15A NCAC 05H .XX11 WELLHEAD REQUIREMENTS

(a) All wellhead assemblies shall be installed and maintained in accordance with API Specification 6A "Specification for Wellhead and Christmas Tree Equipment," which is incorporated by reference, including subsequent amendments and editions. This document, published by API, may be viewed online at no charge at http://publications.api.org/default.aspx or may be purchased at a cost of two hundred sixty dollars ($260.00) at http://www.techstreet.com/api/products/1744826 or by mail at Techstreet, 3916 Ranchero Drive, Ann Arbor, MI 48108.

(b) All wellhead assemblies shall be pressure rated to withstand operating pressures 100 percent above the maximum anticipated operating pressure during the course of drilling, maintenance, remediation, stimulation, and production.

(c) All wells shall be equipped so that no oil, gas, or condensate is allowed to escape.

(d) All valves shall be installed and accessible so that pressure readings can be observed on both casing and tubing at any time by the Department. Valves shall be designed to accommodate a one-half (0.5) inch National Pipe Thread (NPT) pressure connection.

(e) All intermediate and production casing annuli shall be equipped with a functioning pressure relief valve that is set at 50 percent of the maximum surface pressure recorded during the formation integrity test at the base of the previous casing string.

(f) The permittee shall notify the Department immediately, if the pressure relief valve is activated or if the annular pressure measured at the surface exceeds 0.303 multiplied by the length of the casing string, to determine appropriate action to remedy annular over pressurization.

(g) A check valve shall be installed to prevent the unintentional or uncontrolled return of fluids or gasses into the well.

History Note: *Authority*
Eff.

15A NCAC 05H .XX12 WELL MAINTENANCE AND SITE SECURITY

(a) The permittee shall install and use a functioning blowout preventer (BOP) during maintenance, remediation, and stimulation operations in accordance with Section XX13 (Well Control and Blowout Prevention).

(b) The permittee shall perform well servicing, excluding workovers, and equipment maintenance operations between the hours of 6:00 a.m. and 9:00 p.m. The permittee shall perform emergency repairs at any time and shall notify the Department immediately of such repairs.

(c) The permittee shall post a temporary identification sign at all ingress/egress points leading from a public road to the well pad during drilling, maintenance, remediation, and stimulation operations.

(d) The permittee shall install cautionary plastic or other fencing no less than three feet in height around the outer boundary of the well pad to restrict unauthorized access to the well pad during drilling and completion operations.

The Department, upon written request with justification by the permittee, may grant a variance to the requirement for temporary fencing.

(e) The permittee shall not store equipment that is not used in the production of the well at the well site.

(f) The permittee shall maintain equipment, vegetation, and refuse in order to ensure protection of the environment, public health, and safety in accordance with API Recommended Practice 51R "Environmental Protection for Onshore Oil and Gas Production Operations and Leases," which is incorporated by reference, including subsequent amendments and editions. This document, published by API, may be viewed online at no charge at http://publications.api.org/default.aspx or may be purchased at a cost of fifty two dollars ($52.00) at http://www.techstreet.com/api/products/1633286 or by mail at Techstreet, 3916 Ranchero Drive, Ann Arbor, MI 48108.

(g) The permittee shall install a permanent fence around the wellhead, tank battery, separator, and all associated production equipment prior to placing a well into production. All fencing shall comply with the following criteria:

(1) Placed no closer than 50 feet to the wellhead or any portion of the tank battery;

(2) Composed of chain link that is no less than six feet in height, and shall be topped with three strands of barbed wire;

(3) Securely anchored in the ground;

(4) Gates shall be no less than four feet in width and be lockable. Where there are two or more tanks in a tank battery, the operator shall provide two gates on opposite sides of the facility; and

(5) The Department, upon written request with justification by the permittee, may grant a variance to the fencing requirements. However, the Department may require the permittee to install a fence according to the above requirements in cases where a variance has been granted if site conditions in the future warrant the installation of a fence to protect the wellhead, tank battery, and other surface equipment.

(h) All gates, electrical boxes and valves shall be locked unless in use, under repair, or the permittee or other representative of the permittee is on-site. Keys or combinations to the locks shall be provided to the Department and local emergency response staff upon request.

(i) All brine and oil pick-up lines shall be secured by bull plugs.

(j) The permittee shall legibly identify all wells in a conspicuous place on or near the wellhead or the tank battery until final abandonment. The identification sign shall be posted within 72 hours after the completion of well construction activities. If multiple wells are produced into one tank battery, each wellhead shall be identified. Any change of ownership shall be shown on the signs at the wellhead or tank battery no later than 60 days after the date of the assignment or approval of the transfer.

(k) Identification signs shall be constructed of weatherproof and rustproof material and maintained to remain legible at all times. Each sign shall include, at a minimum, the following information in 2 inch or larger letters:

(1) Permittee name, address, business telephone number, and emergency telephone number;

(2) County, city, or town where well is located;

(3) Property street address or nearest address to the ingress/egress point leading from a public road to the well pad, if nearest street address is used, "nearest address" should be designated on the sign;

(4) API number, lease name, well number, and field name; and

(5) Local emergency response phone number.

(l) The identification sign shall be posted at the following locations:

(1) Ingress/egress points leading from a public road to the well pad; and

(2) Outside of the wellhead and tank battery fence.

(m) The permittee shall attach "Danger, Keep Out" and "No Smoking or Open Flame" signs to each side of the fencing surrounding the wellhead and tank battery. If fencing has not been installed, the signs shall be securely attached to the wellhead and tank battery. A "No Smoking Beyond This Point" sign shall be posted at ingress/egress points leading from a public road to the well pad.

History Note: *Authority*
Eff.

15A NCAC 05H .0XX13 VISUAL IMPACT MITIGATION

(a) The permittee shall mitigate visual impacts pursuant to 15A NCAC 05B .0105 (3), which is incorporated to include subsequent amendments and editions. (b) The Department, upon written request with justification by the permittee, may grant a variance to the visual impact mitigation requirements.

History Note: *Authority*
Eff.