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West Virginia Department of Environmental Protection

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POLICY STATEMENT

**West Virginia Department of Environmental Protection
Office Of Oil And Gas**

ABANDONED WELL INITIATIVE

For a number of years, West Virginia has had an unacceptable amount of abandoned oil/gas wells (WV Code 22-6-19). By definition, these wells are in a condition of non-compliance and as a group create a tremendous liability for the State and the oil and gas industry as well. Many of these wells have known owners/operators. Certainly any prudent operator acknowledges the need for a regular program for maintenance of wells and plugging.

In the last several years some operators have entered into agreed orders with the Office to address abandoned wells through plugging or placing the well into production over a set period of time (35 CSR 6-7). These orders are few in number however and only address a small percentage of the wells that are abandoned in the state while taking considerable time to prepare and monitor for compliance.

The Office has therefore developed an Abandoned Well Initiative for 2003 and subsequent years. Under the initiative, operators will be on a ten-year schedule to address their abandoned wells through returning to active status or plugging. They will be required to address at least ten percent of these wells each year, thereby resulting in full compliance at the end of the ten-year period. Operators participating in and complying with the initiative will essentially be entered into a consent agreement with the OOG in which the OOG will not pursue enforcement for abandonment against wells registered under the initiative. As this initiative is a catch-up program, the initial agreed upon abandoned well list for an operator cannot be changed over time to add additional well to the list. Wells that become abandoned during the initiative will be addressed in accordance with the statutory provisions of the West Virginia Code. Operators choosing not to participate will be subject to enforcement action for any wells in an abandoned status.

It is not the intent of the OOG to force operators to plug wells that have the potential to be economic producers (i.e. bona fide future use). To the contrary, it is our hope that



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these wells are returned to production resulting in a win-win situation for everyone. We are, in essence, allowing operators ten years to accomplish this task. However, we also recognize the fact that wells can't produce forever at economic levels and therefore should be plugged to minimize any safety, health or environmental threat. We look forward to working with the industry in this important endeavor.

Phase one of the Abandoned Well Initiative involves establishing accurate abandoned well inventories. Production data for 2001 was due to the OOG by March 31, 2002 and an operator's inventory of abandoned wells will be determined based on this information. It is therefore very important as a first step for operators to make sure that their production is submitted and is correct. The OOG will work with operators as necessary to make sure that production information is correct and the abandoned well inventory is accurate, however, this is ultimately the operator's responsibility. Jamie Stevens with the OOG should be contacted to work out any problems on production data and abandoned well inventories.

The second phase will consist of operators, who wish to participate in the initiative, submitting a list and plan for ten percent of the wells on their abandoned well list to be addressed in 2003. This list and plan must be submitted by December 1, 2002 in order to participate in the initiative. All operators not submitting a list and plan by this time will then be subject to enforcement actions on all wells that are abandoned. Operators participating in the initiative shall submit a new list and plan by December 1 of each year showing work completed in compliance with the initiative and work planned for the subsequent year. Operators failing to meet the terms of the initiative for work completed in a particular year will be taken out of the program for future years and therefore be subject to enforcement on all abandoned wells.


Michael W. Lewis, Program Manager
Regulatory Assistance and Compliance

Date: July 9, 2002


James A. Martin, Chief

Date: 7/16/02