

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

IN THE MATTER OF A PERMANENT
RULEMAKING OF THE OKLAHOMA
CORPORATION COMMISSION AMENDING
OAC 165:10, OIL & GAS CONSERVATION

CASE NO. RM2023-000008

**OIL & GAS CONSERVATION DIVISION'S PROPOSED RULES AMENDING CHAPTER 10
(As of November 20, 2023)**

**TITLE 165. CORPORATION COMMISSION
CHAPTER 10. OIL & GAS CONSERVATION**

SUBCHAPTER 1. ADMINISTRATION

PART 1. GENERAL PROVISIONS

165:10-1-7. Prescribed forms

(a) Required Conservation Division forms shall be submitted to the Commission on forms supplied by the Commission, which are available on the Commission's website, or on copies of Commission forms or by operator computer generated forms. Operator computer generated forms must contain the exact language and wording of Commission forms. Any alteration of Commission forms language and wording may subject the signature party and/or operator to perjury charges.

(b) The following Conservation Division forms are prescribed for filing purposes, [which forms shall be filed in a format provided by the Conservation Division](#):

(1) **Form 1000 - Notice of Intent/Permit to Drill application:** Operator shall file Form 1000 ([Application](#)) before any oil, gas, injection, disposal, service well or stratigraphic test hole is drilled, recompleted, re-entered or deepened. Such notice shall include the name(s) and address(es) of the surface owner(s) of the land upon which the well is to be located [and the name and address of any operator designated in a Commission Pooling Order covering the subject unit\(s\) if different than the applicant listed in the Form 1000](#). The Conservation Division shall process the application, and the Conservation Division shall send an approved Permit to Drill by electronic mail to the operator applying for the Permit to Drill at the electronic mail address(es) listed in the Form 1006B Operator Agreement filed by the operator with the Conservation Division. If no electronic mail address is listed in the Form 1006B Operator Agreement filed by the operator with the Conservation Division, the Conservation Division shall mail the approved Permit to Drill to the operator's address listed in the Form 1006B. For each Permit to Drill other than a Permit to Drill for a recompletion, the operator shall send by facsimile, electronic mail or regular mail a copy of the Permit to Drill to each surface owner [and operator designated in a Commission Pooling Order](#) listed on the Form 1000 within ten (10) business days of the Conservation Division's approval of the Permit to Drill. Upon approval, the operator will have eighteen months to commence the permitted operations. A six month extension may be granted without fee providing the Conservation Division staff determines that no material change of condition has occurred, if a request by facsimile, electronic mail, or regular mail for such extension is received from the operator prior to the expiration of the original permit. Only one extension may be granted. A copy of the approved permit shall be posted at the well site. [Reference 165:10-3-1 and 165:10-1-25 and OAC 165:10-7-31]

(2) **Form 1000B - Application to Drill Deep Anode Groundbeds:** Form 1000B is required to be filed for wells drilled for deep anode groundbeds as required by OAC 165:10-7-14. The purpose of Commission Form 1000B is to ensure groundwater is being protected in construction of the deep anode groundbed. [Reference 165:10-7-14]

(3) **Form 1000S - Application for seismic operations:** A permit for seismic operations must be obtained. The applicant must post a \$50,000 bond with the Surety Department in the Oil and Gas Conservation Division. The application must also be accompanied with a pre-plat of the project area. [Reference 165:10-7-31]

(4) **Form 1001 - Notification of Intention to Plug:** Operator shall file notice on Form 1001 five days prior to plugging operations and shall notify the appropriate Conservation Division District Office before work is started. If the well is an exhausted producer, list OTC assigned county and lease number. If the Intent to Plug is cancelled, the operator shall notify the Commission by letter. [Reference 165:10-11-4 and 165:10- 11-6]

(5) **Form 1001A - Notification of Spudding of New Well:** Operator shall file a Form 1001A with the Conservation Division within 14 days of spudding a new well or reentering a previously plugged well. [Reference 165:10-3-2]

(6) **Form 1002A - Well completion report:** Operator shall furnish a complete well record on Form 1002A within 60 days after completion of operations to drill, recomplete, re-enter, or convert to injection or disposal well. Effective for both dry hole and/or producer. If well is an oil or gas producer, list OTC assigned county and lease number. Gas-oil ratio must be shown when Form 1002A is filed. List on a 24-hour basis both oil and gas. [Reference 165:10-3-25]

(A) **Oil well:** GOR less than 15,000:1

(B) **Gas well:** GOR 15,000:1 or more

(7) **Form 1002B - Confidential Filing of Electric Logs:** Operator shall file Form 1002B within 60 days from the earlier of the date of completion of the well or the date of the running of the last formation evaluation type well log to hold logs confidential for one year period. Optional extension for six months may be requested by operator in writing to the Technical Services Department of the Conservation Division. [Reference 165:10-3-26]

(8) **Form 1002C - Cementing Report:** Operator shall file Form 1002C within 45 days of the release of the rig used to drill such well. The Form 1002C shall describe all cementing operations on surface, intermediate, and production casing strings, including multistage cementing jobs. The Form shall be completed and signed by employees of both the operator and the cementing company. [Reference 165:10-3- 4(j)]

(9) **Form 1003 - Plugging Record:** Operator will file Form 1003 within 30 days after plugging operations are completed. The Form 1003 is to be mailed or e-mailed to the appropriate Conservation Division District Office. Form 1003 shall be completed and signed by employees of both the operator and the cementer. If a depleted producer, list OTC assigned county and lease number. [Reference 165:10-11-6 and 165:10-11-7]

(10) **Form 1003A - Notice of Temporary Exemption from Well Plugging:** Form 1003A shall be filed with the appropriate Conservation Division District Office. [Reference 165:10-11-3 and 165:10-11-9]

(11) **Form 1004B - Notice of Gas Purchase Curtailments:** In any month wherein a first purchaser or first taker has a market demand/supply imbalance and must curtail purchases or takes in compliance with 165:10-17-12, Form 1004B shall be filed by said first purchaser or first taker with the Conservation Division. [Reference 165:10-17-12]

(12) **Form 1005 - Monthly Report of Purchasers (Gas: subject to field rules):** [Reference 165:10-1-47 and 165:10-15-1]

(A) **GAS:** Each operator of the required meter or meters under 165:10-17-5 shall complete computer-generated Form 1005, and return a copy to the Conservation Division indicating the gas amounts transferred through the meter for the preceding month on allocated and special allocated gas wells.

