operator will conform with Oklahoma Corporation Commission Underground Injection Control rules.

[Source: Amended at 23 Ok Reg 1596, eff 7-1-06]

SUBCHAPTER 5. PENALTIES

Section

800:30-5-1. Purpose

800:30-5-2. Statutory citations

800:30-5-3. Penalties

[Source: Codified 6-1-92]

800:30-5-1. Purpose

The purpose of this Subchapter is to establish a penalty section for violations of this Chapter.

[Source: Added at 9 Ok Reg 1691, eff 6-1-92]

800:30-5-2. Statutory citations

Citations to statutes in this Subchapter refer to the most recent codification of the statute.

[Source: Added at 9 Ok Reg 1691, eff 6-1-92]

800:30-5-3. Penalties

It shall be a misdemeanor to violate any Commission rule or regulation promulgated by the Commission under the authority granted in Title 29 O.S., Section 8-104.

[Source: Added at 9 Ok Reg 1691, eff 6-1-92]