

TITLE 267 – NEBRASKA OIL AND GAS CONSERVATION COMMISSION

CHAPTER 3 – DRILLING, DEVELOPMENT, PRODUCING AND ABANDONMENT

040 INACTIVE WELLS

Whenever operations cease for a period of sixty (60) days on any well, the operator shall give notice to the Commission of the change to inactive status.

040.01 If it is deemed necessary to prevent migration of oil, gas, water or other substances from the formation or horizon in which it originally occurred, the well shall be plugged or repaired. If the operations on any such inactive well are not resumed within a period of one (1) year after the notice has been given, the operator of the well shall plug and abandon the well in the manner prescribed by the Director. However, upon application prior to the expiration of the one (1) year period, and for good cause shown, the Director may extend the period for one (1) year, provided that the static fluid level is established and maintained at least one hundred fifty (150) feet below the lowest fresh water zone, or the casing is pressure tested to at least three hundred (300) pounds per square inch as measured at surface to prove mechanical integrity.

040.02 Application for inactive well status must be submitted on a Form 4 and contain the following information:

- The type of well.
- The bottom hole assembly.
- Pressures as measured by gauge for:
 - Tubing.
 - Production casing annulus.
 - Surface casing annulus.
- Static fluid level as measured from ground level.
 - Method used to determine static fluid level.
 - Date data was obtained.
- Information stating if any formations with reservoir pressures high enough to initiate flow into the lowermost freshwater aquifer exist.

040.03 An additional one (1) year extension(s) may be granted in the same manner.

040.04 FEE FOR INACTIVE WELL

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A yearly fee will be collected for each well that is inactive for two or more consecutive years. The operator will submit a fee for each well requested for inactive status. The fee structure is as follows:

<u>Inactive Period, Year(s)</u>	<u>Fee</u>
0 to 2	\$ 0/Year
2 or more	\$200/Year

The funds shall be used at the discretion of the Commission and the collection of fees may be reduced to five dollars (\$5.00) per well at the discretion of the Director if previously collected funds prove sufficient to carry out the purposes of the Well Plugging and Abandonment Trust Fund.

Statute: 57-905; 57-906; 57-907; 57-908; 57-919; 57-923