(B) **OIL:** Each first purchaser, or first taker of oil from wells and projects which are capable of producing in excess of their maximum assigned allowables, must complete computer-generated Form 1005 and return a copy to the Conservation Division indicating the amount of oil taken

from each well or unit for the preceding month.

(13) **Form 1006 - Surety bond for oil, gas, injection, or disposal wells:** Prior to drilling and/or operating a well, the operator shall furnish the Conservation Division a surety bond (\$25,000.00) or other present alternate surety, including, but not limited to, Form 1006A or 1006C. Operator must file the original copy only with a copy of the power of attorney from the bonding company. The name and address of the Oklahoma resident service agent shall be endorsed on the bond form. [Reference 165:10-1-10 and 165:10-1-12]

(14) **Form 1006A - Financial Statement for oil, gas, injection or disposal wells:** Prior to drilling and/or operating a well, the operator shall furnish the Conservation Division a verifiable financial statement (minimum net worth \$50,000.00 within the State of Oklahoma) or other present alternate surety, including, but not limited to, Form 1006 or 1006C. Operator must file an original copy on Form 1006A, which must be updated annually from the last filing date. [Reference 165:10-1-10 and 165:10-1-11]

(15) **Form 1006B - Operator Agreement to plug oil, gas, and service wells within the State of Oklahoma:** Operator shall agree to plug well(s) in compliance with the Commission rules. This agreement must accompany the operator's elective choice of surety (including, but not limited to, Form 1006, 1006A, or 1006C). The operator is required to file a Form 1006B with the Conservation Division once every twelve (12) months. [Reference 165:10-1- 10, 165:10-1-11, 165:10-1-12, 165:10-1-13, and 165:10-1-14]

(16) **Form 1006BR-A – Operator agreement to close hydrocarbon recycling/reclaiming facility:** Operators of hydrocarbon recycling/reclaiming facilities are required to file agreements with the Commission concerning closure of such facilities. [Reference 165:10-8-5]

(17) **Form 1006BR-B - Surety for closure of hydrocarbon recycling/reclaiming facility:** Operators of hydrocarbon recycling/reclaiming facilities are required to file surety with the Commission for closure and reclamation of such facilities. [Reference 165:10-8-5]

(18) **Form 1006BT-A – Operator's agreement to close, reclaim and remediate truck wash pit:** Operators of truck wash pits are required to file agreements with the Commission regarding closure of such pits. [Reference 165:10-7-33]

(19) **Form 1006BT-B - Surety for closure of truck wash pits:** Operators of truck wash pits are required to file surety with the Commission for closure, reclamation and remediation of such pits. [Reference 165:10-7-33]

(20) **Form 1006C - Irrevocable commercial letter of credit:** Prior to drilling and/or operating a well, the operator shall furnish the Conservation Division an irrevocable commercial letter of credit (\$25,000.00) or other present alternate surety, including, but not limited to, Form 1006A or 1006. Operator must file the original copy of Form 1006C. A letter of credit must be valid for at least a one year period. [Reference 165:10-1-10 and 165:10- 1-13]

(21) **Form 1006D - Affidavit of well plugging costs:** An operator may submit an affidavit on Form 1006D to the Conservation Division concerning the operator's statewide plugging liability. The Commission may approve Category B surety in an amount less than \$25,000.00 for an operator whose statewide plugging liability is less than \$25,000.00. The Form 1006D must be properly executed by a duly licensed pipe pulling and well plugging company and such Form must be acceptable to the Conservation Division. [Reference 165:10-1-10, 165:10-1-12, 165:10-1-13 and 165:10-1-14]

(22) **Form 1006S – Operator's agreement to plug seismic shot holes within the State of Oklahoma:** Prior to commencing seismic operations the operator shall file an agreement to plug shot holes in accordance with Commission rules. This agreement must accompany the financial surety guarantee. [Reference 165:10-7-31]

(23) **Form 1006SB - Surety bond for seismic shot hole plugging within the State of Oklahoma:** Before commencing any seismic operation that requires the drilling of shot holes, those companies actually doing the work in the field must secure a bond in the amount of \$50,000.00. Seismic

companies must file the original Form 1006SB only with a copy of the power of attorney from the bonding company. The name and address of the Oklahoma resident service agent shall be endorsed on the bond form. Form 1000S shall be filed with the bond. [Reference 165:10-11-6 and 165:10-7-31]

(24) **Form 1010 - Application for Cancelled Underage:** Operator shall file, within 30 days for oil, and six months for special allocated and allocated gas from the date of cancellation, to reinstate cancelled underage; stating reason for this request and notifying all offset operators. List OTC assigned county and lease number. [Reference 165:10-13-10 and 165:10-17-9]

(25) **Form 1011 - Multi-Zone lease runs report:** If there are two or more common sources of supply that are produced through a well or wells on the same lease or drilling and spacing unit and that are not commingled, production from each common source of supply shall be separately produced, measured and/or accounted for to the Commission. If one or more of the zones produced are classified as oil for allowable purposes, the operator is required to submit to the Conservation Division a multi-zone report on Form 1011 showing the production from each oil-bearing common source of supply on or before the last day of the succeeding proration period. [Reference 165:10- 13-7]

(26) **Form 1012 - Fluid Injection Report:** Operators shall file Form 1012 with the Conservation Division by January 31 of each year covering the previous calendar year (January 1 through December 31) on all enhanced recovery projects, pressure maintenance projects, noncommercial disposal wells, LPG storage wells, authorized waterfloods and gas repressuring projects for each UIC well. The completed form will list well identification including API number, the Commission order or permit number, injection volume and pressure, etc., as required on the form. No UIC well is to be operated for injection or disposal unless the Form 1012 is filed by the above date. [Reference 165:10-5-7].

