

2-2006

State of Arkansas Oil & Gas Commission: Recent Developments, Future Initiatives

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Recommended Citation

Bengal, Lawrence E., "State of Arkansas Oil & Gas Commission: Recent Developments, Future Initiatives" (2006). *Annual of the Arkansas Natural Resources Law Institute*. Paper 82.
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State of Arkansas Oil and Gas Commission

Recent Developments Future Initiatives



State of Arkansas Oil and Gas Commission

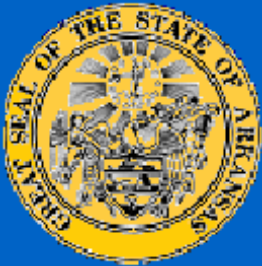
2005 Developments Amendments to Statutes

A.C.A. 15-71-110 and 15-71-115

- Create Abandoned and Orphaned Well Plugging Fund
- Adopt Fees
- Disposal of Well Equipment
- Recover Costs

A.C.A. 15-72-217

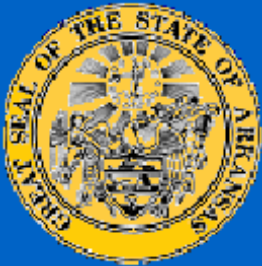
- Define Well Abandonment
- Require Plugging of Abandoned Wells
- Authority to Plug Abandoned Well for Non-compliance



State of Arkansas Oil and Gas Commission

2005 Developments Rule Changes

1. **General Rule B-3 - Well Spacing**
 - Establish 280' Set Back For Wildcat Wells, Exploratory Units And Uncontrolled Pools
2. **General Rule B-2 - Financial Assurance**
 - Establish Types Of Financial Assurance Accepted (Surety Bond, Letter Of Credit, CD, Cash)
 - Replaced Financial Assurance Request For Oil Wells With Annual Fee Assessment
 - Established Annual Fee Schedule



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2005 Developments Rule Changes

3. **General Rule D-18 - Commingle**
 - Authorize By Rule Commingling Activities In Certain Fields Without Application
 - Clarified And Streamlined The Commingle Application Process

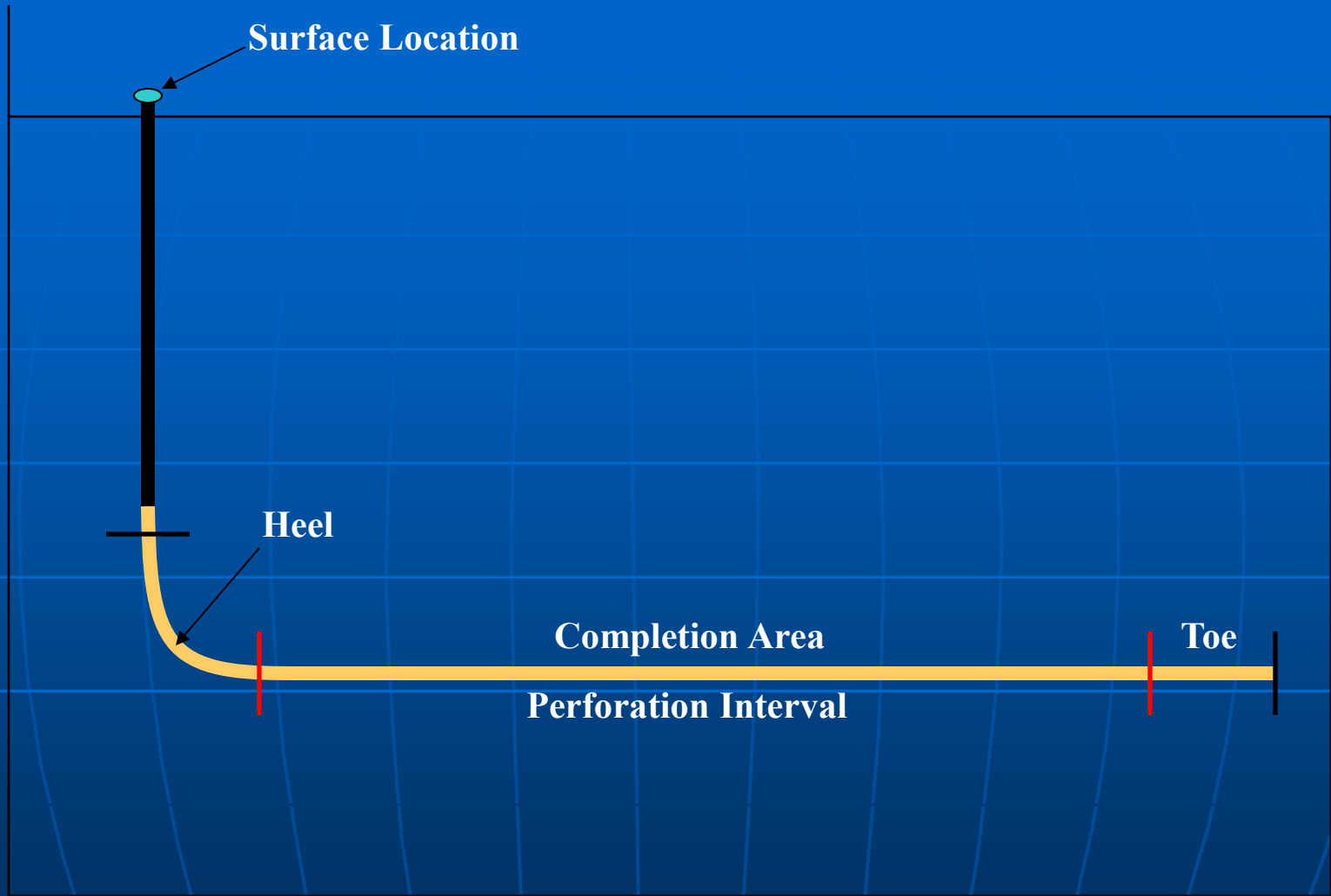
4. **General Rule D-19 - Additional Completions Within Drilling Unit**
 - Expanded The Type Of Reservoir Characteristics Which Qualify For Additional Completion Approval (Previously Zone Separation Only)
 - Clarified And Streamlined The Additional Completion Application Process