(27) **Form 1012C – Commercial disposal well fluid disposal report:** Operators of commercial disposal wells shall file Form 1012C with the Conservation Division by January 31 and July 31 of each year for the previous six-month period. The completed form will list well identification including API number, the Commission order or permit number, disposal volume and pressure, etc. as required on the form. No commercial disposal well is to be operated unless the Form 1012C is filed by the above dates. [Reference 165:10-5-7].

(28) **Form 1012D – Daily volume and pressure report for disposal wells within areas of interest:** Operators of wells authorized for disposal within areas of interest designated by the Oil and Gas Conservation Division shall submit Form 1012D containing daily volumes and pressures to the Manager of the Induced Seismicity Department at a minimum on a weekly basis or as designated by such Manager. [Reference 165:10-5-7]

(29) **Form 1013 - Application for adjusting an allowable for an Excessive Water Exemption or Reservoir Dewatering Oil Spacing unit:** An operator in an unallocated oil pool may be permitted to produce at a full capacity allowable rate, provided that the water- oil ratio at the well is greater than or equal to 3:1 as an excessive water exemption. To qualify for the reservoir dewatering oil spacing unit allowable shown on Appendix J, the operator must provide data to show that the water - oil ratio is greater than 1:1. The operator shall submit a production test on Form 1013 to the Conservation Division. [Reference 165:10-15-1, 165:10-15-16, 165:10-15-17 and 165:10-15-18].

(30) **Form 1014 - Application for Permit to Use Earthen Pit, noncommercial disposal or enhanced recovery well pit used for temporary storage of saltwater, or pit associated with commercial disposal well surface facility:** The operator of a proposed off-site reserve pit, recycling/reuse pit, spill containment pit, remediation pit, noncommercial disposal or enhanced recovery well pit used for temporary storage of saltwater, or pit associated with a commercial disposal well surface facility must submit Form 1014 to the appropriate Conservation Division District Office for approval before constructing or using the pit. [Reference 165:10-7-16, 165:10-7-20 and 165:10- 9-3]

(31) **Form 1014A – Commercial facility report:** A report that operators of hydrocarbon

recycling/reclaiming facilities, commercial pits, commercial soil farming sites and commercial recycling facilities are required to submit to the Manager of Pollution Abatement. [Reference 165:10-8-8, 165:10-9-1, 165:10-9-2 and 165:10-9-4]

(32) **Form 1014C - Chain of custody record/analysis request:** Form 1014C is available for use by Commission personnel when samples are collected for submission to and analysis by a laboratory certified by the Oklahoma Water Resources Board or operated by the State of Oklahoma.

(33) **Form 1014CA - Compliance agreement for land application:** Any person responsible for supervision of land application must submit a compliance agreement to the Commission. [Reference 165:10-7-19 and 165:10-7-26]

(34) **Form 1014CR – Application for commercial recycling facility construction:** After a Commission order is obtained, Form 1014CR must be submitted for approval to the Manager of Pollution Abatement prior to the construction of the commercial recycling facility authorized by the order. [Reference OAC 165:10-9-4]

(35) **Form 1014CS - Application for Commercial Soil Farming:** For a commercial soil farming site that has an order to operate, the operator shall submit a Form 1014CS to the Pollution Abatement Department for approval prior to commencing soil farming. [Reference 165:10-9-2]

(36) **Form 1014D - Application for Surface Discharge or for reclaiming and/or recycling of produced water:** Each application for surface discharge of produced water or for reclaiming and/or recycling of produced water must be submitted to the appropriate Conservation Division District Office on Form 1014D in quadruplicate. Applications will be processed within five business days. [Reference 165:10-7-17 or 165:10-7-32]

(37) **Form 1014F - Application for permit to use noncommercial pit with capacity in excess of 50,000 barrels to contain deleterious substances:** The operator of a proposed noncommercial pit with a capacity in excess of 50,000 barrels must submit the Form 1014F to and obtain the approval of the Manager of the Pollution Abatement Department or obtain the issuance of a Commission order before constructing or using the pit. [Reference 165:10-7-16]

(38) **Form 1014HD - Notice for Disposal of Hydrostatic Test Water:** Companies wishing to discharge water as required by OAC 165:10-7-17, used to test a pipeline, tank, etc. must submit a Form 1014HD to the appropriate Conservation Division District Office and the Pollution Abatement Department for prior approval. [Reference 165:10- 7-17]

(39) **Form 1014L - Surface Owner Permission for Land Application:** Each application for land application must include an original Form 1014L, whereby the applicable surface owner gives permission for the applicant to land apply certain deleterious substances to a specific property. [Reference 165:10-7-19 and 165:10-7- 26]

(40) **Form 1014LA – Designation of land application agent:** A notarized affidavit designating any agent of an operator for land application must be submitted to the Commission. [Reference 165:10-7-17, 165:10-7-19 and 165:10-7-26]

(41) **Form 1014LC – Letter of credit for land application:** Persons who contract to land apply materials are required to file surety with the Commission. [Reference 165:10-7-10]

(42) **Form 1014N - Application for Commercial Pit Construction:** After a Commission order is obtained, Form 1014N must be submitted for approval by the Manager of Pollution Abatement prior to the construction of each commercial pit authorized by the order. [Reference 165:10-9-1]

(43) **Form 1014P – Annual report for surface discharge:** An annual report is required to be submitted to the Commission by April 1 of each year on Form 1014P concerning surface discharges of produced water. Current (within three month)analyses of the produced water and soil from the discharge plot must be attached to the annual report. [Reference 165:10-7-17]

(44) **Form 1014R – Post land application report:** A post land application report shall be submitted by the operator or the operator's agent to the Manager of Pollution Abatement within ninety (90) days of the completion of land application. [Reference 165:10-7-19 and 165:10-7-26]

(45) **Form 1014RW – Application for permit to use reclaimed water in oil and gas operations:**

Each application for a permit to use reclaimed water in oil and gas operations must be submitted to the Manager of Field Operations on Form 1014RW. [Reference OAC 165:10-7-34]

(46) **Form 1014S - Application for Land Application:** Each application for land application of materials must be submitted to the Pollution Abatement Department on Form 1014S. The applicant must be the operator of the well or other operator responsible for generating the waste to be land applied, except that a commercial pit operator may also apply in case of emergency or for the purpose of facilitating repair or closure, and the Oklahoma Energy Resources Board or its contractor may apply in cases where there is no responsible party. The Form 1014S shall be processed within five business days of submission of all required or requested information. [Reference 165:10-7-19 and 165:10-7-26]

(47) **Form 1014SB – Surety bond for land application:** Persons who contract to land apply materials are required to file surety with the Commission. [Reference 165:10-7-10]

(48) **Form 1014T – Application for permit to use truck wash pit:** The operator of a proposed truck wash pit must submit Form 1014T to the Manager of Pollution Abatement for the Conservation Division and obtain a permit before constructing or using the pit. [Reference 165:10-7-33]

(49) **Form 1014W - Application for waste oil or drill cuttings use by County Commissioners:** Application to apply waste oil, waste oil residue, crude oil contaminated soil or freshwater drill cuttings must be made by any Board of County Commissioners on Form 1014W. The Form 1014W is required to be submitted by electronic mail to the appropriate District Manager. [Reference 165:10-7-22 and 165:10-7-28]

(50) **Form 1014X - Application for waste oil or drill cuttings use by operators:** Application to apply waste oil, waste oil residue, crude oil contaminated soil or freshwater drill cuttings must be made by any operator on Form 1014X. The Form 1014X is required to be submitted by electronic mail or mailed to the appropriate District Manager. [Reference 165:10-7-27 and 165:10-7-29]

(51) **Form 1015 - Application for Administrative Approval to Dispose of or Inject Class II fluids into Well(s) or to amend existing orders authorizing injection for injection, disposal or LPG storage well(s):** Applicant shall file an original of the application and one complete set of attachments with the Commission on Form 1015. When requesting approval to dispose of or inject Class II fluids into wells, applicant will also furnish copies of the application on Form 1015 as specified, and, where noted, required attachments to Form 1015. Applicant will submit an affidavit of delivery or mailing to the Commission not later than five business days after the application is filed. Applicant shall file with the Commission proof of publication regarding the notice of application in an Oklahoma County newspaper and a county newspaper in which the well is located. [Reference 165:10-5-2, 165:10-5-5, and 165:5-7-30]

(52) **Form 1015SI - Application for Order or Permit for Simultaneous Injection Well:** Operator shall file original with the Underground Injection Control Department on Form 1015SI. A copy of the form will also be supplied to the operator of any producing lease within one-half (1/2) mile of the proposed injection well. [Reference 165:10-5-15]

(53) **Form 1015T - Application for Injection of Reserve Pit Fluids:** Each application for the on-site injection of reserve pit fluids (i.e., drilling mud fluids or fracture fluids) used in drilling or well completion shall be filed with the Underground Injection Control Department by the well operator on Form 1015T. The original of the application and one complete set of attachments shall be furnished to the Underground Injection Control Department. A copy of the application will also be supplied to the land owner and the operator of any producing lease within one-half (1/2) mile of the proposed well. [Reference 165:10-5-13]

(54) **Form 1016 - Back Pressure Test for Natural Gas Wells:** Operators and/or purchasers, on the Form 1016, will report all single-point and four-point potential tests as required by pool rule orders or general rules. List OTC assigned county and lease numbers and special allocated pool numbers, first date of sales, and complete flow data. [Reference 165:10-17-6 and 165:10-17-7]

(55) **Form 1017 - Guymon-Hugoton Field Gas Well Deliverability Tests:** Operators and/or

purchasers of gas in this field shall take deliverability tests between January 1 and August 31 of each year, and on the test sheet Form 1017 file the results with the Commission. List OTC assigned lease number for each well. [Reference Orders No. 17867 and 87291 and 165:10-17-9]

(56) **Form 1019 - Guymon-Hugoton Field Acreage Statement for Gas Wells:** A fact statement as to acreage attributable to each well shall be filed with the Commission on Form 1019 within 30 days of the well completion with a plat or map showing location of the well. List OTC assigned county and lease number. [Reference Order No. 17867 and 165:10-17-9]

(57) **Form 1020A - Application for Certification for the Recycling, Reuse of Deleterious Substances:** Applicant shall file an original Form 1020A with necessary attachments with the Pollution Abatement Department. Form 1020A is filed prior to construction of facility or change of operator. [Reference 165:10-8-1 through 165:10-8-11]