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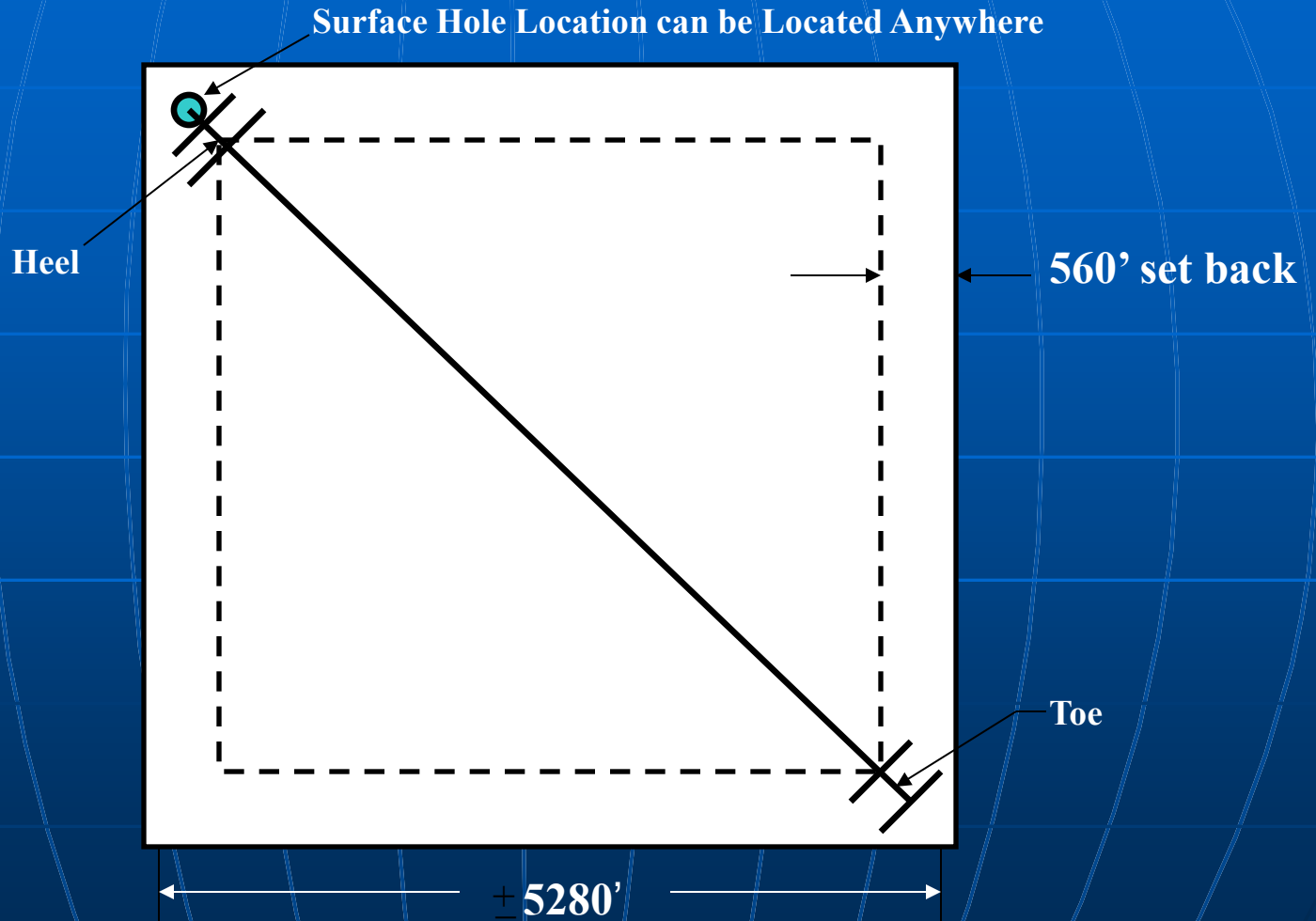
2005 Developments Orders of Commission

1. Hearing Procedures Amended To Require Notice To Interested Parties Be Given By Applicant (Previewed By Commission)
2. Well Location Was Defined As The Bottom Hole Location For Purposes Of Setback, Well Spacing And Defining Exceptional Location:
 - Vertical – Surface Location
 - Directional – Mid-point Of Perforations
 - Horizontal – Entire Length Of Perforated Interval



X - Section

Governmental Section





State of Arkansas Oil and Gas Commission

2006 INITIATIVE

- General Rule B-40 – Streamline Administrative Exceptional Location Approval Process
- Continue Various Rule Amendments To Clarify And Streamline Fayetteville Shale Spacing – General Rule B-43
- Embayment Development Issues
 1. Drilling Pit Concerns
 2. Surface Casing
 3. Disposal of Drilling and Completion Fluids