(58) **Form 1021 - Application for Priority Hardship Classification:** The applicant shall file Form 1021 and the necessary attachments with the Technical Services Department for review prior to any hearing for priority one hardship classification. In addition, a formal application for hearing must be filed with the Court Clerk's Office of the Commission. [Reference 165:10-17-12]

(59) **Form 1021A - Application for limited deviation from the priority gas rules:** The applicant shall file Form 1021A and the necessary attachments with the Technical Services Department for review prior to any hearing for deviation from the priority gas rules. In addition, a formal application for hearing must be filed with the Court Clerk's Office of the Commission. [Reference 165:10-17-12]

(60) **Form 1022 - Application to flare or vent gas:** Operator shall file one copy of Form 1022 with the Technical Services Department of the Conservation Division listing OTC assigned county lease number. [Reference 165:10-3-15]

(61) **Form 1022A - Application to operate vacuum pump:** Operator shall file one copy of Form 1022A with the required attachments with the Technical Services Department of the Conservation Division. [Reference 165:10-3-31]

(62) **Form 1023 - Application for multiple completion, multichoke assembly or commingle completion:** Operator will file the original of Form 1023 with the required attachments. List OTC assigned county and lease number. [Reference 165:10-3-35; 165:10-3-39; 165:10-3-37]

(63) **Form 1024 - Packer setting affidavit:** Operator will submit Form 1024 as required. [Reference 165:10-3-35 and pertinent field rules]

(64) **Form 1025 - Packer leakage test:** Operator will submit Form 1025 as required. [Reference 165:10-3-35 and pertinent field rules]

(65) **Form 1027 - Bottom hole pressure test:** Operator, on the pink sheet of Form 1027, shall take BHP tests in the manner and during periods prescribed by special field rules. List OTC assigned county and lease numbers. [Reference Special Field Rules and 165:10-13-3]

(66) **Form 1028 - Application for discovery oil allowable:** Operator shall file Form 1028 with the required exhibits and tests within 30 days of completion of each new well in a discovery oil pool. [Reference 165:10-15-7]

(67) **Form 1029A - Production or potential test - oil only:** Operator of each newly completed discovery oil well shall file a potential test Form 1029A not later than 30 days after completion of the well. All tests, if requested, shall be witnessed by another operator. [Reference 165:10-15-7].

(68) **Form 1030 - Application for allowable adjustment:** Each operator or other interested parties desiring to adjust the allowable for a well or wells shall file Form 1030 for administrative review and approval. The allowable may be increased, decreased, or transferred as the evidence may indicate for the most efficient rate of production from the well or wells. [Reference 165:10-13-5, 165:10-13-8, 165:10-15-18 and 165:5-7-12]

(69) **Form 1034 - Nominations and purchasers report:** [Reference 165:10-1-36, 165:10-1-37 and 165:10-1-46] **Oil:** Purchasers will furnish nomination data, actual runs from leases, stocks, and other information on Form 1034 to the Conservation Division not later than noon Friday of the week

preceding each scheduled market demand hearing. On months in which no market demand hearing is held, Form 1034 shall be filed by the 20th of the month listing crude oil runs for the previous month on line 5 only. Any change in nominations from the previous hearing shall be so indicated on this monthly report.

(70) Form 1034-G – Gas nominations: Operators of natural gas wells in special allocated gas pools where well allowable calculations according to special allocated field rules are in effect shall file their pool nominations on Form 1034-G no later than one week prior to the market demand hearing. [Reference 165:10-1-36, 165:10-1-37, 165:10-1-49 and 165:10-17-9].

(71) Form 1040 - Monthly allocation schedule (gas): Monthly gas schedule Form 1040 will be forwarded to operators by the Conservation Division indicating the status of special allocated gas wells and their current allowables. Operators will inform the Conservation Division of errors, if any, found in Form 1040 as promptly as possible. Additionally, purchasers will receive the monthly schedule and shall return the production from each well as requested. [Reference 165:10-1-47]

(72) Form 1055 - Application for Casing Pulling and Well Plugging License: No person shall contract to pull casing or plug oil, gas, injection, disposal, or other service wells, or contract to salvage casing therefrom, or purchase wells for the purpose of salvaging casing therefrom until a license has been secured from the Commission. [Reference 165:10-11-1]

(73) Form 1070 - Inventory of authorized existing enhanced recovery wells: Operators shall file reporting Form 1070 before injecting into any enhanced recovery well. [Reference 165:10-5-3]

(74) Form 1071 - Inventory of authorized existing disposal wells: Operators shall file the reporting Form 1071 before disposing into any disposal well. [Reference 165:10-5-3]

(75) Form 1072 - Notice of termination of injection: Within 30 days of the termination of injection Form 1072 must be filed. [Reference 165:10-5-7]

(76) Form 1073 - Notice of transfer of oil or gas well operatorship: The new operator shall file Form 1073 to notify the Conservation Division of any change of operation of any oil or gas well within 30 days of transfer of the well. [Reference 165:10- 1-15]

(77) Form 1073I - Notice of transfer of underground injection well operatorship: The new operator shall file Form 1073I to notify the Underground Injection Control Department of any change of operation of any injection, disposal, or hydrocarbon storage well within 30 days of transfer of the well. [Reference 165:10-5-10]

(78) Form 1073IMW - Notice of transfer of multiple underground injection well operatorship: For transfers involving more than 10 underground injection wells, a transferor and transferee may file a single Form 1073IMW with the Conservation Division indicating the transfer of multiple wells. If the Form 1073IMW is used, such Form must be filed with the Conservation Division regarding any change of operations of such wells within 30 days of transfer of the wells. [Reference 165:10-5-10]

(79) Form 1073MW - Notice of transfer of multiple oil or gas well operatorship: For transfers involving more than 10 oil or gas wells, a transferor and transferee may file a single Form 1073MW with the Conservation Division indicating the transfer of multiple wells. If the Form 1073MW is used, such Form must be filed with the Conservation Division regarding any change of operations of such wells within 30 days of transfer of the wells. [Reference 165:10-1-15]

(80) Form 1075 - Mechanical integrity pressure test: A pressure or monitoring test must be performed on new and existing injection wells and disposal wells. Information must be submitted on Form 1075 and witnessed by a Field Inspector. Forms shall be submitted to the Conservation Division's Underground Injection Control Department. [Reference 165:10-5-6]

(81) Form 1081 - Mineral owners escrow account: Operator shall file Form 1081 annually on anniversary date of first pooling order issued after effective date of 52 O.S. §§ 551 et seq. and shall include all applicable orders issued during the twelve-month reporting period. [Reference 165:10-25-1 through 165:10-25-10]

(82) Form 1085 - Complaint report: Form 1085 is used by Commission personnel to report

violations of General Rules of the Commission and to report progress on ongoing remedial actions. Copies are sent to all parties concerned with investigation. Form 1085 combines and replaces old Forms 1034 and 1062. [Reference 165:10-7-7]

(83) Form 1535 - Application for classification of reservoir dewatering project for exemption of sales tax on electricity used for such operations and application for state sales tax exemption for electricity sold for operations involving enhanced recovery methods on a spacing unit or lease: Operators shall file one original of Form 1535 with the required attachments with the Technical Services Department of the Conservation Division. To obtain the exemption of sales tax on the sale of electricity and associated delivery and transmission used for reservoir dewatering operations, or for a state sales tax exemption for electricity sold for operations involving enhanced recovery methods on a spacing unit or lease, the operator shall contact the Director's Office, Taxpayer Assistance Division, Oklahoma Tax Commission, 2501 N. Lincoln Blvd., Oklahoma City, Ok. 73194. [Reference 165:10-21-90 through 165:10-21-92 and 165:10-21-95 through 165:10-21-97]

(84) Form 2001BF – Brownfield Applicant Eligibility: The applicant shall file one (1) Form 2001BF with the Brownfield Program of the Conservation Division. This Form is filed to demonstrate applicant's eligibility to be in the Brownfield program. [Reference 165:10-10-1 through 165:10-10-14]

(85) Form 2002BF - Consent to Entry: The applicant shall file one (1) Form 2002BF with the Brownfield Program of the Conservation Division. This Form is the landowner's permission for applicant and their contractors to enter the property for assessment and cleanup work. Copies will be sent to all parties concerned with the assessment and/or cleanup. [Reference 165:10-10-1 through 165:10-10-14]

(86) Form 2003BF - Application for Brownfield Program Enrollment: The applicant shall file one (1) Form 2003BF with the Brownfield Program of the Conservation Division for all sites applicant is entering into the program. This Form provides necessary information on the site. This Form can be used by public, quasi- public, and non-profit entities to request a free Targeted Brownfield Assessment of a site that has been approved as eligible for the Brownfield program. [Reference 165:10- 10-1 through 165:10-10-14]

(87) Form 2005BF - Brownfield Certificate of No Action Necessary: The Form 2005BF will be issued by the Commission to the Brownfield Applicant, after the Brownfield staff has made a no action necessary decision. The applicant must file the Certificate of No Action Necessary in the office of the county clerk where the site is located, provide a copy to the landowner if the landowner is not the applicant, and submit a file-stamped copy to the Oklahoma Corporation Commission within 30 days. [Reference 165:10-10-1 through 165:10-10-14]

(88) Form 2006BF - Brownfield Certificate of Completion: The Form 2006BF will be issued by the Commission to the Brownfield Applicant, after the Brownfield staff has made a final inspection of the site and review of the project following a remedial action. The applicant must file the Certificate of Completion and any land use restrictions in the office of the county clerk where the site is located, provide a copy to the landowner if the landowner is not the applicant, and submit a file-stamped copy to the Oklahoma Corporation Commission within 30 days. [Reference 165:10-10-1 through 165:10-10-14]

(89) Form 3000NGS – Application for Investigation and/or Abatement of Seeping Natural Gas: An owner of property which has seeping natural gas shall file an application with the Commission regarding the Commission's investigation and/or abatement of the seeping natural gas. [Reference 165:10-12-9]

(90) Form 4000WIP – Well impact report: If an operator has evidence that its well(s) have been impacted by hydraulic fracturing operations, the operator may report the occurrence by electronic mail to the Conservation Division within 24 hours of discovery. The operator must use Form 4000WIP to report the occurrence. [Reference 165:10-3-10]

(91) Form 5000NTL - Notice of temporary lines which may be used to transport produced

water: Operators are required to notify the Conservation Division, the appropriate County Commissioners and the surface owners of the land that is subject to the rights-of-way sought to be utilized by the operator, at least 48 hours prior to placing in public road rights-of-way temporary lines that may at any time be used to transport produced water for well drilling, completion, or remedial workover operations. Operators must use Form 5000NTL to provide the notice. [Reference 165:10-3-10.1]

(92) Form 6000NHF – Notice to Conservation Division of hydraulic fracturing operations: Operators are required to notify the Conservation Division using Form 6000NHF at least 48 hours prior to commencement of hydraulic fracturing operations on a well. [Reference 165:10-3-10]

(93) Form 6000NOO – Notice to operators of producing wells of hydraulic fracturing operations: Operators are required to notify operators of producing wells within one mile of the completion interval of the subject well at least 5 business days prior to commencement of hydraulic fracturing operations on such well. The notice to be provided such operators shall contain the information in Form 6000NOO. [Reference 165:10-3-10]

SUBCHAPTER 3. DRILLING, DEVELOPING, AND PRODUCING

PART 1. DRILLING

165:10-3-1. Required approval of notice of intent to drill, deepen, re-enter, or recomplete; Permit to Drill

(a) Permit to Drill.

(1) Except as provided in (I) of this Section, on emergency authorization to commence, the operator shall obtain for the well a Permit to Drill approved by the Conservation Division before:

- (A) Spudding a well for the exploration for and production of oil or gas.
- (B) Spudding a well for use as an injection, disposal, or service well.
- (C) Re-entry into a plugged well.
- (D) Recompletion of a well.
- (E) Deepening an existing well.

(2) A Permit to Drill shall be valid only for each common source of supply listed on the permit.

(3) Any operator who drills, deepens, reenters or recompletes a well without a permit to drill may be fined up to \$1,000.00.

(4) An operator requesting a Permit to Drill for a well shall submit a plat utilizing Commission records showing the well name, operator, section, township, range and county, ground elevation, and total depth of each abandoned, plugged, producing or drilling well, and dryhole within one quarter (1/4) mile of the completion interval of the proposed well. The operator is also required to submit a certified plat regarding the proposed well prepared by a licensed surveyor, and the following information shall be included in the plat concerning the completion interval of the proposed well: the surface hole location footages from the quarter section with latitude and longitude, proposed bottom hole location footages from the quarter section with latitude and longitude, landing point, corner coordinates at section corners and quarter section points, GPS Datum NAD 27 and NAD 83, and distance to wells that will be closer than authorized in Commission rules or by Commission order. In addition, regarding an application for a Permit to Drill to recomplete a well, the operator shall include on the plat the surface hole location latitudes and longitudes for wells for which Permits to Drill have been approved.

(5) The Conservation Division shall send an approved Permit to Drill by electronic mail to the operator applying for the Permit to Drill at the electronic mail address(es) listed in the Form 1006B Operator Agreement filed by the operator with the Conservation Division. If no electronic mail address is listed in the Form 1006B Operator Agreement filed by the operator with the Conservation Division, the Conservation Division shall mail the approved Permit to Drill to the operator's address

listed in the Form 1006B.

(6) The Commission may issue a Permit to Drill for any well after a hearing for a special order or for an order on the merits prior to the issuance of any such order. Any such Permit to Drill is subject to and must conform with the final provisions of any such order.

(b) Amended or additional Form 1000 requirements.

(1) **When required.** If the Conservation Division has issued a Permit to Drill for a well, the operator of the well shall submit an amended Form 1000 for the well and obtain an amended Permit to Drill before:

(A) Completing the well in a common source of supply which is not listed on the current unexpired Permit to Drill for the well.

(B) Recompleting the well in a common source of supply which is not listed on the current unexpired Permit to Drill for the well.

(C) Installing less surface casing than the amount approved on the unexpired Permit to Drill for the well.

(D) Deviating from an alternative casing and cementing procedure which the Conservation Division approved on the unexpired Permit to Drill for the well.

(E) Completing a well in a common source of supply at a subsurface location which does not correspond with the surface location on the most recently issued Permit to Drill for the well.

(2) **Effect of amended or additional Permit to Drill on prior Permit to Drill.** Each approved, amended, or additional Permit to Drill for a well cancels any previously issued Permit to Drill for the well.

(c) Expired or revoked Permit to Drill. If a Permit to Drill for a well expires or is revoked, the operator shall be subject to the requirements of (a) of this Section.

(d) Casing and cementing requirements. Each Permit to Drill shall list the minimum amount of surface casing to be used or an approved alternative casing and cementing program under 165:10-3-4.

(e) Spud report and well spacing requirements. In addition to complying with the requirement of obtaining a Permit to Drill, the operator shall comply with the following:

(1) The spud report requirement of 165:10-3-2.

(2) Any well spacing requirements applicable by order or rule of the Commission. Well spacing requirements do not apply to injection or disposal wells.

(f) Disposal of drilling fluids.

(1) The operator shall indicate on Form 1000 the proposed method(s) for disposal of drilling fluids. These methods shall include, but not be limited to:

(A) Evaporation/dewatering and leveling of the reserve pit.

(B) Soil farming.

(C) Recycling.

(D) Commercial off-site earthen pit disposal.

(E) Annular injection.

(F) Hauling to a facility or location other than a commercial earthen pit.

(2) If the method in (1)(F) in this subsection is used, the operator shall provide the location to which the drilling fluids are to be hauled.

(3) Issuance of the Permit to Drill shall not be construed as constituting approval of the disposal method(s) indicated. An operator who desires to dispose of drilling fluids through either evaporation/dewatering and leveling of the reserve pit, soil farming, commercial earthen pit disposal, or annular injection must comply with 165:10-7-16, 165:10-7-19 or 165:10-9-2, 165:10-9-1, or 165:10-5-13 respectively.

(4) If the proposed method for drilling fluid disposal is changed, the operator shall notify the appropriate Conservation Division District Office, either by telephone, facsimile or electronic mail, within twenty-four (24) hours after the change. An amended Form 1000 for the well shall not be required for a change in disposal method.

(5) Drilling fluids and/or other deleterious substances in a closed pit system may be disposed of utilizing the methods specified in subparagraphs (B), (C), and/or (F).

(g) Notice to surface owners.

(1) The operator shall include on each Form 1000 submitted to the Conservation Division, the name and address of each surface owner of record for the wellsite.

(2) For each Permit to Drill other than a Permit to Drill for a recompletion, the operator shall send by facsimile, electronic mail or regular mail a copy of the Permit to Drill to each surface owner listed on the Form 1000 within ten (10) business days of the Conservation Division's approval of the Permit to Drill.

(h) Notice to operator under pooling order. The entity seeking approval of a Form 1000 shall include on each Form 1000 submitted to the Conservation Division, the name and address of any operator designated in a Commission Pooling Order covering the subject unit(s) if different than the applicant listed on the Form 1000. For each Permit to Drill, the entity seeking approval of a Form 1000 shall mail by regular U.S. mail or send by electronic mail a copy of the Permit to Drill to any operator designated in a Commission Pooling Order [that is in full force and effect] listed on the Form 1000.

~~(h)~~(i) **Disapproval for noncompliance with Commission order.** If an operator is not in compliance with an enforceable order of the Commission, the Conservation Division shall not issue any Permit to Drill for the operator, until the operator complies with the order.

~~(i)~~(j) **Erroneous approval.** Erroneous issuance of a Permit to Drill shall not excuse noncompliance with any order or rule of the Commission.

~~(j)~~(k) **Expiration.**

(1) **Eighteen-month period.** Except as provided in (3) of this subsection for expiration after submission of a completion report, a permit to drill shall expire eighteen months from the date of issuance, unless drilling operations are commenced and thereafter continued with due diligence to completion.

(2) **Six-month extension.** A six month extension may be granted without fee providing the Conservation Division staff determines that no material change of condition has occurred, if a request by facsimile, electronic mail, or regular mail for such extension is received from the operator prior to the expiration of the original permit. Only one extension may be granted.

(3) **If Form 1002A is filed.** If the operator of the well submits to the Conservation Division a Completion Report (Form 1002A) for the well, the Permit to Drill for the well shall expire on the date the Completion Report is approved by the Conservation Division.

~~(k)~~(l) **Posting of Permit to Drill at the wellsite.** During any activity subject to this Section, the operator shall maintain at the wellsite an original or legible copy of the Permit to Drill for inspection by Commission personnel.

~~(l)~~(m) **Emergency authorization without approval of a Permit to Drill.** In an emergency, the Manager of the Technical Services Department of the Conservation Division may temporarily authorize commencement of activities without a Permit to Drill for a period up to five business days.

~~(m)~~(n) **Limits of authority.** A Permit to Drill does not grant the operator authority to produce, inject or dispose without the required permits or allowable assignment.

[NOTE: due to above paragraph renumbering- will need to ensure to change in cross- references to revised numbering]

SUBCHAPTER 29. SPECIAL AREA RULES

165:10-29-2. Alternative location requirements for horizontal well units

(a) **Scope and effect.** The well location requirements of this Section apply to horizontal wells completed in horizontal well units in designated common sources of supply as specified in this Section. Horizontal

wells covered by this Section are subject to OAC 165:10-3-28 and other applicable Commission rules except as provided in this Section.

(b) Woodford shale-north and south laterals.

- (1) This subsection applies to horizontal wells completed in the Woodford shale common source of supply where the lateral runs north and south.
- (2) The completion interval of a horizontal well subject to this subsection shall be located not less than the minimum distance from the boundary of a standard or non- standard horizontal well unit as follows:
 - (A) Not less than 330 feet from an east or west unit boundary.
 - (B) Not less than 165 feet from a north or south unit boundary.

(c) Woodford shale-east and west laterals.

- (1) This subsection applies to horizontal wells completed in the Woodford shale common source of supply where the lateral runs east and west.
- (2) The completion interval of a horizontal well subject to this subsection shall be located not less than the minimum distance from the boundary of a standard or non- standard horizontal well unit as follows:
 - (A) Not less than 165 feet from an east or west unit boundary.
 - (B) Not less than 330 feet from a north or south unit boundary.

(d) Cherokee north and south laterals.

- (1) This subsection applies to horizontal wells completed in the Cherokee common source of supply where the lateral runs north and south in the areas listed below. The areas controlled by this section include:

(A) IN ELLIS COUNTY

- (1) All sections of Township 20 North, Range 26 West;
- (2) All sections of Township 20 North, Range 25 West;
- (3) All sections of Township 19 North, Range 26 West;
- (4) All sections of Township 19 North, Range 25 West;
- (5) All sections of Township 19 North, Range 24 West
- (6) Secs. 5, 6, 7, 8, 17, 18, 19, 20, 28, 29, 30, 31, 32, 33 of Township 19 North, Range 23 West
- (7) All sections of Township 18 North, Range 25 West
- (8) All sections of Township 18 North, Range 24 West
- (9) Secs. 5, 6, 7, 8, 17, 18, 19, 20, 29, 30, 31, 32 of Township 18 North, Range 23 West
- (10) All sections of Township 17 North, Range 24 West
- (11) All sections of Township 17 North, Range 23 West
- (12) Secs. 7, 8, 17, 18, 19, 20, 29, 30, 31, 32 of Township 17N, Range 22 West
- (13) All sections of Township 16 North, Range 24 West
- (14) All sections of Township 16 North, Range 23 West

(B) IN ROGER MILLS COUNTY

- (1) All sections of Township 18 North, Range 25 West
- (2) All sections of Township 17 North, Range 24 West
- (3) All Sections of Township 16 North, Range 24 West
- (4) All Sections of Township 16 North, Range 23 West

- (2) The completion interval of a horizontal well subject to this subsection shall be located not less than the minimum distance from the boundary of a standard or non-standard horizontal well unit as follows:

- (A) Not less than 660 feet from an east or west unit boundary.
- (B) Not less than 165 feet from a north or south unit boundary.

(e) Additional review. Laterals outside the parameters in subsections (b) and (c) may require additional review by the Technical Services Department.